FRANCHISE DISCLOSURE DOCUMENT

FDD #: _____

Anago Franchising, Inc.
(A Florida corporation)
20 SW 27th Ave. Suite 300
Pompano Beach, FL 33069
800.213.5857
www.AnagoCleaning.com

The franchise is the right to act as master franchisee in a designated area offering subfranchises for the operation of service businesses under the mark "Anago®" that provide janitorial and other facilities-related services to commercial establishments.

The total investment necessary to begin operation of an Anago Master Franchise ranges from $219,000 to $339,000. This includes initial fees of $98,000 that must be paid to the franchisor or its affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement or make any payment to, the franchisor or 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 Adam Povlitz, 20 SW 27th Ave. Suite 300, Pompano Beach, FL 33069. Tel: 800.213.5857.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire 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 Statement is April 1, 2025.

HOW TO USE THIS FRANCHISE DISCLOSURE DOCUMENT

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with us by arbitration only in Florida. 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 Florida than in your own state.

2. **Mandatory Minimum Payments.** We have instituted certain sales volumes and market penetration, which establishes minimum royalty payments. If the sales volume and market penetration are not met, you are cautioned that your ability to pay debts and expenses are severely encumbered.

3. **Territorial Rights.** Your continuation of territorial rights is dependent upon achievement of that sales volume and market penetration. Failure to meet minimum levels could result in the loss or modification of all your rights to the territory or termination of the agreement.

4. **Price Ranges.** The franchisor may set the maximum and minimum price the franchisee may charge for services and products.

5. **Royalty Fees.** You will be subject to a royalty fee of 5% of your gross revenues, subject to a minimum monthly amount. You are required to deposit client receipts into a designated escrow account on a daily basis. We will make weekly distributions to you from the escrow account after we have deducted and paid ourselves royalty fees, administrative support fees, billing and collection fees and any other amounts you owe us under the subfranchise rights agreement. If the clients you service do not pay, you suffer the loss of nonpayment.

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

THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY

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

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

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

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

Any questions regarding this notice should be directed to:

Michigan Attorney General's Office
Consumer Protection Division
Attention: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48933
Telephone Number: 517-373-7117

Note: Despite subparagraph (f) above, we intend, and we and you agree to fully enforce the arbitration provisions of the Franchise Agreement. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing these arbitration provisions. You acknowledge that we will seek to enforce this section as written.

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APPLICABLE STATE LAW MIGHT REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT AND MIGHT REQUIRE A RIDER TO THE SUBFRANCHISE RIGHTS AGREEMENT.

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

The Franchisor

The name of the franchisor is Anago Franchising, Inc. ("AFI"). In order to simplify the language in this Franchise Disclosure Document, we will refer to the franchisor as "we," "us" or "our," and we will refer to the person who buys the franchise as "you" or "your." If you are a corporation, partnership, limited liability company, or other legal entity, references to "you" will also include your owners who must personally guarantee and assume your obligations.

We are a Florida corporation formed on February 15, 1995. We were formed for the purpose of offering and selling Anago franchises and for administering the Anago franchise system. We began offering franchises of the type described in this Disclosure Document in February 1995. We only conduct business under the names "Anago" and "Anago Franchising, Inc." and do not conduct business under any other name. Our principal business address is 20 SW 27th Ave. Suite 300, Pompano Beach, FL 33069. Tel: 800.213.5857.

Our Parent, Predecessors and Affiliates

Our parent company is Anago Cleaning Systems, Inc. ("ACS"), and it owns and grants us a license to use the Proprietary Marks (as defined in Item 13) and other Proprietary Property (as defined in Item 13) that we will sublicense to you and that you will, in turn, sublicense to your Unit Franchisees. ACS is a Florida corporation, formed December 5, 2000, and it shares our principal business address and phone number. 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.

AFI's predecessor is Anago International, Inc. ("AII"). AII was formed in 1989, and began offering franchises in 1991. AII operated businesses of the type We operate from 1989 to 1995 and ceased doing business as of December 31, 2023. AII has offered franchises for the type of business You will operate, but it has not offered franchises in other lines of business.

As of December 31, 2023, AFI has 2 Affiliates (the "AFI Affiliates"). The AFI Affiliates are as follows: (i) Estrellita, Inc., d/b/a Anago of South Florida, which operates a subfranchise business and directly sells unit franchises like the one you will operate located at 20 SW 27th Ave. Suite 100, Pompano Beach, FL 33069; and (iii) APLR, Inc. which shares AFI's principal address and acts as an Anago subfranchisor in geographical areas where there are no Anago subfranchisors or where the Anago Subfranchisor refuses or is unable to so act. None of the AFI Affiliates provides products or services to you, and none has offered franchises in any other line of business.

Description of the Franchise Offered

The franchise offered under this Disclosure Document is the right to act as our master franchisee and subfranchisor within a defined territory pursuant to an Anago Subfranchise Rights Agreement in substantially the form attached as Exhibit A. For ease of reference, the business you operate pursuant to an Anago Subfranchise Rights Agreement will be referred to as your "Anago Subfranchise Rights Business". As our master franchisee or subfranchisor, you will be authorized and obligated to sell to qualified persons within your defined territory ("Unit Franchisees") unit

franchises for the operation of a janitorial and other facilities-related services business (each a "Unit Franchise") and to provide services to your Unit Franchisees. You will be required to enter into a Unit Franchise Agreement in substantially the form attached as Exhibit I to the form of Anago Subfranchise Rights Agreement (see Exhibit A to this Disclosure Document) with each of your Unit Franchisees and to comply with your obligations as subfranchisor under those agreements, including entering into commercial janitorial and other facilities-related service contracts and assigning the performance of services under those contracts to your Unit Franchisees. Each Unit Franchise Agreement will authorize the Unit Franchisee to use the Anago trademarks, trade names, service marks, trade secrets, programs, materials and procedures in the operation of services businesses that are focused primarily on janitorial services but offering other facilities-related services that are, from time to time, approved to be part of the portfolio of services offered by Anago-branded businesses (the "System"). We do not offer under this Disclosure Document the right to acquire or operate a Unit Franchise nor are you obligated or permitted to do so under this Disclosure Document.

Market Competition

As a subfranchisor, you will be attempting to locate and solicit qualified individuals or companies to become your Unit Franchisees. You will be competing for those persons with other franchised systems who are also soliciting qualified franchise prospects. In addition, since you will be entering into commercial service contracts for janitorial and other facilities-related services and assigning the performance of services under those contracts to your Unit Franchisees, you will be competing for those contracts with other janitorial and other facilities-related service companies, national and local businesses, franchises, chains and independently operated businesses offering similar services. The markets for selling franchises and for securing commercial accounts for providing janitorial and other facilities-related services is generally developed and very competitive in the United States.

Regulations

There are no statutes or regulations known to us that are specific to the provision of janitorial and related services or the operation of the types of businesses offered under this Disclosure Document. You are required to comply with all local, state and federal laws, regulations and government orders in the operation of your Anago Subfranchise Rights Business. The offer and sale of franchises are regulated under federal laws, rules and regulations and certain state statutes and regulations, including the Federal Trade Commission's Disclosure Requirements and Prohibitions Concerning Franchising (Title 16 CFR, Part 436). These laws require, among other things, that you timely provide your prospective Unit Franchisees with a pre-sale disclosure document and, in some cases, may also govern certain aspects of your relationship with your Unit Franchisees. You must also register your franchise offering and maintain your registration with the appropriate state agency, if required by your state. You must retain a qualified attorney to assist and counsel you in your legal obligations under all applicable laws and regulations pertaining to the offer and sale of franchises. There may be other laws applicable to your business and we urge you to make additional inquiries about these laws.

Agents for Service of Process

Our agents for service of process are listed in Exhibit B to this Disclosure Document.

ITEM 2 - BUSINESS EXPERIENCE

Adam D. Povlitz, CFE; CEO & President

Mr. Povlitz joined AFI in September 2009 and has served as AFI and ACS's President since April 2015 and was appointed their CEO in May 2018. 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 President of Estrellita, Inc. d/b/a Anago of South Florida (January 2006 – present). He previously served as President of AFI's other Affiliates: EHLB, Inc. d/b/a Anago of Las Vegas (January 2023 – December 2024), CCTD, Inc. d/b/a Anago of Delaware (August 2017 – August 2021), and PBTR, Inc. d/b/a Anago of Denver (May 2018 – December 2020).

Peter J Sheldon, Sr.; Chief Strategy Officer

Mr. Sheldon joined AFI in June of 2022 and currently serves as the organization's Chief Strategy Officer. Prior to joining AFI, he held the role of President and Chief Executive Officer from December 2018 to May 2022 with Atalian Global Services North America, Inc. where he also held the role of Chief Operating and Revenue Officer from November 2017 to December 2018. From April 1994 to November 2017, Mr. Sheldon held various Executive leadership roles in the facility services sector with Capital Contractors Inc, Coverall North America Inc. and Jani-King International, Inc.

Jay Benge; Chief Operating Officer

Mr. Benge joined AFI in September of 2023 as Chief Operating Officer. Prior to joining Anago, he held leadership roles at Theory Wellness as their Executive Vice President from August 2022 to June 2023. At SunFlora, he was President of Franchise Systems from July 2020 to February 2021 when he was promoted to President and served in that role until July 2022. From July 2008 to July 2020, he held several leadership roles at Jackson Hewitt, most notably as their VP of Development and Divisional Vice President of Retail and Franchise Operations. Mr. Benge brings over 20 years of senior leadership and business development experience in both small and large companies, specializing in franchise, retail, and corporate operations. He also holds an MBA and Bachelor of Science in Business Management from California Coast University.

Shawn McIntosh; Senior Vice President – Operations & Education

Shawn McIntosh has served as Senior Vice President – Operations of AFI since November 2022. Mr. McIntosh held the title of COO at Atalian Global Services from 2019 to 2022. He previously served as the Regional Manager at Capital Contractors Inc. from 2016 to 2019.

Lisa Ritenour, CFE; Vice-President – Internal Operations

Mrs. Ritenour has served as AFI's Vice President – Internal Operations since January 2013. She was appointed its Director as of March 2023. 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 Vice President of Estrellita, Inc. d/b/a Anago of South Florida (January 2006 – present).

Ana Hernandez; Vice President – Marketing

Ms. Hernandez joined AFI in June of 2022 and currently serves as Vice President of Marketing. Prior to joining Anago she was Chief Marketing Office at Growth Hacker Marketing Agency from October 2020 to May 2022. From February to September of 2020, she was Chief Marketing Officer and Vice President of International Marketing at Focus Brands, LLC. In January 2018 she started as Vice President of Marketing for Zonin 1821 until February 2020. She has held leading roles including Chief Marketing Officer and Vice President of Marketing for multiple global brands such as The Coca-Cola Co., Wendy's International, Menchie's Frozen Yogurt and DINE. She has an extensive background working in franchising systems, harnessing collaboration, driving brand strategy and digital marketing performance.

Juan Catoni, CFE; 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.

Christopher Cunius; Vice President – Franchise Development

Mr. Cunius was appointed AFI's Vice President – Franchise Development in December 2019 and previously served as AFI's Senior Director Franchise Operations since December 2014.

Adam Yazejian; Director of Sales

Mr. Yazejian joined AFI in July of 2020 and currently serves as Director of Sales. Prior to joining Anago he was President of his own sales consulting firm, A&K Yazejian Inc. for the previous 12 years. Before that he was an executive in the hospitality industry with the title of Vice President for multiple companies.

Gioconda Morales, CFE; Corporate Support Manager

Ms. Morales was appointed Corporate Support Manager in June 2020 after joining AFI as a Franchise Developer in August 2014.

ITEM 3 - LITIGATION

Pending Actions

None

Prior Actions

No litigation is required to be disclosed in this item.

ITEM 4 - BANKRUPTCY

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

ITEM 5 - INITIAL FEES

Initial Fees / Subfranchise Fee Deposit

In order to apply to become our master franchisee or subfranchisor, you must submit to us a completed application and pay the Initial Fee. The Initial Fee to obtain Anago Subfranchise Rights is $98,000 for the counties and/or cities that will comprise your territory. The Initial Fee is payable to us in full upon signing the Subfranchise Rights Agreement and is fully earned and non-refundable. However, if we do not offer you the right to enter into an Anago Subfranchise Rights Agreement or we offer you the right but you fail to enter into the agreement, in either case, within 30 days following your execution of a deposit agreement (the "Deposit Agreement") in the form attached as Exhibit C to this Disclosure Document, we will refund the amount you paid when you signed the Deposit Agreement, less any amounts as described in the Deposit Agreement. You are responsible to pay any sales, use or other taxes (other than our income tax) relating to the purchase of an Anago Subfranchise Rights Business.

Referral Fee

If you were referred to us by an existing subfranchisor and you purchase a territory, we will pay the referring subfranchisor $20,000, subject to certain terms and conditions. This does not apply if you purchase an existing territory from a referring subfranchisor.

VetFran

We are a member of the International Franchise Association ("IFA") and participate in the IFA's VetFran Program, in which we provide a 15% discount on the initial franchise fee and charge no royalty for the first 6 months of operation for veterans of the U.S. Armed Forces who meet the requirements of the VetFran Program. A qualified U.S. veteran must have at least 51% interest in the franchised business to qualify.

ITEM 6 - OTHER FEES

Type of Fee[1]	Amount	Due Date[2]	Remarks
Royalty Fee	5% of your Gross Revenues, subject to a minimum monthly amount as follows: a) through the 12th month of	Monthly on the 20th day of each month.[3]	"Gross Revenues" means all amounts, in whatever form and however characterized, that are received for or attributed to services provided to Clients, regardless of (1) how or by whom the Client was procured, (2) the type or nature of the service or the frequency with which it is provided, and (3) whether the service is provided by You directly or by Your

Type of Fee[1]	Amount	Due Date[2]	Remarks
	operation, no minimum b) from the 13th-24th months of operation, the minimum Royalty Fee is $1,500 per month c) beginning the 24th month of operation until the termination of this agreement, the monthly minimum Royalty Fee shall increase each 12 months by $1,500 over the prior minimum amount. Any Successor Agreement shall contain a provision for the minimum monthly royalty paid to be no less than the average monthly royalty paid during the last year of this agreement.		Unit Franchises, employees or other contractors, 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.
Training Fees	$500 per day, if charged. There are no other fees charged for training.	As incurred.	Charged in the following circumstances: If you receive unsatisfactory audit/inspection reports from us and fail to promptly remedy the deficiencies, we may require you and designated employees to attend refresher training at our location as soon as reasonably possible. If you fail the Anago Training Program, you must

Type of Fee[1]	Amount	Due Date[2]	Remarks
			attend retraining classes in the areas the training officer feels are necessary for you to successfully complete the Anago Training Program for Subfranchisors.
Administrative Support Fee	2% of the Gross Revenues collected by the Subfranchisor.	Monthly on the 20th day of each month	This fee is for continued assistance we may provide to you, including advisory assistance in the promotion of Unit Franchises, sale of clients, and referral of leads, additionally, it includes a support phone line and email ticketing system for general use and troubleshooting within NBDS.
Billing and Collection Fees	An invoice servicing fee of the greater of $1,000 or 1% of your Gross Revenues and $25 for each unit franchise statement (Waived for first 12 months. See Remarks.).	Monthly on the 20th day of each month	Under the Unit Franchise Agreement, your Unit Franchise will appoint you as its billing and collections agent. For 12 months after you begin operating and indefinitely after an event of default, you will delegate that responsibility to us. We provide this service at no charge during the initial 12-month period (except for the cost of postage). If we provide the service after an event of default or, at your request, beyond the initial 12-month period, this fee will be assessed by us.
Deficiencies	Reimbursement of our costs in performing your obligations.	Immediately upon receipt of invoice	If you do not satisfy your obligations under the Subfranchise Rights Agreement, we may perform your obligations for you but have no obligation to do so.
Anago NBDS Support and access fees[4]	Currently, $200 per month	Immediately upon receipt of invoice. (Billed monthly)	Paid directly to us.
Website Maintenance Fee	Currently $1,500 per month	Monthly on the 20th day of each month	This fee is payable only if we assume the responsibility for maintaining the webpage for your Anago Subfranchise Rights Business.
Technology Fee	Not currently assessed, but if initiated, up to 1.5% of Subfranchisor's	Monthly on the 20th day of each month	Consideration for computer system hardware and/or the development, license, and/or use of proprietary or third-party software, whether for Franchisor's or Subfranchisor's use in

Type of Fee[1]	Amount	Due Date[2]	Remarks
	monthly Gross Revenues.		connection with services provided by Franchisor to Subfranchisor.
Transfer Fee	$10,000 transfer fee in lieu of an Initial Fee. If the transferee is a spouse or child of the transferor, no Transfer Fee will be charged.	At the time of transfer	Upon a transfer, you or your personal representative or other legal representative must pay a Transfer Fee in lieu of an Initial Fee
Replacement of Manuals	No charge for initial set of manuals. The replacement fee is $500 payable to us.		An initial complete set of Manuals will be provided to you at no cost. If you lose your copy of the Manuals, you must obtain a replacement.
Indemnification	Varies	Immediately upon receipt of invoice	You must reimburse us and our affiliates if any of us is held liable for claims resulting (a) Subfranchisor's operation of the Subfranchise Business, (b) the nonperformance of, or other acts or omissions relating to, the Unit Franchise Agreements of Subfranchisor, (c) Subfranchisor's negligence or willful misconduct, (d) Subfranchisor's violation of any law or regulation, (e) Subfranchisor's breach of any covenant, representation or warranty in this Agreement, (f) any claim that we or our affiliates are the employer or joint employer of you, your Subfranchisees or your Subfranchisees' employees, or (g) because of any act or omission of Subfranchisor or any person associated with, employed by, or affiliated with Subfranchisor, including any action that may be made or asserted by a Unit Franchisee, a prospective Unit Franchisee or any third party
Enforcement Costs	Varies	Immediately upon receipt of invoice	If any legal action or other proceeding is begun for the enforcement of your Subfranchise Rights Agreement, or

Type of Fee[1]	Amount	Due Date[2]	Remarks
			because of an alleged dispute, breach, default or misrepresentation under any provision of your Subfranchise Rights Agreement, the prevailing party in such action or proceeding 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, short of filing a legal proceeding or action, we engage take measures to enforce your compliance with the obligation to pay when due any monies owed under your Subfranchise Rights Agreement or submit when due any reports, information or supporting records, or for any failure otherwise to comply with your Subfranchise Rights Agreement, you must reimburse us for all of the costs and expenses (including reasonable attorneys' fees) we incur in doing so.
Miscellaneous Merchandise	Varies, depending on which and how many items you purchase from us.	Immediately upon receipt of invoice	We make available miscellaneous and sundry items embossed with the Proprietary Marks which you may, but are not required to purchase. These items can be purchased through us for the then current price. Items include polo and T-shirts, aprons, caps and other miscellaneous and sundry items. You are not allowed to purchase, design or develop any item bearing the Proprietary Marks, including the Anago logo, without our written consent.
Sale of Unit Franchise Fee	$400 per Unit Franchise that you sell	Upon sale of Unit Franchise	

Type of Fee[1]	Amount	Due Date[2]	Remarks
Client Bid Schedule Deficiency Fee[5]	$150 for each client bid below the required minimum that you failed to conduct.	In January of each year based on the prior 12-month averages or, at our option, in January and July, based on the prior 6-month averages	Due only if you fail to schedule and conduct the minimum number of marketing appointments with prospective cleaning clients that result in a bid for service (each a "Client Bid") .
Banking Fees	Credit card charges of 4.75% per transaction unless our cost to provide you this service is greater, in which case you will be required to pay the higher cost.	Monthly	If you choose to utilize our credit card processing services, you will pay us the per transaction fee. This fee may exceed the amount actually charged to us by the banking institution, which may vary as determined solely by such banking institution.
Client Marketing Spend	Varies	Immediately upon receipt of the invoice	If you fail to spend at least $50,000 per calendar year on marketing Anago services to existing and potential clients in the Area (as defined in Item 12) (the "Client Marketing Spend") or fail to provide us satisfactory proof of such expenditure, you must pay us the difference between the required Client Marketing Spend and the portion of the Client Marketing Spend that you actually spent during the applicable calendar year. The Client Marketing Spend requirement will be prorated for each partial calendar year of the term of the Subfranchise Rights Agreement.
Advertising Fee	Up to 2.2% of your Gross Revenues during the preceding month to the Fund.	When invoiced.	We do not currently charge this fee. Advertising Fees, when imposed, shall be paid upon receipt of invoice.

Type of Fee[1]	Amount	Due Date[2]	Remarks
Supplier Testing Fee	Reimbursement of our reasonable costs of the inspection and the actual cost of the testing.	Immediately upon receipt of invoice.	If you propose to purchase or lease any equipment, supplies, advertising materials, or other products or services from an unapproved supplier, you must first 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 be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, at our option, either to us or
Audit	Varies	Immediately upon receipt of invoice.	If an audit by us discloses an understatement of Gross Revenues in excess of 2% for any period or periods, you will be required to reimburse us for all costs of the audit in addition to paying past due Royalties, Advertising Fees (when imposed) plus any late
Insurance	Actual cost to maintain your insurance policy (Insurance Premium)	Monthly on the 20th day of each month.	You are required to be covered under the Anago National Insurance program during the entire Term. This will be paid to us or our designee. You will pay the actual cost to maintain your insurance policy (Insurance Premium). Premiums for any such insurance plans are determined by the insurance carrier, and may vary by state, may change from year to year, and are based on your experience modifier and other factors as determined by the insurance carrier. The plans may be subject to change, modification, and/or cancellation. You are responsible for payment of all deductibles, should a claim arise.
Non-compliance fees	$100 per day, per report, late fee for failing to submit reports on time.	Immediately upon notice of violation	If you fail to submit required monthly reports on time. Or fail to deposit client receipts properly into the required bank accounts.

Notes:

1. Unless otherwise provided, all fees described in this Item 6 are imposed by and payable to us. All fees are non-refundable unless otherwise stated. Certain of the fees and costs in this Item may vary from state to state and are not uniform in all cases for persons currently offered Subfranchise Rights.

2. If no time is specified, these amounts are due upon receipt of an invoice from us.

3. We will collect Royalty fees once a month on or around the 25th of each month. However, you must deposit client receipts into the designated escrow account (as described in detail in Item 11) on a daily basis. We will then make weekly distributions from the escrow account to you, less the estimated amount of Royalty fees, Administrative Support fees, Billing and Collection fees and any other amounts you owe us under the Subfranchise Rights Agreement which have accrued to us but have not yet been paid.

4. Anago NBDS Support is provided under the NBDS License Agreement attached to this Franchise Disclosure Document as Exhibit D. You must purchase software maintenance and support services from a supplier approved by us. As of the date of this Franchise Disclosure Document, the charge is $200 per month, (invoiced in advance, monthly) for program maintenance and access support services; however, this fee is subject to change. This and all software payments are not refundable.

5. The minimum Client Bid schedule depends on the population of your Area and will be set forth in our Manuals from time to time. Our current requirements are as follows: (a) if the population of your Area is 1,000,000 or fewer people, you must schedule and provide at least 15 client bids per month (based on the monthly average during measurement period) during the 1st year of your operation, 20 client bids during the 2nd year of your operation, and 25 client bids during each subsequent year of your operation; (b) if the population of your Area is 1,000,001 to 3,000,000 people, you must schedule and provide at least 20 client bids during the 1st year of your operations, 30 client bids during the 2nd year of your operations, and 40 client bids during each subsequent year; and (c) if the population of your Area is at least 3,000,001, you must schedule and conduct at least 30 client bids during the 1st year of your operations, 45 client bids during the 2nd year of your operations, and 60 client bids during each subsequent year. These requirements are subject to changes at our discretion.

ITEM 7 – YOUR ESTIMATED INITIAL INVESTMENT

Type of Expense[1]	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Fee / Subfranchise Fee[2]	$98,000	Lump Sum	Upon signing the Subfranchise Rights Agreement	Us
Legal and Accounting[3]	$5,000 to $15,000	As arranged	As incurred	Attorneys and Accountants

Type of Expense[1]	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Marketing and Advertising[4]	$50,000 to $100,000	As incurred	As incurred	Suppliers
Travel Expenses for training[5]	$2,000 to $3,000	As arranged	As incurred	Third Parties
Lease/Utility Deposits and Rent[6]	$10,000 to $20,000	Lump Sum	As incurred	Third Parties
Equipment, Fixtures, and Computer Systems[7]	$15,000 to $25,000	As arranged	As arranged	Us and Suppliers
Office Supplies[8]	$1,000 to $2,000	Lump Sum or installments/Lease	As incurred	Third Parties
Vehicle Operating Expenses[9]	$3,000 to $6,000	As incurred	As incurred	Third Parties
Insurance[10]	$5,000 to $10,000	Lump Sum	As arranged	Us
Miscellaneous Start-up Costs[11]	$10,000 to $20,000	As incurred	Before beginning business	Third Parties
Additional Funds[12]	$20,000 to $40,000	As incurred	As incurred	Third Parties
TOTAL[13]	**$219,000 to $339,000**			

Notes:

1. Unless otherwise indicated, payments are not refundable. Neither we nor any of our agents or affiliates offers direct or indirect financing.

2. See Item 5 for a description of Initial Fee / Subfranchise Fee.

3. We require that all Subfranchisors be a business entity utilizing a name containing a combination of numbers or letters totaling four characters. Once you are incorporated, a registration of a fictitious name, *e.g.,* JKCA, Inc. d/b/a Anago of *(your city name)* will be required. Under no circumstances do we allow you to use any of the Proprietary Marks, including Anago, as part of your business entity name. 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, and are not refundable and usually incurred before beginning business. You will be responsible for the development of your Franchise Disclosure Document (FDD) and, if required, state registration. We will assist you by giving you a current template. As part

of your FDD development, you are required to provide audited financials on an annual basis, the cost of which is included in this estimate.

4. This estimate is for an initial supply of marketing brochures, business cards, and other materials for marketing to prospective franchises and client accounts, as well as advertising for prospective franchises. It includes estimates for expenses related to your website, pay-per-click advertising, telemarketing, social media advertising, and salary of sales personnel during your first 6 months of operation.

5. Some costs of training that you may bear are transportation, lodging, compensation 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, number of attendees, the accommodations selected, the restaurants patronized, the distance between the hotel and the training center and the transportation selected.

6. We recommend that you lease office space in a commercial building centrally located within the Area. It should consist of approximately 1,000 to 1,500 square feet. Rental costs can vary dramatically in different markets and could be lower if an executive suite is utilized. If you choose to purchase real estate or construct the building containing your office your cost will be significantly higher. The lease deposit estimate assumes one month's rent will be required upon signing lease. Rent estimate assumes first 6 months of rent. Utility deposits are for office space utilities, internet, and telephone service.

7. Fixtures and office equipment consist of, but are not be limited to, a copy machine/fax, telephone system, office furniture, fixtures, and signage. Payment for leased items will be paid directly or indirectly to the lessor. You will need office furniture and fixtures to facilitate the initial number of working personnel. The computers and printers supplied by local vendors must be installed and operating at least 30 days before your actual date of opening. This allows ample time for training relative to their use as a tool in generating leads as well as operational control and the ability to generate statements for your Unit Franchisees. The NBDS software license is included in this estimate (See Exhibit D).

8. We will only allow office supplies that support the image and positioning of the System in the marketplace. You agree to the importance of image and positioning to the Anago System and agree to use only the supplies we specify or otherwise approve. The term "supplies" refers to brochures, flyers, forms, proposal folders, 3-ring binders, presentation materials, whether electronic or otherwise, and other miscellaneous items.

9. Each salesperson, brand manager, as well as the Subfranchisor, will be required to furnish transportation in order to facilitate the bidding and estimating along with the coordination of the matching of the Unit Franchisee with the account, once the sale has been consummated. You, as the Subfranchisor should, as a practical matter, require your sales and operating personnel to furnish their own transportation. Amount reflects our estimates for gas, oil and insurance per automobile you supply. This is a rough estimate because of the size of the franchise territory, location of the office relative to the territory and the driving habits of the individual can vary considerably.

10. The estimate in the table is a 6-month premium for general liability, umbrella liability, crime, casualty, and workers' compensation (depending on state requirements) coverage you must purchase for your business. Insurance premiums vary by state and various other factors in your area. You are required to be covered under the Anago National Insurance program for the entire Term (See Item 8).

11. In every business start-up, there are numerous unanticipated costs, for example, licenses and permits, professional fees for accountants or additional fees for attorneys, or utility deposits. Amount reflects our estimate for the initial 6 months of start-up.

12. You should have adequate working capital before beginning operation of your Anago Subfranchise Rights Business. The estimate in the table for additional funds is a 6-month period and should be sufficient to keep the business in operation after commencing operation of your Anago Subfranchise Rights Business, and capable of covering the excess of expenses over cash flow covering employee wages and taxes, insurance premiums, rent, and other normal expenses that are associated with your day-to-day business operation. 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. These figures do not include any revenue that your Anago Subfranchise Rights Business may generate 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 any operating costs during and after the initial phase.

13. Your actual investment will depend on local conditions in your geographic area, the real property and equipment purchased (new or used), number and quantity of personnel employed, the location and size of the Area, the charges for legal and accounting services incurred by you including preparation of your Franchise Disclosure Document as well as applications and registrations for the offer and sale of franchises. If you own an existing business, you will probably already have the necessary office furniture, office equipment supplies, insurance, business office and employees. You will not need to purchase these items again nor incur additional costs and therefore your total investment may be significantly less than the amounts estimated. Furthermore, the figures listed in the chart are only estimates based on our and our principals' experience in the commercial cleaning business and we cannot guarantee that you will not have additional expenses starting the business. Additional factors affecting your costs will be how well you follow our methods and procedures, your management skill, experience and business acumen, your local economic conditions, the local market for our services, the current wage rate, competition and the sales level reached during your first year of operation. Further, the Subfranchisor is not required to operate a Unit Franchise nor is it permitted to do so without executing a separate Unit Franchise Agreement; accordingly, these total costs relate only to the estimated initial investment to begin operating a Master Franchise, not a Unit Franchise. We urge you to retain the services of an experienced accountant or financial advisor in order to develop a business plan and financial projections for your Anago Subfranchise Rights Business.

ITEM 8 - RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

We require you to purchase or lease the computer equipment in accordance with our specifications, from us or our designee, which specifications are subject to change throughout the term of your Subfranchise Rights Agreement. We currently require you to use certain hardware and software systems designated by us, pursuant to that certain NBDS License Agreement (in the form attached as Exhibit D to the Disclosure Document) which you and we will enter into.

We 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 discontinuing the offer and sale of products and services we no longer approve.

Specifications; Required and Approved Suppliers

To help retain the uniform and high standards necessary to maintain and enhance the goodwill of the System and acceptance in your market, we provide specifications and/or required suppliers for the purchase or lease of certain items, which each Subfranchisor currently is required to retain to provide support services in connection with certain software. We are the only approved supplier for the NBDS System. Specifications may include standards for enhancing the System's image and minimum standards for safety, appearance and other factors. We also currently require that you use our designated internet vendors in connection with the creation and maintenance of your website, and email/webhosting. We will communicate specifications for required or permitted products and services in the Manuals or otherwise in writing.

For any products or services for which we do not then have an approved or designated vendor, you may use any vendor that meets our specifications, as set forth in the Manuals. However, we reserve the right to require you and your Unit Franchisees to purchase or lease computers and all other products or services used or required to be used in your respective businesses only from manufacturers, contractors, distributors, and other suppliers (collectively, "vendors") that we approve or designate and about whom we notify you in the Manuals or otherwise in writing. We may also determine the terms under which vendors provide products or services to your Anago Subfranchise Rights Business and to Anago Unit Franchisees, and the distribution methods for any goods or services provided to or used by vendors of products or services. For any product or service for which we have approved or designated a vendor, you must purchase and require your Unit Franchisees to purchase all such goods and services only from the approved or designated vendor for that product or service, under terms, in the manner, and from the source we designate. In our discretion, there may be only one approved or designated vendor for any particular product or service, and we and our affiliates may be a, or the only, vendor and derive revenue from your and your Units Franchisee's purchases. We and our affiliates may use any such revenue as we or they determine, without restriction. We and our affiliates are not currently approved vendors for any particular product or service, but we do act as the intermediary between you and the designated insurance carrier with respect to the purchase of the required insurance.

In approving suppliers for the System, we typically, but are not required to, require that the

supplier be nationally or regionally recognized, and we may take into any factors that we believe to be relevant, including, for example, the price and quality of the products or services, the vendor's frequency of delivery, the vendor's standards of service and reputation in the community, and the reliability of the supplier. We may concentrate purchases with 1 or more suppliers to obtain, but we do not necessarily guarantee, the lowest prices and/or the best advertising support and/or services for any group of Anago Subfranchisors, Anago Unit Franchisees or company/affiliate-owned units within the System. Approval of a supplier may be temporary, pending our additional evaluation of the supplier. If we later disapprove a supplier, we will timely notify you in writing of the disapproval. You must cease purchasing from that supplier within a reasonable time (but in any event, within 30 days) after your receipt of our notice of disapproval.

We may, at our option, arrange with certain vendors to collect or have our affiliates collect costs and expenses associated with products and services they provide to you and, in turn, pay the vendor, on your behalf, for such products or services. If we choose to do so, you must allow us or our designated affiliates to auto debit your escrow account for such amounts in the same manner and using the same authorization that you grant us with respect to payment of Royalty and other fees. We currently act as collection agent for the website creation and maintenance vendor and the designated insurance companies.

Currently, none of our officers owns an interest in any supplier to the Anago System.

Insurance

You are required to be covered under the Anago National Insurance program for the entire Term. The insurance fee will be paid to us or our designee, which we will pay to the insurance company. Premiums for any such insurance plans may vary in different states and may change from year to year. The plans may be subject to change, modification, and/or cancellation. Future changes in premiums, types of coverage and other changes will be set forth in writing.

Currently, our policy or policies are written by a licensed insurance company and include commercial general casualty insurance and general liability insurance, including products liability, property damage, owned and non-owned motor vehicle coverage, and personal injury coverage with a combined single limit of $1,000,000, with an umbrella policy of $2,000,000, an "Errors and Omissions" policy with $1,000,000 coverage, as well as workers' compensation insurance. You must separately obtain and maintain any other insurance that may be required by applicable law, your landlord, lender or otherwise.

If the Unit Franchisees in your Area do not elect to purchase insurance coverage through you, you must require them to maintain insurance in the amounts and limits as we require, at their sole cost and expense. The policies must be written by an insurance company, reasonably satisfactory to us, with a Best rating of "A" or better.

Approval of New/Alternative Suppliers

If you propose to purchase or lease any equipment, supplies, advertising materials, or other products or services from an unapproved supplier, you must first 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 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 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 the actual cost of the testing. 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, our subfranchisors and Unit Franchisees from all claims from the use of the item within the System. 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 will notify you in writing within 30 days of the approval or disapproval of the supplier. Our criteria for supplier approval are not available to you or proposed suppliers, as we and our predecessors and affiliates have developed these criteria through the expenditure of extensive work and time and the criteria are considered confidential information.

Revenue from Approved Supplies and Suppliers

We may derive income, consideration 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 System franchisee and Subfranchisor purchases. Currently, we receive a 5% to 20% rebate from franchisee purchase of branded items such as apparel and stationery. During AFI's fiscal year ended December 31, 2023 it derived $280,409.29 or 2.98% of its total revenue of $9,418,968 from required Franchisee purchases. No revenue was earned from a third-party supplier. None of our Affiliates derived revenue from these purchases.

Except as disclosed in this Item, neither we, nor any of our affiliates are the only approved supplier of products or services to Unit Franchisees or Subfranchisors. As of the issuance date of this Disclosure Document, neither we, nor any of our officers or principal stockholders owns any interest in any approved supplier of products or services to Anago franchisees. Our affiliates receive no benefits from us as approved suppliers.

We estimate that the required purchases or leases described in the above paragraphs are approximately 3% - 5% of the cost to establish your Anago Subfranchise Rights Business and approximately 0.5% - 1% of your total annual operating expenses.

Cooperatives

There are currently no purchasing or distribution cooperatives that you must or may participate in; however, we may negotiate with some suppliers for you, at your request. 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 Subfranchise Rights Business is located, you must participate in the program.

Negotiated Prices

From time to time, we may negotiate purchase arrangements (including pricing and payment terms) with our approved or designated suppliers.

Material Benefits

We do not provide any material benefits to you if you buy from sources we approve.

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*	Disclosure Document Item
a. Site selection and acquisition / lease	Section 1.4	Item 11.
b. Pre-opening purchases / leases	Section 2.3	Items 5, 7, 8, and 11.
c. Site development and other pre-opening requirements	Section 2.3	Not applicable.
d. Initial and ongoing training	Section 2.1	Items 6, 7, and 11.
e. Opening	Not applicable.	Not applicable.
f. Fees	ARTICLE 4	Items 5, 6 and 7.
g. Compliance with standards and policies / Operating Manual	ARTICLES 3, 5 and 6 and Sections 9.1, 9.2, and 9.3	Items 8, 11 and 14.
h. Trademarks and proprietary information	ARTICLES 5, 6 and 10	Items 13 and 14.
i. Restrictions on products / services offered	ARTICLE 3	Items 8 and 16.
j. Warranty and customer service requirements	Sections 3.4 and 3.5	Not applicable
k. Territorial development and sales quotas	Not applicable	Item 12.
l. Ongoing product / service purchases	Not applicable.	Items 6 and 8.
m. Maintenance, appearance and remodeling requirements	Not applicable.	Items 7 and 8.
n. Insurance	Section 3.6	Items 6, 7 and 8.
o. Advertising	Sections 2.5(b), 3.2, and 4.2(d)	Items 6, 7, 8 and 11.
p. Indemnification	Subsection 11.2	Item 6.

Obligation	Section In Agreement*	Disclosure Document Item
q. Owner's participation / management / staffing	Sections 3.1, 3.2 3.3 and 10.1	Items 6 and 15.
r. Records and reports	Subsections 3.3	Items 6 and 11
s. Inspection and audits	Subsection 3.3(c)	Items 6, 8 and 11.
t. Transfer	ARTICLE 7	Items 6 and 17.
u. Renewal	Section 14.2	Item 17.
v. Post-termination obligations	ARTICLE 9	Item 17.
w. Non-competition covenants	ARTICLE 10	Item 17.
x. Dispute resolution	ARTICLE 13	Items 6 and 17.
y. Other (Personal Guaranty)	EXHIBIT III	Item 15

*All references are to the Anago Subfranchise Agreement attached as Exhibit A.

ITEM 10 - FINANCING

Neither we nor any of our agents or affiliates offers direct or indirect financing. We do not guarantee your note, lease or obligation.

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

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

PRE-OPENING SUPPORT:

After the Subfranchise Rights Agreement is signed and before you begin to operate your Anago Subfranchise Rights Business, if you are not in default under your Subfranchise Rights Agreement, we provide the following:

Initial Training (Section 2.1 of Subfranchise Rights Agreement) – We will provide initial training for one person for up to two weeks, which training will take place not only at one of our offices but also at such other locations as we mutually agree upon. See below under the heading "Training Program" for additional information.

Loan of the Anago Manuals (Section 2.2 of the Subfranchise Rights Agreement) - We will loan to you a copy of the Anago Manuals, including the Unit Franchise Operating Manual, that you are required to use and provide to your Unit Franchisees. These manuals cannot be changed, altered or edited in whole or in part by you or your Unit Franchisees.

Pre-Opening Assistance and Support (Section 2.3 of the Subfranchise Rights Agreement):

(a) **Original Materials**. We will provide you with assistance in (a) the preparation of advertising brochures, (b) compiling a list of local suppliers, (c) compiling a list of prospective clients, and (d) the set up for local newspaper advertising for the Unit Franchisees.

(b) **Computer System/Software**. Specifications for the computer system will be provided, along with the custom NBDS formats.

(c) **Informal Advice**. We may provide you, although not obligated to do so, informal advice and instruction in the day-to-day operations of your Anago Subfranchise Rights Business.

Franchise Disclosure Document (Section 2.6 of the Subfranchise Rights Agreement) - We will supply to you a current franchise disclosure document (Subfranchisor - Single Unit) to be modified by you and your franchise attorney including the information required to be included regarding Subfranchisors by applicable federal and state regulations, including the FTC Franchise Rule. We will update our franchise disclosure document in accordance with current FTC requirements as to information concerning us. The franchise disclosure document is only provided as a guideline, and you are solely responsible to make alterations and/or changes as necessary to comply with state or federal requirements as we make no guarantees that the franchise disclosure document or unit franchise agreement samples provided conform to current laws. Any changes to comply with current laws that you or your attorney may make must be forwarded to us. Any other changes must be approved by us.

We need not provide you with any other assistance or service before you begin operation of your Anago Subfranchise Rights Business.

Ongoing Support (Section 2.5 of the Subfranchise Rights Agreement):

During your operation of the Anago Subfranchise Business, we will provide you with the following assistance:

Telephone Hotline - We will, at our discretion and subject to availability of personnel, maintain a telephone "hotline" for informational assistance for you and the Unit Franchisees.

Advertising and Public Relations - We reserve the right to develop and administer national and/or regional advertising funds and campaigns to generally promote the System using Advertising Contributions paid by you including Anago retail promotional/advertisement packages as described in Subsection 3.1(d) of the Unit Franchise Agreement.

Periodic Assistance - We may provide to you continuing advisory assistance in the operation and promotion of the Unit Franchises as we deem advisable, including communication of new developments, improvements in equipment and supplies, and new techniques in advertising, service and management that are relevant to the operation of the Franchised Business.

Referral of Leads - We will refer all leads to you that may come to us for possible Unit Franchises in the Area.

Billing and Collection System (Section 2.4 of the Subfranchise Rights Agreement):

(i) **Invoicing**. We will, as your and your Unit Franchisees' agent, invoice all customers serviced by you and your Unit Franchisees utilizing the NBDS System. We will send monthly invoices to every client account serviced by your Unit Franchisees for the first 12 months and, at our discretion, indefinitely, upon an Event of Default.

(ii) **Deposit of Client Receipts**. Unless we direct otherwise, you will collect and deposit all your client payments into an escrow account in our name, at an acceptable banking facility designated or approved in writing by us (the "Anago Escrow Account"), until the time for distribution to you and later distribution to your Unit Franchisees. You will also set up a separate operating account in your corporate name d/b/a Anago of XXXX. You will require your clients to make all checks payable to the Anago Escrow Account for any services performed by the Unit Franchisees in your Area.

(iii) **Distribution of Client Receipts**. After we receive a client payment, we will distribute the payment as follows: (i) you will receive payments deposited into the Anago Escrow Account less any applicable fees owed us or our affiliates under the Subfranchise Rights Agreement, which will be paid to Subfranchisor's operating account by Franchisor once per week (based on a week from Sunday through Saturday), on Wednesday, for the prior week's cleared deposits less any Royalties, Administrative Support fees, Insurance fees, service fees (including bank charges), lease payments, late payments, late fees, interest payments, and/or any amounts due to us by you; and (ii) we will retain our portion of the funds deposited into the Anago Escrow Account as stated above. You will be responsible for the payment of sales tax, as applicable. Payments will be made from your operating account. You will pay your Unit Franchisees directly by mail on the 20th day of each month following the month in which services were rendered, or as otherwise prescribed in its Unit Franchise Agreement, as we authorize, and will provide your Unit Franchisees with a statement detailing the previous month's accounting activity. You will send to us daily, by facsimile or electronic mail, items for all invoicing activity to each Client serviced and all supplies and equipment sold by your Unit Franchisees for that day (for at least the first 6 months). You will provide to us, by the 25th day of each month, a copy of all statements issued to its Unit Franchisees during the month in the form and manner we designate. We, at our option, will require you to accomplish this via hard copies sent by mail, courier, or by electronic data transmission via a modem or Internet access installed within your computer.

(iv) **Billing and Collection Procedures Upon Your Default**.

(i) During any period that you are in default of the Subfranchise Rights Agreement but the Subfranchise Rights Agreement is not terminated, and for 90 days, or more, thereafter (the "Default Period"), we may deposit and hold in the Anago Escrow Account certain client receipts (the "Escrow Receipts"), less any funds owed to us or our affiliates for Royalties, Administrative Support fees, Insurance fees, accounting fees, service fees (bank fees, credit card fees, or other fees relating to billing and collections), advertising fees, late fees, temporary management fees, interest, and any other payments due to Franchisor its affiliates hereunder. The Escrow Receipts may be held by us and distributed directly to the Unit Franchisees to ensure timely and accurate payment. We will pay directly to each Unit Franchisee the Escrow Receipt owed; less amounts due as delineated in the Unit Franchise Agreement. Your residual amounts may remain in the Anago Escrow Account for

the duration of the Default Period, and may be offset by amounts owed to us. We will be obliged to pay each Unit Franchisee only for receipts that we/you deposit into the Anago Escrow Account. Each Escrow Receipt will be credited for the invoice the client designates, and will be distributed to the Unit Franchisee accordingly. If we determine, that you have collected a client receipt and subsequently failed to pay the corresponding Unit Franchisee timely pursuant to the terms of the Unit Franchise Agreement, then we may pay the amount owed to the Unit Franchisee directly. We will deduct and offset the same amount from the Anago Escrow Account. We may independently consult with each Unit Franchisee and client to determine the amount of funds the Unit Franchisee is owed. During the Default Period, you agree to cooperate fully with us to expedite full and timely payment to each Unit Franchisee. You will furnish to us, within 48 hours of our request, a copy of all prior client invoices regarding services and supplies provided to all your clients and Unit Franchisees. We will charge you an accounting fee of 1% of your weekly Gross Revenues. We will charge you a $25.00 accounting fee per Unit Franchise monthly statement, plus the cost of postage. The accounting fees will be withheld from amounts due you in the week the costs for processing were incurred.

(ii) We may for a period of one year after written notice of default, as described in Subsection 2.4(f)(i) of the Subfranchise Rights Agreement immediately deduct from amounts paid to you on your client receipts, any amounts owed us.

(v) **Billing and Collection Procedures Upon Your Request**. You may, from time to time, ask us to allow you to delegate your role as your Unit Franchisees' billing and collections agent. If, in our sole discretion, we accept that delegation and assume the processing of client invoices and Unit Franchise statements, we may do so for an indefinite period. We will charge you a monthly accounting fee equal to the greater of $1,000 or 1% of your monthly Gross Revenues, plus the cost of postage. We will also charge you a $25.00 accounting fee per Unit Franchisee monthly statement. The accounting fees will be withheld from amounts due you in the week the costs for processing were incurred.

(vi) **Additional Training** (Section 2.1(d) of the Subfranchise Rights Agreement) – We may, but are not obligated to, provide additional training to you at our principal training facility, which may be required, at our sole option. You will be solely responsible for all expenses associated with these programs, including the then prevailing standard rates we charge for these programs and all travel, meals and lodging costs for your attendees.

(vii) **Other Support Services**. We are not obligated to provide you with any other ongoing support services, including with respect to: hiring employees; establishing prices; establishing bookkeeping, accounting or inventory control procedures; and resolving operating problems you encounter.

ADVERTISING PROGRAMS

You will be subject to an annual minimum Client Marketing Spend. To comply with the Client Marketing Spend, you will be required to spend at least $50,000 per calendar year on marketing Anago services to the existing and potential clients in the Area and provide us with

satisfactory proof of these expenditures in the form requested by us. If you fail to meet the above requirements, you must pay us the difference between the required Client Marketing Spend and the portion of the Client Marketing Spend you actually spent during the applicable calendar year. We may use such amounts for any purpose in our sole discretion. The Client Marketing Spend requirement will be prorated for each partial calendar year of the term of the Subfranchise Rights Agreement. You must not use any false or misleading advertising in the solicitation of prospective Unit Franchisees.

Use of Your Own Advertising Material including Electronic Media

All advertising must receive our written approval before its use and you will comply with all laws regulating the content and use of advertising including registration with, and approval by, applicable state franchise regulators. (Subsection 3.1 of the Subfranchise Rights Agreement) We may require that a "tag line" stating that franchise and/or career opportunities are available, be included in any advertising.

You may only use electronic media to advertise your business, including via the Internet and a worldwide web page, if you obtain our prior written consent. All electronic media must be submitted to us for approval prior to use, including all Internet advertisements and/or promotions.

Advertising Funds

We have the right to establish national and/or regional advertising funds and/or regional advertising cooperatives (hereinafter collectively referred to as the "Fund") for the common benefit of the Anago franchise System. If a Fund is established, we may require you to contribute a monthly amount not to exceed 2.2% of your Gross Revenues during the preceding month to the Fund. If established, your payments to the Fund shall be used for advertising, marketing, promotion, production and development of advertising, marketing, promotional and other programs, product development, merchandising, public relations, administrative expenses, programs designed to increase business and enhance and further the public reputation of the Anago franchise System, and activities related to any or all of the foregoing. The content of all activities of the Fund, including, without limitation, the media selected and employed, as well as the area and units to be targeted for such activities shall be at our sole discretion. We undertake no obligation to make expenditures for you or any individual Unit Franchisee which are equivalent or proportionate to contributions paid to the Fund, or to insure that you or any Unit Franchisee benefits directly or on a pro-rata basis from activities of the Fund, if any. We have the right to include a notation on all advertisements stating the availability of franchise and/or career opportunities. The Fund is not an asset of AFI. AFI does not owe any fiduciary obligation to Subfranchisors or Unit Franchisees for administering the Fund or any other reason. The Fund is not required to be audited. However, a statement of operations of the Fund, if developed, will be prepared annually by an independent public accountant selected by us. Upon reasonable request, we will provide you a copy of the annual statement of operations. Payments to the Fund may be utilized to provide for the administrative expenses of the Fund, including, without limitation, salaries, travel, rent and other expenses of administering the Fund, and for programs designed to increase sales and enhance and further develop the public reputation and image of Anago and the Anago franchise System. The balance, including any interest earned by the Fund, will be used for advertising and related expenses. Fund contributions not spent in the fiscal year in which they accrue will typically be carried forward to the next year and spent on advertising

and related expenses. We shall have the right to terminate the Fund at any time, however, the Fund will not be terminated until all contributions have been expended.

As of the issuance date of this Disclosure Document, there is no Fund in effect. We are not required to spend any amount on advertising in your Area or territory. If a Fund is developed, businesses owned by us and/or our affiliates will be required to contribute.

Advertising Committee

Currently, there are no Anago Marketing or Advertising Committees advising us on advertising and/or marketing policies.

Local Advertising Cooperative

Currently there are no local advertising cooperatives. However, we reserve the right to establish a local advertising cooperative. If we choose to establish one, you may be required to become a member and contribute to the fund.

We reserve the right to establish or direct or authorize the establishment of a local advertising cooperative ("Local Advertising Cooperative"). Each Local Advertising Cooperative will be comprised of geographical areas that we determine or approve in which 2 or more Businesses are operating and in which their local marketing efforts are likely to overlap. Each Business located in the area covered by the Local Advertising Cooperative (including those Businesses that we or our affiliates own or operate) will be required to contribute, on an equal basis, to the Local Advertising Cooperative. Each Local Advertising Cooperative, if established, will be organized and governed by written documents in a form and manner, and begin operating on a date, that we determine in advance. Such written documents will be available for participating franchisees to review. If a Local Advertising Cooperative is established for your geographic area, you must pay into it and participate in the marketing programs it conducts, in each case, as determined by the vote of the majority of its members, with each participating Business having 1 vote. We expect that each Local Advertising Cooperative will run autonomously, based on the majority vote of the participating members, but subject to our prior written approval of the proposed marketing programs and using only those marketing materials that have been provided or approved by us in advance.

COMPUTER SYSTEMS

You must provide financial and business records and information to us according to reporting formats, methodologies and time schedules that we establish. As part of these record-keeping requirements, you must, at your sole cost and expense, obtain and use the computer hardware and software system (including our proprietary software) as we may designate from time to time in the day-to-day operation of your business. Currently, the minimum hardware and software computer requirements include a minimum of 3 workstations (2.0 GHz dual or quad core processor, 8+ GB of RAM, Windows 11 or newer edition, Mac OS X v13 (Ventura) or newer edition) with Microsoft Office 2019 or newer on each computer, a minimum of 256-500 GB hard drive space and high speed internet, a 2022 iPad Pro (6th generation for 12.9" or 4th generation for 11") or newer including Apple Pencil (2nd generation) or newer for each sales representative and brand manager (with minimum 126GB or more of storage and 5G LTE (cellular)), and 1 All-In-One color printer with High Volume

Scanning capability. Also, you must utilize our computerized NBDS management systems and accept NBDS (in accordance with the NBDS License Agreement attached as Exhibit D to this Disclosure Document), which may be modified at any time in response to business, operations and marketing conditions. You must enter into any licenses, terms of use and maintenance agreements and pay any license and maintenance fees as we may require. You must replace any such systems when we deem advisable given the age, cost to operate, condition of the system then in use, the then-current and anticipated technology, the information then in use with other Subfranchisors of the System, the needs of the System, and any other factors that may be relevant.

The NBDS System's principal functions are to provide permanent records of sales transactions at your Anago Subfranchise and to collect and manage information about the nature of those transactions. The types of information that it collects and generates are telemarketing and sales levels, client information, individual sales data, and various financial information. This information is considered our Confidential Information. We will have electronic and manual access to the information that the NBDS System generates and there are no contractual limitations on our right to access this information. NBDS is not intended to be an accounting or bookkeeping system. You must obtain your own accounting and or bookkeeping system.

ACS owns the proprietary software or software licenses comprising the NBDS System. The software is sourced and supported through us. We are currently the only approved supplier for the NBDS System. We outsource assistance to Subfranchisors for the installation of the NBDS System.

Compatible equivalent hardware components that perform the same functions exist, but not the software.

You must make reasonable upgrades and updates to your computer system at our request and at your expense. We need not assist you in obtaining your computer hardware, software or related services. Under the NBDS License Agreement, we are contractually required to provide to you maintenance and repairs to the hardware leased from us, if any. You shall pay for the cost of upgrades and updates to all hardware, the cost of which may range from $500.00 to $5,000.00.

The costs associated with purchasing your computer system range from $15,000 to $25,000. There are no contractual limitations on the frequency and cost of upgrading or updating your computer system.

Operating Manual

After you have signed your Anago Subfranchise Rights Agreement and shortly before completing the Anago Training Program, we will loan you a copy of our Subfranchisor Operation Manuals comprised of the Master Franchise Operating Manual which includes Introduction to the Manual, Introduction to the Franchise System, Understanding Franchising, Pre-opening Procedures, Personnel, Franchise Sales Process, Franchise Orientation, Telemarketing, Sales, Bidding, & Estimating, Brand Standards, Marketing, and Management Documents, the IGAS Manual, Unit Franchise Operating Manual which includes 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, CleanSource® Training Manual, the AnagoCloud Handbook, the Unit Franchise Owner's Guide to Anago Protection+ Disinfection, and the Unit

Franchise Owner's Guide to Electrostatic Spraying. (Section 6.1 of the Subfranchise Rights Agreement) (the "Anago Manuals" or "Manuals"). Our Manuals contain proprietary information and you must keep this information confidential.

The current Manuals consist of a total of 1,113 pages. The Table of Contents for the Manuals is attached to this Disclosure Document as Exhibit G.

Site Selection Methods

You must operate your Anago Subfranchise Rights Business from an office location approved by us (the "Premises"), which office must be within your Area (as defined in Item 12). The Premises must be equipped with a business telephone, computer system with Internet access, facsimile and electronic mail capabilities, and computer software that meets our standards and specifications. If you lease the Premises from a third party, you and the landlord for the leased premises must sign and deliver to us a collateral assignment of your rights under the lease for the premises in the form attached to your Anago Subfranchise Rights Agreement as Exhibit X. Under the collateral assignment agreement, you must, at our option, assign all of your rights under the lease to us upon termination or expiration of your Anago Subfranchise Rights Agreement.

In approving your site, we consider the location of your proposed office, ease of access, location of competitive businesses and the cost and condition of the facility in which the proposed office is to be located.

You must secure your Premises within 90 days of signing your Subfranchise Rights Agreement. If you fail to do so, we have the right to terminate your Subfranchise Rights Agreement.

Time Between Signing of Anago Subfranchise Rights Agreement and the Opening of the Anago Subfranchise Rights Business

The typical length of time between the earlier of signing of the Subfranchise Rights Agreement or first payment of consideration for the Anago Subfranchise Rights Business and the opening of the Anago Subfranchise Rights Business varies from 1 to 3 months. The factors that affect this time frame usually include the time when you receive and complete the Anago Training Program to our satisfaction, the time required to secure your office space, and the time required to register your franchise disclosure document, if necessary. You must commence operation of the Anago Subfranchise Rights Business within 30 days of completing the initial training program, and in any event, within 180 days of signing the Subfranchise Rights Agreement.

Training Program

Anago Training Program (Mandatory). We will make an initial training program available to you. The training program will be conducted at one of our offices or other mutually agreeable location. Initial training is mandatory for all owners of a new Master Franchise and must be completed within 90 days after signing the Subfranchise Rights Agreement. The initial training program is for a period of 2 weeks, but may be decreased if you own an existing janitorial business, or if you have worked in the janitorial franchise business for a period of more than one year. If you fail to complete Initial Training to our satisfaction, we may elect to retrain you or terminate the Subfranchise Rights Agreement and retain the Initial Fee. Current Anago Master Franchisees are not

required to undergo the training program again if they license the right to operate additional Anago Subfranchise Rights Businesses. The content of, operation of, and manner of conducting Initial Training is in our sole control. Training currently covers the following aspects of your business: unit sales and solicitation; unit orientation; management; contract sales including marketing, prospecting, telemarketing, bidding, and contracting for customer contracts, invoicing and statement processing, administration, and Anago business operations. (Subsection 2.1(a) of the Subfranchise Rights Agreement)

The Anago Training Program should begin 4 to 8 weeks after the Anago Subfranchise Rights Agreement is signed and 1 to 2 weeks before the opening of your Anago Subfranchise. As of the date of this Disclosure Document, we provide the following initial training:

TRAINING PROGRAM

Subject	Hours of Classroom Training[1,2]	Hours On the Job Training[1,2]	Location
Anago Unit Franchise Sales	5	15	At one of our offices or other mutually agreeable location
Anago Contract Sales & Operations	2	24	At one of our offices or other mutually agreeable location
NBDS System (currently including AnagoCloud™, AnagoApp™, IGAS)	2	32	At one of our offices or other mutually agreeable location
Management & Marketing in your Anago business	12	12	At one of our offices or other mutually agreeable location
Anago Administration & Telemarketing Overview	2	30	At one of our offices or other mutually agreeable location

1. Time: The time schedules in which the subjects are taught may vary depending upon the schedules of the various instructors, so as to make the most efficient use of time available.

2. Hours of Classrooms / On the Job Training: Classroom training is used to denote formal discussions regarding the subject matter, which discussions may take place in a setting other than that of a "Classroom." It is distinguished from "On the Job Training," which is putting into practice the subjects taught. The hours for both may change depending upon your expertise in any particular area. For example, if you have operated in the janitorial franchise business, the instruction you need regarding operations, contract sales, and franchise sales will be significantly less than that of someone of no experience.

You shall be responsible for the payment of your travel, lodging, personal, compensation for attendees, and other expenses incurred in connection with this training. However, no tuition is charged by us. You shall be required to satisfactorily complete the course prior to opening for business, and a manager may be required to do so prior to assuming on-the-job managerial duties.

You shall not be compensated for any work performed by you during the on-the-job training course. The following instructional materials are currently used during the course of the training program: Subfranchise FDD, Videos, Anago Operating Manuals, NBDS System, and Computer System.

Instructors.

Instructors are subject to change without notice. Currently, the instructors are as follows:

(i) Chris Cunius, Vice President – Franchise Development, assisting the Master territories by training new offices and assisting in the growth of existing offices in client sales and operations. Mr. Cunius has over 28 years of experience in the subject matters taught and 11 years of experience with AFI; and

(ii) Gioconda Morales, Corporate Support Manager, training new offices and assisting in the growth of existing offices in client sales and operations. Ms. Morales has over 18 years of experience in the subject matters taught and 9 years of experience with AFI.

(iii) Juan Catoni, Vice President – Franchise Operations, assisting subfranchisors in growing their businesses via account/franchise sales management and high-quality operations. Mr. Catoni has over 29 years of experience in the subject matters taught and 11 years of experience with AFI;

(iv) Lisa Ritenour, Vice President – Internal Operations, providing instruction on Invoice Generating Accounting Software (IGAS) and NBDS System. Ms. Ritenour has over 23 years of experience in the subject matters taught and 15 years of experience with AFI;

(v) Adam D. Povlitz, CEO & President, providing instruction on Marketing and Management. Mr. Povlitz has 18 years of experience in the subject matters taught and over 15 years of experience with AFI;

Annual Seminar or Additional Training

You will be required to attend, at your own expense, at least one time per year Anago's Annual Seminar. The Annual Seminar typically lasts 2-3 days. The dates and location of the Annual Seminar will be determined solely by the Franchisor. You understand that you must fully participate in the Annual Seminar and must complete each class, segment, or event scheduled during the Seminar. You will be solely responsible for all expenses associated with these programs, including the then prevailing standard rates we charge for these programs, if any, and all travel, meals, lodging costs and compensation for your attendees.

ITEM 12 - TERRITORY

Under your Anago Subfranchise Rights Agreement, you will be licensed and granted the right to operate your Subfranchise in those counties as defined in the Anago Subfranchise Rights Agreement (the "Area") during the term of the Subfranchise Rights Agreement so long as you are not in default of the agreement. The area granted will include a population delineated by the boundaries of a standard, statistical metropolitan area, sufficient to encompass the specified

population (with a minimum population of 500,000), in accordance with the Subfranchise Program purchased. You and we will agree on the defined Area prior to signing the Anago Subfranchise Rights Agreement. However, if you fail to schedule the minimum number of Client Bids that we require then, in addition to our other rights under the Subfranchise Rights Agreement, we may reduce or redefine the Area upon notice to you.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. However, except as described below and provided you are in compliance with your obligations under your Subfranchise Rights Agreement, we will not, during the Term of your Subfranchise Rights Agreement, grant any other person the right to act as our subfranchisor in the Area.

Reservation of Rights

You are not granted any options, rights of first refusal or similar rights to acquire additional development rights or franchises for additional territories, and will not be permitted to relocate your Anago Subfranchise Rights Business.

You receive only those rights that we expressly grant to you in the Subfranchise Rights Agreement. You acquire no rights by inference, innuendo or extrapolation. We expressly reserve, for ourselves and our affiliates, without compensation to you of any sort, (a) the right to engage in any activities, anywhere in the world, unless we expressly agree in the Subfranchise Rights Agreement that we or our affiliates will not engage in them, and (b) all rights not expressly granted to you under the Subfranchise Rights Agreement, including, without limitation, the right to (i) develop and operate, directly or indirectly, other businesses offering products and services, whether similar or not to the products or services offered by the Unit Franchises, under different marks within or outside the Area; (ii) offer and sell products and services that are the same as or substantially similar to those offered by Unit Franchisees under the Proprietary Marks through our website and otherwise via the Internet, through catalogs and direct mail solicitations and other alternative methods of distribution within or outside the Area; (iii) advertise and promote the System and Proprietary Marks wherever we deem appropriate; (iv) operate and grant other persons the right to operate retail businesses identified by the Proprietary Marks that offer and sell janitorial services and products to Clients outside the Area; and (v) bid on and enter into contracts with National Accounts.

Restrictions on Solicitations

You are not permitted to solicit Unit Franchisees or clients outside your Area, including through other channels of distribution such as the Internet, catalogs, telemarketing or other direct marketing. As long as you are in compliance with your obligations under the Subfranchise Rights Agreement, we will not solicit or license another to solicit the development of Anago Unit Franchisees within your Area.

National Accounts

Under your Subfranchise Rights Agreement, you must refer all "National Accounts" to us. You are not permitted to enter into any contracts with National Accounts without first obtaining our written consent. We reserve the right to, either ourselves, or through a designee, enter into contracts

for the performance of Anago services to National Accounts wherever or however the National Account is originated. "National Account" means any client or prospective client that, directly or through its affiliates: (i) owns, manages, operates, controls, or is responsible for ten (10) or more locations in your Area; (ii) owns, manages, operates, controls or is responsible for multiple locations, one or more of which is in your Area and one or more of which is outside of your Area; and (iii) requests that we or our affiliates submit or allow us or our affiliates to submit a response to a request for proposals ("RFP") and we determine that you do not meet the National Account's qualifications to submit an RFP response or enter into the contract. . If we sign a contract with a National Account with locations in your Area and we are not prohibited under our contract with the National Account from doing so, we may provide you the option, on terms and conditions we specify and on a non-exclusive basis, to license Unit Franchisees in the Area to perform services for such locations within your Area.

We may not otherwise modify your Area. Except as described above, you are not otherwise required to achieve or maintain any given level of sales under your Subfranchise Rights Agreement.

We do not have any present intentions to sell similar products and services using either the Proprietary Marks or other trademarks through dissimilar channels of distribution or through a different franchised system. Neither we, nor any of our affiliates, have granted or presently intend to grant, other development rights for franchises selling or leasing similar products or services under a different trade name or trademark, but we have the right to do so.

ITEM 13 TRADEMARKS

We operate under the mark "ANAGO" and various other trademarks. We grant you a license to use these trademarks to solicit and sell franchises licensing third parties the right to use the marks within your Area, and to solicit Client Accounts, under the terms and conditions of your Subfranchise Rights Agreement.

Registrations and Applications

The "Anago" trademark is owned by ACS and has been registered on the Principal Register of the United States Patent and Trademark Office. ACS has licensed us the right to use and sublicense the use of the trademark. ACS has filed all required affidavits.

Registered Marks:			
Mark	**Class**	**Registration Date**	**Registration Number**
ANAGO	35	March 4, 2003	2,692,150
Anago CLEANING SYSTEMS	35	December 31, 2013	4,458,199

	35	January 28, 2014	4,474,076
Anago Cleaning Systems	35	February 18, 2014	4,483,947
Our Mission: Our Franchisees. *Their* Success.	35	June 17, 2014	4,551,415
The Superior Choice for Commercial Cleaning	35	July 15, 2014	4,567,137
The Superior Choice for Commercial Cleaning	37	January 16, 2018	5,380,662
ANAGO	37	January, 16, 2018	5,379,703
Anago Cleaning Systems	37	February 13, 2018	5,400,456
	37	February 13, 2018	5,400,298
	37	February 20, 2018	5,405,798
CleanCom	37	September 10, 2019	5,855,593
Anago Protection+ Disinfection	37	November 24, 2020	6,205,507
Disinfect. Protect. Maintain.	37	May 4, 2021	6,338,718
Disinfect. Protect. Maintain.	35	July 6, 2021	6,407,299
Anago CleanSource	42	September 7, 2021	6,475,867
ELEVATE Your Cleaning Experience	35	December 12, 2023	98,310,886
ELEVATE Your Cleaning Experience	37	December 12, 2023	98,310,837

"Proprietary Marks" means the registered marks listed in the table above, and all other trademarks, service marks, trade names, logos and commercial symbols presently owned or licensed by ACS or us or later acquired or adopted by ACS or us as part of the System.

Proceedings

There are no currently effective material determinations of the U.S. Patent and Trademark Office, 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 Proprietary Marks. Under a license agreement dated June 1, 2012 (the "License Agreement"), ACS granted us a license to use the Proprietary Marks and to sublicense the Proprietary Marks to Subfranchisors throughout the United States and internationally under a Subfranchise Rights Agreement. The License Agreement is for an initial term of 10 years and renews automatically for successive one-year renewal periods. We have the right to renew the License Agreement if we are not in default. ACS has the right to terminate the License Agreement if we commit a default and do not cure the default within the specified time period or if ACS sends us 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 rights under the Subfranchise Rights Agreement, you will not be permitted to use the Proprietary Marks in the operation of your business and your Subfranchise Rights Agreement may be terminated. There are no other agreements currently in effect that significantly limit our rights to use or license the use of the Proprietary Marks in any manner material to you or your franchisees.

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.

Your Rights and Obligations With Respect to the Proprietary Property Including the Proprietary Marks

Your rights to use the Proprietary Marks are derived solely from your Subfranchise Rights Agreement and are limited to the operation of your Anago Subfranchise Rights Business under your Subfranchise Rights Agreement and all applicable standards, specifications, and operating procedures we require during the Term. Any unauthorized use of the Proprietary Property including the Proprietary Marks is a breach of your Subfranchise Rights Agreement and an infringement of our and ACS's rights in and to the Proprietary Marks. "Proprietary Property" refers to the Proprietary Marks, Confidential Information (as defined in Item 14) and copyrighted information or us and our affiliates that you are entitled to use under the Subfranchise Rights Agreement.

Your use of the Proprietary Property and any goodwill established by your use inures to our exclusive benefit. The Subfranchise Rights Agreement does not confer any goodwill or other interest in the Proprietary Property to you, other than the right to operate an Anago Subfranchise Rights Business in compliance with the Subfranchise Rights Agreement in the Area. All provisions of the

Subfranchise Rights Agreement applicable to the Proprietary Property will apply to any other trademarks, service marks, commercial symbols, designs, artwork, and logos that we adopt, use, authorize and sublicense to you to use during the Term.

You must use the Proprietary Marks as the sole trade identification of your Anago Franchise, and must identify your Anago Subfranchise Rights Business in the form we require as the independent owner and operator of the Anago Franchise. You must use all Proprietary Marks and other commercial symbols that we sublicense in full compliance with rules we require. You are prohibited from using any Proprietary Marks (including any future commercial marks we license) in the sale of any unauthorized product or service or in any manner we have not explicitly authorized. You cannot use the Proprietary Marks as, or part of, your corporate or partnership name. You must follow our instructions in applying for any fictitious, trade or assumed name for the Anago trade name. You may not use the Proprietary Property as security for any obligation or indebtedness.

Subfranchisor 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," "AFI," or any Proprietary Marks, or other related or confusingly similar words or symbols, unless Subfranchisor first receives Franchisor's written consent. Subfranchisor may not use any Proprietary Mark or any derivation of the Proprietary Marks on the Internet, in any electronic advertising or social media, without the Franchisor's prior written consent.

Upon 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 us, ACS, our Subfranchisors or any Unit Franchisees, you must notify us promptly (within 7 days) in writing. You may not communicate with anyone except us and our counsel in any infringement, challenge or claim except under judicial process. We 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 Property. You must sign all instruments and 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.

Our Indemnification of You

We will indemnify you against and will reimburse you for all damages that you are held liable in any proceeding involving your use of any Proprietary Property in accordance with the Subfranchise Rights Agreement, provided that you: (a) have timely notified us of the claim; (b) have complied with the Subfranchise Rights Agreement; and (c) allow us sole control of the defense and settlement of any claim.

Modification

If we deem it advisable, in our 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 our Proprietary Marks or the rights of senior users, you are obligated to do so at your sole expense within 30 days of our request and will cause your Unit Franchisees to do so as well.

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 we have not filed an application for copyright registration for the Anago Manuals, we and ACS claim copyrights in the Anago Manuals and the information contained in the Anago Manuals. The Anago Manuals contain trade secrets and are our Proprietary Property. You must treat the Anago Manuals and any other manuals created by us 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 ACS are required to take any action but will respond to this information as we think appropriate.

There are currently no effective determinations of the United States Copyright Office or any court regarding any of our copyrights, nor are there any currently effective agreements between us and third parties pertaining to our copyrights that will or may significantly limit your use of our copyrighted materials. 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 Subfranchise Rights 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 Anago Manuals for distribution to any person, entity or established business group outside the System.

Confidential Information

The Anago Manuals and other copyrighted materials made available to you contain confidential and proprietary information and are ACS's and our trade secrets. We 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, our affiliates, or our Subfranchisors and their Unit Franchisees (the "Confidential Information") including: (1) methods, techniques, tools, specifications, standards, policies, procedures, information, concepts, systems, and knowledge of the experience in our 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 and other Subfranchisors customer lists, operating results and financial performance.

We may disclose to you parts of the Confidential Information as are required for the operation of your Anago Subfranchise Rights Business during the Anago Initial Training Program, in the Anago Manuals, and in guidance and assistance furnished to you during the term of your Subfranchise Rights 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 system 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 Anago Subfranchise Rights Business and to Unit Franchisees in your Area, as authorized under your Subfranchise Rights Agreement. 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 Anago Manuals or any other Confidential Information, must first sign our form of confidentiality agreement. These agreements must identify us as a third-party beneficiary with the independent right to enforce them.

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

Each Subfranchise Rights Business must be conducted as a limited liability company or a corporation. An individual who is the controlling shareholder or managing member of that entity must act as the Designated Manager. The Designated Manager must complete, to our satisfaction, our initial training program and be responsible for supervising Your activities under this Agreement. This obligation may not be delegated without Our prior approval.

We require the individual shareholders or members of the Subfranchise Rights Business, as applicable, to personally guarantee the obligations and performance under the Subfranchise Rights Agreement and any other agreement with Us. All of your managers, field representatives and any personnel having access to our Confidential Information must execute covenants that they will maintain the confidentiality of all such information. We must be identified as a third-party beneficiary of such covenants with the independent right to enforce them. You are responsible for any unauthorized use and disclosure of Confidential Information by the employees and/or any owners of the Subfranchise Rights Business. You will supervise, manage, and control the day-to-day operations of the Subfranchise Rights Business and solely determine the methods and hours necessary to meet your obligations under your Subfranchise Rights Agreement and any other agreement. You are exclusively in charge of hiring and firing, scheduling, staffing, and management of your Subfranchise Rights Business employees, and the terms and conditions of their employment and their compliance with the brand standards. You and your shareholders and members must not conduct yourselves or the Subfranchise Rights Business in any manner that reflects unfavorably upon the good will and public image associated with the Marks.

ITEM 16 - RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may use your Anago Subfranchise only for the operation of your Anago Subfranchise Business in accordance with the Anago Subfranchise Rights Agreement. You must keep the Anago Subfranchise open and in normal operation for the minimum hours and days as we require in the Manuals or otherwise in writing except as may be limited by local governmental regulation or the landlord's rules and regulations. You may not operate any other business from your Anago Master Franchise office.

You are limited in the operation of your Anago Subfranchise Business to the sale of Anago Unit Franchises within the exclusive Area designated in your Subfranchise Rights Agreement, continuing support of such Unit Franchises, sales of janitorial and approved facilities-related products and services contracted for, services to support your Unit Franchises, and all ancillary services performed in addition to or conjunction with service contracts.

In performing franchise sales and commercial sales of services, you agree to use the forms, computers/software and procedures as provided within the Anago Manuals.

You are not restricted in the customers to whom you may sell the above-mentioned Unit Franchisees (so long as they meet our minimum standards, as set forth in our then-current form of Unit Franchise Agreement) and respective service contracts in your Area.

We have the sole right to add product and service items to the Anago System. At our direction, you will require your Unit Franchisees to offer these products and services to their customers.

There is no limitation on our right to make changes to the types of products and services you may be authorized to permit or require your Unit Franchisees to sell.

We may periodically set the maximum and minimum price that you and your Unit Franchisees may charge for services and products. Otherwise, you may determine the prices you charge your customers.

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 this disclosure document.

THE FRANCHISE RELATIONSHIP

Provision	Section in Subfranchise Rights Agreement	Summary
a. Length of the franchise term	Section 14.1	The initial term of the Subfranchise Rights Agreement is 10 years beginning on the date our President countersigns your Subfranchise Rights Agreement.
b. Renewal or extension of the term	Section 14.2	You have the right to renew for one additional term of 10 years, if you meet the requirements for renewal.
c. Requirements for franchisee to renew or extend	Section 14.2	1. You must give us written notice of your intention to exercise the option by submitted an application between 9 - 12 months before the end of the Term; 2. You must not be in default of your Subfranchise Rights Agreement or any other agreement with us or any of our affiliates and any outstanding debt owed to us or our affiliates shall be satisfied; 3. You must, 30 days before the expiration of the term, sign and deliver to us a then current Successor Anago Subfranchise Rights Agreement, which may contain materially different terms or conditions than your original contract, and a general release of all claims against us and our affiliates, and our and their respective officers, directors, shareholders, agents and employees; 4. You must comply with our then-current qualification and training requirements and all other requirements we impose under the Successor Anago Subfranchise Rights Agreement; and 5. The Successor Anago Subfranchise Rights Agreement shall contain a provision for the minimum monthly royalty paid to us to be not less than the average monthly royalty paid during the last year of the parties' existing Subfranchise Rights Agreement.
d. Termination by franchisee	Not applicable.	Not applicable.
e. Termination by franchisor without cause	Not applicable.	Not applicable.

f. Termination by franchisor with cause	Article 8	We may only terminate your Subfranchise Rights Agreement with cause.
g. "Cause" defined – curable defaults	Section 8.3	Any default other than those specified in Sections 8.1 and 8.2 of your Subfranchise Rights Agreement may be cured within 30 days of written notice from us of the default.

h. "Cause" defined – non-curable defaults	Sections 8.1 and 8.2	The following defaults may not be cured: 1. Insolvency or general assignment for creditors; 2. Filing in bankruptcy that is not dismissed within 45 days; 3. Adjudication of bankruptcy; 4. Filing for appointment of a receiver or custodian; 5. Appointment of a receiver or custodian; 6. Filing for composition with creditors; 7. Judgment of $5,000 or more remains unsatisfied for 30 days or longer; 8. Execution of levy; 9. Filing of foreclosure suit that is not dismissed within 45 days; 10. Sale of a substantial portion of your assets after levy; 11. Failure to complete training; 12. Knowing or willful violations of laws, rules or regulations, the commission of an illegal act in connection with the sale of a franchise, act of dishonesty, etc.; 13. You or any of your officers, directors, or owners or employees is charged with, pleads guilty or no contest to, or is convicted of a felony, crime or moral turpitude or any other offense that might have a materially adverse affect on the System or the Proprietary Marks; 14. You deny us our right of inspection or audit; 15. Material breach of any obligation to your Unit Franchisees in the Area; 16. You commit any acts involving dishonesty, bad faith, misfeasance, malfeasance, or willful misconduct; 18. Unauthorized assignment or transfer; 19. Breach of confidentiality or non-competition provisions of your Subfranchise Rights Agreement; 20. You knowingly maintain false books or records; 21. Repeated complaints from Unit Franchisees in your Area; 22. Failure to achieve Minimum Annual Performance Requirements; 23. Failure to comply with in-term restrictive covenants;

		24. Misuse of Proprietary Property; and 25. Three or more notices of default for same or similar default during any 12 consecutive months, even if such defaults have been cured.
i. Franchisee's obligations on termination / non-renewal	ARTICLE 9, Subsection 10.2(b) and Section 11.2	You must: 1. Comply with the restrictions on competition (see row "r" below); 2. Indemnify us from any losses or damages we sustain as a result of your operation of the Anago Subfranchise Rights Business; 3. Discontinue all use of, and maintain confidentiality of, all our Confidential Information; 4. Cease operating your Anago Subfranchise business; 5. Pay all amounts you owe to us within 10 days; 6. Discontinue use of Proprietary Marks and de-identify your Subfranchise Rights Business; 7. Cease use of the Subfranchise Rights Business' telephone numbers, websites, social media accounts, etc. and transfer such telephone numbers, websites, and social media accounts to us or such other party as we may designate; 8. Assign all Unit Franchises and Unit Franchise Agreements to us; 9. Assign all Clients and Client Accounts to us; 10. Return all Proprietary Property to us; 11. Cease selling Unit Franchises; cease providing services to Unit Franchises; and cease solicitation of Clients; and 12. Cancel assumed, fictitious and trade name registrations.
j. Assignment of contract by franchisor	Section 7.1	There are no restrictions on our right to assign our interest in your Subfranchise Rights Agreement.

k. "Transfer" by franchisee - defined	Section 7.2	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 Subfranchise Rights Agreement or in your Anago Subfranchise Rights Business. A transfer to any other original owner of your Anago Subfranchise Rights Business is not considered a transfer; provided that the transferee shall remain bound by the personal guaranty.
l. Franchisor approval of transfer by franchisee	Section 7.2	We have the right to approve or disapprove of any transfers, except that consent is not required for the following transfers; (i) transfer by an individual to an entity wholly owned by such individual, which entity shall conduct no business other than the Subfranchise Business; (ii) a transfer of less than a 5% interest in a publicly-held corporation; (iii) if a Subfranchisor is an entity, a transfer of any interest in the Subfranchisor from an existing owner to another existing owner; (iv) transfers of less than a controlling interest, in the aggregate, in you; and (v) transfers which are made for family and estate planning purposes (1) to your spouse, (2) to your adult child(ren) or (3) into a trust agreement for the benefit of you, your spouse, or your children.

m. Conditions for franchisor approval of transfer	Section 7.3	1. You are not in default (monetary or non-monetary) under any agreement you have with us; 2. You and your owners must sign a general release of all claims against us; 3. You must subordinate any purchase money financing; 4. The transferee must either assume your obligations under the Subfranchise Rights Agreement or, at our election, sign our then-current form of Subfranchise Rights Agreement and other ancillary agreements; 5. The transferee must pay a transfer fee of $10,000 in lieu of paying an initial fee; 6. We must interview and approve the transferee; the transferee must meet our educational, managerial and business standards and meet such other criteria as we may then be requiring; and 7. You must demonstrate that all hard copy documents and electronic data, including client contracts and Unit Franchise Agreements, are current.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 7.2 (c)	We have the right of first refusal to purchase your Franchise if you desire to sell or otherwise transfer your interest, right or license. You must provide to us a copy of the bona fide offer to purchase your Anago Subfranchise Rights Business. We will then have 30 days from receipt of written notice of such offer to notify you of our intent to purchase your Anago Subfranchise Rights Business upon the same terms and conditions. If we elect to exercise our right of first refusal, we will have 60 days from when you notify you of our intent to purchase the assets to close on the purchase.
o. Franchisor's option to purchase franchisee's business	Not applicable	

p. Death or disability of franchisee	Section 7.4	A personal representative of the deceased Subfranchisor, or deceased principal owner of the Subfranchisor, shall: 1. Provide a replacement manager satisfactory to us; and 2. Upon your death, your Anago Subfranchise must be transferred within 6 months of your death in accordance with the transfer provisions of your Subfranchise Rights Agreement to a third party approved by us.
q. Non-competition covenants during the term of the franchise	Subsection 10.2(a)	You may not: 1. Directly or indirectly, influence any of our business affiliates to modify their relationship with us; 2. Have any involvement with any Competitive Business; or 3. Interfere with our business or any of our other franchisees.
r. Non-competition covenants after the franchise is terminated or expires	Subsection 10.2(b)	You may not, for 24 months after the expiration or termination of your Subfranchise Rights Agreement or, if you fail or refuse to comply with these restrictions, for 24 months following the date on which you begin to comply (whether or not pursuant to an order issued by a court or arbitrator): 1. Directly or indirectly, influence any of our business affiliates to modify their relationship with us; 2. Have any involvement with any Competitive Business within the Area, any other Anago Subfranchisor's Area, or 20 miles of the perimeter of your Area or any other system Subfranchisor's area; or 3. Interfere with our business or any of our other Subfranchisors and Unit Franchisees.
s. Modification of the agreement	Sections 16.2	Your Subfranchise Rights Agreement may not be modified except by written agreement, signed by both parties. Only the President of the Franchisor is authorized to sign an amendment on Franchisor's behalf.

t. Integration / merger clause	ARTICLE 16.12	Only the terms of the Subfranchise Rights Agreement and other related written agreements are binding (subject to state law). However, nothing in the Subfranchise Rights Agreement is intended to disclaim our representations made in this disclosure document. Any representations or promises made outside the disclosure document and the Subfranchise Rights Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	ARTICLE 13	Before initiating arbitration, the initiating party will provide to a notice of intention to initiate arbitrate to the other party, following which, the parties will make commercially reasonable effort to resolve the dispute amicably within 60 days (or such longer deadline as may we and you may mutually upon) of the receiving party's receipt of all information reasonably requested by it. All disputes between the parties that cannot be amicably settled, except for claims relating to Proprietary Marks or other service marks or commercial symbols of Franchisor, shall be determined solely and exclusively by arbitration. Further, Franchisor has the immediate right to secure a court order enjoining any default or threatened breach which could cause irreparable damage to other subfranchised businesses.
v. Choice of forum	Section 13.4	The forum for any disputes shall be in the state or federal court which is closest to our then current principal place of business (currently Pompano Beach, Florida). (Subject to state law. See state specific addenda attached to this Disclosure Document.)
w. Choice of law	Section 13.5	Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), the Subfranchise Rights Agreement is interpreted under the laws of Florida. (Subject to state law. See state specific addenda attached to this disclosure document.)

Applicable state law might require additional disclosures related to the information contained in this Item 17. These additional disclosures, if any, appear in Exhibit I.

ITEM 18 - PUBLIC FIGURES

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

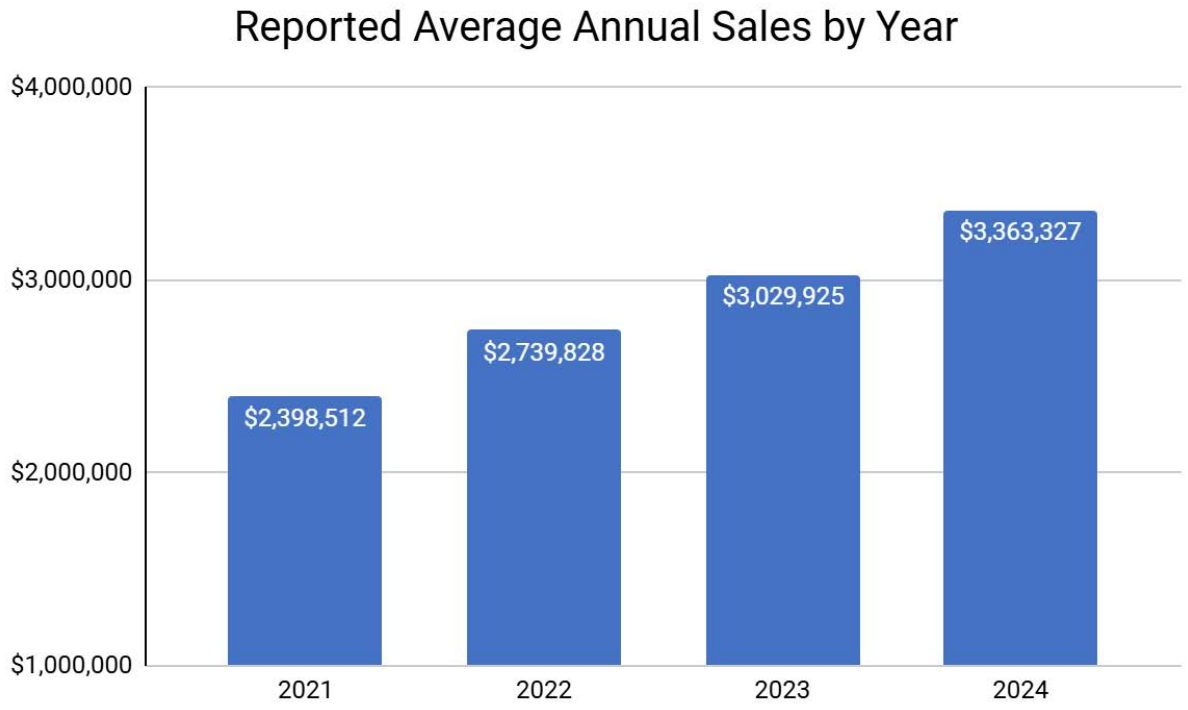
ITEM 19 - FINANCIAL PERFORMANCE REPRESENTATIONS

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

1. Average Annual Sales for 2021 - 2024

Set forth below is a historic representation showing the unaudited Average Annual Sales reported by certain of our direct franchisees ("Franchisees") businesses during our 2021, 2022, 2023, and 2024 fiscal years.

The information in this Item comes from current Franchisees as of December 31, 2021, December 31, 2022, December 31, 2023, and December 31, 2024, respectively. All Franchisees included in this survey have domestic territories that have been opened and continuously operated as franchised business and not corporately held for at least one full year as of the end of the calendar year for which data is reported in this Item 19. The below chart and the table following it reflect data for thirty-six (36) Franchisees representing 86% of the forty-two (42) total Franchisees in 2021, thirty-eight (38) Franchisees representing 90% of the forty-two (42) total Franchisees in 2022, forty (40) Franchisees representing 93% of the forty-three (43) total Franchisees in 2023, and forty (39) Franchisees representing 91% of the forty-three (43) total Franchisees in 2024 that meet the above criteria.



	2021	2022	2023	2024
Average Annual Sales	$2,398,512	$2,739,828	$3,029,925	$3,363,327
Median Annual Sales	$1,938,635	$2,190,135	$2,485,498	$3,187,641
High	$6,824,947	$7,702,075	$8,185,855	$8,373,146
Low	$292,625	$556,164	$332,846	$136,026
# Within Group	36	38	40	39
# Above Average	15	16	17	17
% Above Average	42%	42%	43%	44%

2. <u>Average Annual Sales by Quartile during 2024</u>

Set forth below is a historic representation showing the unaudited Average Annual Sales as self-reported by 39 Franchisees businesses during our 2024 fiscal year by quartile.

2024	4th Quartile	3rd Quartile	2nd Quartile	1st Quartile	All Data
Average Annual Sales	$1,037,545	$2,502,951	$3,788,212	$6,196,085	**$3,363,327**
Median Annual Sales	$1,177,581	$2,552,614	$3,676,401	$5,747,864	**$3,187,641**
High	$1,451,707	$3,111,069	$4,498,544	$8,373,146	**$8,373,146**
Low	$136,026	$1,858,815	$3,195,554	$4,761,869	**$136,026**
# Within Group	9	10	10	10	**39**
# Above Average	6	5	4	4	**17**
% Above Average	67%	50%	40%	40%	**44%**

Notes:

Average Annual Sales ("AAS") is calculated as the average of the total amount billed for all janitorial services including day porter services and special services sold by or on behalf of our Franchisees as well as revenue collected by the Franchisees for the sale of Unit Franchises. These numbers do not include any prepayments for additional janitorial services, supplies, or equipment made by the Unit Franchisees, which can increase actual sales achieved. These numbers do not include any federal, state, or local taxes collected on behalf of Franchisees in connection with their Anago franchised businesses. AAS is not the same as "Gross Revenues" on which certain fees you will pay us under your Subfranchise Rights Agreement are based.

AAS does not reflect your profits or net income, because we will take deductions from your AAS. Your portion of the AAS is subject to further deductions and adjustments authorized by the Subfranchise Rights Agreement. Please refer to Item 6 for more details about additional deductions and adjustments.

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

Some outlets have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.

Other than the preceding financial performance representation, AFI does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing Anago Subfranchise Rights Business, however, we may provide you with the actual records of that Anago Subfranchise Rights Business. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Adam Povlitz, at Anago Franchising, Inc., 20 SW 27th Ave. Suite 300, Pompano Beach, FL 33069. Tel 800.213.5857, as well as the Federal Trade Commission and the appropriate state regulatory agencies.

ITEM 20 - OUTLETS AND FRANCHISEES INFORMATION

The numbers shown in the charts in this Item 20 are for Subfranchisees (which is the franchise offered under this Disclosure Document) and do not reflect the number of Unit Franchisees in the Anago System. All numbers are as of December 31 of each year.

TABLE NO. 1
SYSTEMWIDE DOMESTIC OUTLET SUMMARY FOR YEARS 2022 TO 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change

Franchised	2022	44	45	1
	2023	45	47	2
	2024	47	48	1
Company Owned	2022	1	0	-1
	2023	0	1	1
	2024	1	0	-1
Total Outlets	2022	45	45	0
	2023	45	48	3
	2024	48	48	0

TABLE NO. 2

TRANSFERS OF DOMESTIC OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN FRANCHISOR) FOR YEARS 2022 TO 2024

State	Year	Number of Transfers
AZ	2022	1
	2023	0
	2024	0
MN	2022	0
	2023	0
	2024	1
OH	2022	0
	2023	0
	2024	1
Total	2022	1
	2023	0
	2024	2

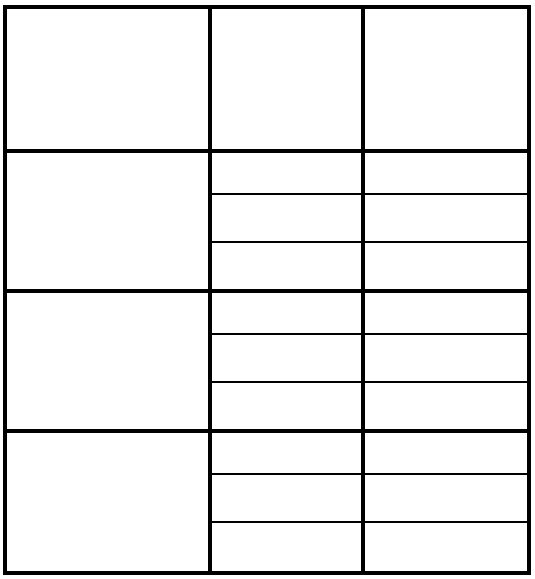


TABLE NO. 3
STATUS OF DOMESTIC SUBFRANCHISE OUTLETS FOR YEARS 2022 TO 2024

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
AZ	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
CA	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
CO	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
CT	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
FL	2022	5	0	0	0	0	0	5
	2023	5	1	0	0	0	0	6
	2024	6	0	0	0	0	0	6
GA	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
HI	2022	1	0	0	0	0	0	1

	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
ID	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
IN	2022	0	1	0	0	0	1	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
MD	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
MI	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
MN	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	1	2
NE	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
NV	2022	1	0	0	0	1	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
NJ	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
NY	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
NC	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
OH	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	5	0	0	0	4	6
OK	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2

	2024	2	0	0	0	0	0	2
OR	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
PA	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
P.R.	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	1	0
SC	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
TN	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
TX	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
UT	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
VA	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Totals	2022	44	3	0	0	1	1	45
	2023	45	2	0	0	0	0	47
	2024	47	7	0	0	0	6	48

TABLE NO. 4
STATUS OF COMPANY OWNED DOMESTIC OUTLETS FOR YEARS 2022 TO 2024

State	Year	Outlets at the Start of Year	Outlets Opened	Reacquired From Subfranchisee	Outlets Closed	Outlets Sold to Subfranchisee	Outlets at End of the Year
DE	2022	1	0	0	1	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

NV	2022	0	0	0	0	0	0
	2023	0	0	1	0	0	1
	2024	1	0	0	0	1	0
Totals	2022	1	0	0	1	0	0
	2023	0	0	1	0	0	1
	2024	1	0	0	0	1	0

TABLE NO. 5
PROJECTED DOMESTIC OPENINGS AS OF DECEMBER 31, 2024 FOR 2025

State	Franchise Agreements Signed But Outlet Not Yet in Operation	Projected New Franchised Outlets During The Next Fiscal Year	Projected New Company Owned Outlets During the Next Fiscal Year
NJ	0	2	0
NY	0	1	0
PA	0	2	0
TX	0	1	0
Total	0	6	0

TABLE NO. 1
SYSTEMWIDE INTERNATIONAL OUTLET SUMMARY FOR YEARS 2023 TO 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	2	2	0
	2023	2	3	1
	2024	3	3	0
Company Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	2	2	0
	2023	2	3	1
	2024	3	3	0

TABLE NO. 2
TRANSFERS OF INTERNATIONAL OUTLETS FROM FRANCHISEES TO NEW OWNERS

(OTHER THAN FRANCHISOR) FOR YEARS 2022 TO 2024

Country	Year	Number of Transfers
Canada	2022	0
	2023	0
	2024	0
Total	2022	0
	2023	0
	2024	0

TABLE NO. 3
STATUS OF INTERNATIONAL SUBFRANCHISE OUTLETS
FOR YEARS 2022 TO 2024

Country	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
Canada	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Totals	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	0	0	0	0	0	3

TABLE NO. 4
STATUS OF COMPANY OWNED INTERNATIONAL OUTLETS
FOR YEARS 2022 TO 2024

Country	Year	Outlets at the Start of Year	Outlets Opened	Reacquired From Subfranchisee	Outlets Closed	Outlets Sold to Subfranchisee	Outlets at End of the Year
Canada	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Total	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

TABLE NO. 5
PROJECTED INTERNATIONAL OPENINGS AS OF DECEMBER 31, 2024 FOR 2025

State	Franchise Agreements Signed But Outlet Not Yet in Operation	Projected New Franchised Outlets During The Next Fiscal Year	Projected New Company Owned Outlets During the Next Fiscal Year
Canada	0	2	0
Total	0	2	0

Attached as Exhibit E are the names, addresses, and telephone numbers of all current Subfranchisors. Also in Exhibit E are the names, city and state, and current business telephone numbers (or, if unknown, the last known home telephone number) of every Anago Subfranchise Rights Business who had their Subfranchise Rights Business terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Subfranchise Rights 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 Subfranchisors sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former Subfranchisors, but be aware that not all such Subfranchisors will be able to communicate with you.

There are no trademark-specific franchisee associations or organizations associated with the franchise system being offered.

ITEM 21 - FINANCIAL STATEMENTS

Attached as Exhibit F 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 five fiscal years 2022, 2023, & 2024. Our fiscal year ends December 31. ACS, as our parent, guarantees our performance of all obligations under each Subfranchise Rights Agreement we execute (Guaranty of Performance included in Exhibit F).

ITEM 22 - CONTRACTS

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

EXHIBIT A - ANAGO SUBFRANCHISE RIGHTS AGREEMENT

EXHIBIT C - DEPOSIT AGREEMENT

EXHIBIT D - NBDS LICENSE AGREEMENT

EXHIBIT H - STATE RIDERS

EXHIBIT I - ACKNOWLEDGEMENT OF RECEIPT

ITEM 23 - RECEIPTS

Exhibit I 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: Adam Povlitz, 20 SW 27th Ave. Suite 300, Pompano Beach, FL 33069.

EXHIBIT A - ANAGO SUBFRANCHISE RIGHTS AGREEMENT

MASTER

SUBFRANCHISE RIGHTS AGREEMENT

BETWEEN

ANAGO® FRANCHISING, INC.,
A FLORIDA CORPORATION

(FRANCHISOR)

AND

XXXXXXX
A [STATE] [CORPORATION OR LIMITED LIABILITY COMPANY]

(SUBFRANCHISOR)

DATED: _____

SCHEDULE A
DATA SHEET

1. SECTION 1.2 - AREA OF RESPONSIBILITY:

_____

_____

_____

2. SECTION 16.4 - SUBFRANCHISOR ADDRESS FOR NOTICES:

_____

_____

_____

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ANAGO SUBFRANCHISE RIGHTS AGREEMENT

THIS ANAGO SUBFRANCHISE RIGHTS AGREEMENT is signed on _____, between Anago Franchising, Inc., a Florida corporation (the “Franchisor", “Us”, “We”, “Our(s)”) and Corp. Name., a State corporation with its principal business address at _____ (the "Subfranchisor", “You”, “Yours”).

BACKGROUND

A. Franchisor has developed a distinctive system for the development and operation of janitorial and other facilities-related services businesses identified by the mark "Anago" and other Proprietary Marks. Franchisor is a wholly owned subsidiary of Anago Cleaning Systems and has been licensed to sell Subfranchise Rights Agreements.

B. Franchisor licenses the right to third parties to use and sublicense the right to use the Proprietary Marks and System in designated areas throughout the United States to identify to the public the source of services and products marketed under the System and to represent the System’s quality standards for services and products.

C. Subfranchisor understands and acknowledges the importance to Franchisor of the System’s standards for services and products and, pursuant to this Agreement, desires to obtain the rights to sublicense the right to operate Franchised Businesses using the System and the Proprietary Marks within a designated area.

D. Subfranchisor has had sufficient opportunity to be advised thoroughly of the terms of this Agreement by advisors of Subfranchisor's own choosing and by receipt and review of a current FDD (Subfranchise Rights) and a current FDD (Subfranchisor – Single Unit) and has made an independent investigation of Franchisor's operations, and Subfranchisor and Franchisor have concluded an agreement that they reduce to this written document, which is intended to fully state all of the parties' understandings and agreements, representations and warranties pertaining to their relationship and which terms are acknowledged by the parties to be material and reasonable.

TERMS

NOW THEREFORE, in consideration of the mutual covenants and obligations contained in this Agreement and intending to be legally bound, the parties agree as follows:

ARTICLE 1 - APPOINTMENT

Section 1.1 - Grant

Franchisor grants to Subfranchisor, subject to the terms and conditions of this Agreement, the nonexclusive right to sublicense the use of the System and the Proprietary Marks within the Area described in Section 1.2 to (i) identify the Business operated by Unit Franchisees pursuant to one or more Unit Franchise Agreements; and (ii) identify products and services sold through such Unit Franchises as designated by Franchisor during the Term. Subfranchisor accepts the grant of the nonexclusive rights to use the System and the Proprietary Marks to grant the right to operate Unit Franchises in the Area to Unit Franchisees pursuant to Unit Franchise Agreements in accordance with the terms and conditions set forth in this Agreement. This Agreement does not give Subfranchisor or any Unit Franchisee the right to operate or develop a Unit Franchised Business; such rights shall only be granted pursuant to a Unit Franchise Agreement.

Section 1.2 - Area of Responsibility

Subfranchisor's area of responsibility (the "Area") is the area identified on the Data Sheet attached hereto as Schedule A.

Subfranchisor will only deal with prospective Unit Franchisees who are residents within the Area and whose Unit Franchise is to be located within the Area to avoid an inadvertent offer to sell a franchise to a resident of a state where Franchisor and/or Subfranchisor are not currently registered. Subfranchisor must obtain Franchisor's prior written approval before dealing with any prospective Unit Franchisee who resides outside the Area.

Section 1.3 - Territorial Protection

During the Term, except as otherwise set forth herein and as long as Subfranchisor fully complies with the terms and conditions of this Agreement and any Unit Franchise Agreement, and Subfranchisor is not in default of this Agreement, Franchisor will not grant any other person the right to offer Unit Franchises to be operated in the Area. Notwithstanding the foregoing, Subfranchisor further acknowledges and agrees that Franchisor may reduce the size of the Area if Subfranchisor is in default of this Agreement more than three times in a 12-month period, or more than two times in a 6-month period.

Subfranchisor receives only those rights that Franchisor expressly grants to it in this Agreement. Subfranchisor acquires no rights by inference, innuendo or extrapolation. Franchisor expressly reserves for itself and its affiliates, without compensation to Subfranchsior of any sort, (a) the right to engage in activities, anywhere in the world, unless Franchisor expressly agrees in this Agreement that it or its affiliates will not to engage in them, and (b) all rights not expressly granted to Subfranchisor in this Agreement and any other written agreement between Franchisor and Subfranchisor, including the right to (i) develop and operate, directly or indirectly, other businesses offering products and services, whether similar or not to the products or services offered by the Unit Franchises, under different marks within or outside the Area; (ii) offer and sell products and services that are the same as or substantially similar to those offered by Unit Franchises under the Proprietary Marks through Franchisor's website and otherwise via the Internet, through catalogs and direct mail solicitations and other alternative methods of distribution within or outside the Area; (iii) advertise and promote the System and Proprietary Marks wherever Franchisor deems appropriate; (iv) operate and grant other Persons the right to operate retail businesses identified by the Proprietary Marks that offer and sell janitorial and other approved facilities-related services and products to Clients outside the Area; and (v) bid on and enter into contracts with National Accounts.

Section 1.4 - Office Requirement

Subfranchisor shall secure an office location approved by Franchisor from which it shall conduct its operations of the Subfranchise Business within 90 days after signing this Agreement (the "office location" or "Premises"). The office location shall be located within the Area and shall be equipped with a business telephone, computer system with Internet access, facsimile and electronic mail capabilities, and computer software that meets Franchisor's standards and specifications. Subfranchisor shall also obtain a mobile telephone and email address for use in the performance of

Subfranchisor's obligations hereunder. If Subfranchisor leases the office location from a third party, Subfranchisor and the landlord for the leased premises shall execute and deliver to Franchisor a collateral assignment of Subfranchisor's rights under the lease for the premises in the form attached to this Agreement as Exhibit VIII pursuant to which Subfranchisor shall, at Franchisor's option, assign all of Subfranchisor's rights under the lease to Franchisor upon termination or expiration of this Agreement.

ARTICLE 2 - DUTIES OF THE FRANCHISOR

Franchisor will provide Subfranchisor with the following assistance and services as long as Subfranchisor is not in default under this Agreement:

Section 2.1 - Training

(a) Initial Training. Franchisor agrees to provide an initial training program for Subfranchisor (or its managing owner if Subfranchisor is an entity) and its representatives. The training program will be conducted at an office of Franchisor or other mutually agreeable location. There is no fee for the initial training program, however, Subfranchisor is solely responsible for their expenses associated with this training, including all travel and living expenses incurred by Subfranchisor and its representatives in connection with their attendance at the initial training program. Initial training is mandatory for Subfranchisor (or its managing owner if Subfranchisor is an entity) and must be completed within 90 days after signing this Agreement. The initial training program, which is subject to modification by Franchisor at any time, is currently for a period of two weeks. Training may include instruction about unit sales and solicitation; unit orientation; management; contract sales including marketing, prospecting, telemarketing, bidding, and contracting for customer contracts, invoicing and statement processing. If the Subfranchisor is a current owner/operator of another Anago Master Franchise not in default, then all training and training materials are waived by both parties

(b) Failure to Complete Initial Training. If Subfranchisor (or its managing owner if Subfranchisor is an entity) fails to complete Initial Training to Franchisor's satisfaction, as determined by Franchisor in its sole discretion, Franchisor may elect to retrain Subfranchisor (or its managing owner if Subfranchisor is an entity) or terminate this Agreement and retain the non-refundable Subfranchise fee to pay for expenses associated with the training and time lost in developing Subfranchisor's territory.

(c) Content. The content of, operation of, and manner of conducting Initial Training is in the sole discretion of Franchisor.

(d) Refresher or Additional Training. Franchisor may provide refresher-training programs, seminars or advanced management training for Subfranchisor at the principal training facility of Franchisor, which may be required, at the sole option of Franchisor. Training will not be required more often than once a year. Subfranchisor is solely responsible for all expenses associated with these programs, including the then prevailing standard rates charged by Franchisor for these programs and all travel, meals and lodging costs for Subfranchisor's attendees.

Section 2.2 - Loan of the Anago Manuals

Franchisor will loan to Subfranchisor one copy of the Anago Manuals Subfranchisor is required to provide to its Unit Franchisees as set forth in the Unit Franchise Agreement and all additions, supplements, improvements and updates to the Anago Manuals within a reasonable amount of time after the same are adopted by Franchisor. The Anago Manuals cannot be emulated, edited, altered in whole or in part by Subfranchisor or its Unit Franchisees. Subfranchisor shall, at its sole cost and expense, provide to each Unit Franchisee one copy of the Anago Manuals and all additions, supplements, improvements and updates to the Anago Manuals. Franchisor will also loan to Subfranchisor one set of manuals (and all additions, supplements, improvements and updates to the manuals within a reasonable time after the same are adopted by Franchisor) of the necessary computer operating system (NBDS) for telemarketing, administration, and field operations. These manuals cannot be emulated, edited or altered in whole or in part by Subfranchisor or its Unit Franchisees.

Section 2.3 - Pre-Opening Assistance and Support

(a) Original Materials. Franchisor will provide Subfranchisor with assistance in (a) the preparation of advertising brochures, (b) compiling a list of local suppliers, (c) compiling a list of prospective clients, and (d) the set up for local advertising for the Unit Franchisees.

(b) Computer System/Software. Subfranchisor must provide financial and business records and other information to Franchisor according to reporting formats, methodologies and time schedules that Franchisor establishes. As part of these record-keeping requirements, Franchisor requires Subfranchisor, at its sole cost and expense, to obtain and use the computer hardware and software system (including Franchisor's proprietary software) as designated by Franchisor from time to time in the day-to-day operation of Subfranchisor's business. Currently, Subfranchisor is required to install the computerized NBDS management systems and accept the NBDS (in accordance with the NBDS License Agreement attached as Exhibit D to the FDD) which may be modified at any time by in response to business, operations and marketing conditions. Subfranchisor shall enter into any software licenses, terms of use and software maintenance agreements and pay any license and maintenance fees required by Franchisor or its Affiliates. Subfranchisor shall replace any such systems when deemed advisable by Franchisor given the age, cost to operate, condition of the system then in use, the then-current and anticipated technology, the information then in use with other Subfranchisors of the System, the needs of the System, and any other factors that may be relevant. If the Subfranchisor voluntarily fails to use the computer system and Anago proprietary software as directed by the Franchisor it will be a material breach under this agreement that the Franchisor at its option may terminate this agreement.

Section 2.4 - Billing and Collection System

(a) Invoicing. Under the Unit Franchise Agreements, each Unit Franchisee appoints Subfranchisor as its agent for purposes, throughout the term of the Unit Franchise Agreement, of billing and collecting for services the Unit Franchisee provides to its Clients. Subfranchisor hereby delegates to Franchisor the performance of those services, utilizing the NBDS System or such other program as designated by Franchisor as described in this Section 2.4. Franchisor will send monthly

invoices to every Client account serviced by Subfranchisor's Unit Franchisees for up to twelve (12) months following commencement of the Subfranchisor's operations and, at Franchisor's option, indefinitely in Franchisor's sole discretion or upon a default under this Agreement which remains uncured beyond all applicable notice and cure periods (an "Event of Default"). Should: (a) Subfranchisor not assume the invoicing after the first twelve (12) months following commencement of operations; or (b) Franchisor elect to assume invoicing upon an Event of Default, Franchisor may charge Subfranchisor the fees set forth below in Section 2.4(h).

(b) Deposit of Client Receipts. Unless otherwise directed by Franchisor, Subfranchisor will collect and deposit all Client payments into an escrow account designated by Franchisor, at an acceptable banking facility designated or approved in writing by Franchisor (the "Anago Escrow Account"), until the time for distribution to Subfranchisor and later distribution to its Unit Franchisees. The Anago Escrow Account will be utilized solely for Subfranchisor's Client payments and distribution of payments to Subfranchisor, and will not be commingled with any other funds of Franchisor, or of any other of Franchisor's subfranchisors' client payments. Subfranchisor will set up a separate operating account in its corporate name d/b/a "Anago of [Insert Area]". All Client checks and payments shall be made payable in the name of the Anago Escrow Account, and Subfranchisor must deposit all client checks and payments received into such account on a daily basis.

(c) Distribution of Client Receipts. After Subfranchisor receives a Client payment and deposits that payment into the designated Anago Escrow Account, Franchisor will: (i) distribute to Subfranchisor once per week, on Wednesday, the Client Receipts deposited into the Anago Escrow Account during the prior week (with a week running from Sunday through Saturday) which have cleared, less any funds owed to Franchisor or its affiliates for Royalties, Administrative Support fees, Insurance fees, accounting fees, service fees (bank fees, credit card fees, or other fees relating to billing and collections), advertising fees, late fees, temporary management fees, interest, and any other payments due to Franchisor its affiliates hereunder; and (ii) Franchisor will hold back in the Anago Escrow Account a portion of the funds sufficient to cover amounts Subfranchisor owes to it under this Agreement, as described in subsection (i). Subfranchisor will be responsible for the payment of sales tax, as applicable, which payments will be made from Subfranchisor's operating account. Subfranchisor is solely responsible for payment to its Unit Franchisees for services rendered to Clients, which payments should be made on the 20th day of each month following the month in which services were rendered, or as otherwise prescribed in its Unit Franchise Agreement, as authorized by Franchisor, and Subfranchisor will provide its Unit Franchisees with a statement detailing the previous month's accounting activity. Subfranchisor will send to Franchisor daily, by facsimile or electronic mail, items for all invoicing activity to each Client serviced and all supplies and equipment sold by Subfranchisor's Unit Franchisees for that day (for at least the first 12 months). Subfranchisor will provide to Franchisor, by the 25th day of each month, a copy of all statements issued to its Unit Franchisees during the month in the form and manner designated by Franchisor. Franchisor at its option, will require Subfranchisor to accomplish this via hard copies sent by mail, courier, or by electronic data transmission via a modem or Internet access installed within Subfranchisor's computer.

(d) Unintentional Payments. If any client payments are sent directly from the client to Subfranchisor's or a Unit Franchisee's operating Account, Subfranchisor will immediately notify

Franchisor of the payment receipt with the corresponding deposit slip. Subfranchisor or Unit Franchisee, as applicable, will deposit the payment directly to the Anago Escrow Account for processing. Neither Subfranchisor nor any Unit Franchisee may deposit the payment directly into its own account. A deposit into any account other than the Anago Escrow Account is a default under this Agreement authorizing Franchisor to immediately assume all billing and invoicing, in which event all Clients in the Area will be notified to forward all invoice payments directly to Franchisor.

(e) Right of Entry to Billing Records. Subfranchisor will give Franchisor full and unimpeded 24-hour access, 365 days per year, to Subfranchisor's records, including those which are retained or recorded on any electronic or computer system operated by Subfranchisor. Franchisor will have access to the electronic reporting through a modem or Internet connection installed within Subfranchisor's computer, and will be supplied with hard copies of data upon request by Franchisor. Any supplementary hardware or software costs will be borne by Subfranchisor. Franchisor may modify the reordering requirements at any time deemed necessary, and will notify Subfranchisor in writing of the modifications. Subfranchisor agrees and acknowledges that the records are proprietary, valuable, and are trade secrets of Franchisor. Except as expressly authorized by Franchisor, Subfranchisor agrees not to reproduce, copy, or disseminate these records.

(f) Billing and Collection Procedures Upon Default of the Subfranchisor. During any period that Subfranchisor is in default of this Agreement, and for 90 days thereafter (the "Default Period"), Franchisor will have the right to deposit and hold in the Anago Escrow Account certain Client receipts (the "Escrow Receipts"), less any funds owed to Franchisor or its affiliates for royalties, accounting fees, service fees (bank fees, credit card fees, or other fees relating to billing and collections), advertising fees, late fees, temporary management fees, interest, and any other payments due to Franchisor its affiliates hereunder. The Escrow Receipts may be held by Franchisor and distributed directly to the Unit Franchisee the Escrow Receipt owed, less amounts due, as delineated in the Unit Franchise Agreement. Subfranchisor's residual amounts may remain in the Anago Escrow Account for the duration of the Default Period, and may be offset by amounts owed to Franchisor. Franchisor will be obliged to pay each Unit Franchisee only for receipts that Franchisor deposits into the Anago Escrow Account. Each Escrow Receipt will be credited for the invoice the Client designates, and will be distributed to the Unit Franchisee accordingly. If Franchisor determines that Subfranchisor has collected a Client receipt and subsequently failed to pay the corresponding Unit Franchisee timely pursuant to the terms of the Unit Franchise Agreement directly, the Franchisor may deduct and offset the same amount from Subfranchisor's escrow account. Franchisor may independently consult with each Unit Franchisee and Client to determine the amount of funds the Unit Franchisee is owed. During the Default Period, Subfranchisor agrees to cooperate fully with Franchisor to expedite full and timely payment to each Unit Franchisee. Subfranchisor will furnish to Franchisor, within 48 hours of Franchisor's request, a copy of all prior client invoices regarding services and supplies provided to all Clients in the Area and Unit Franchisees.

(g) Right of Offset. Franchisor, at its option, may for a period of one year after written notice of default, as described in Subsection 2.4(f), immediately deduct from amounts paid to Subfranchisor on its Client receipts, any amounts owed to Franchisor.

(h) Assumption of Processing. Franchisor, upon default of this Agreement or at the request of Subfranchisor, may, at its sole option, assume the processing of Client invoices and Unit Franchisee statements for an indefinite period. In such an event, Franchisor will charge Subfranchisor a monthly accounting fee equal to $1,000.00 or 1% of monthly Gross Revenues (whichever is greater), plus the cost of postage. Additionally, Franchisor will charge Subfranchisor a $25.00 accounting fee per Unit Franchisee monthly statement. The accounting fees will be withheld from amounts due to Subfranchisor in the week the costs for processing were incurred.

Section 2.5 - Continued Assistance and Support

(a) Telephone Hotline. Franchisor will, at its discretion and subject to availability of Franchisor's personnel, maintain a telephone "hotline" for informational assistance for Subfranchisor and Unit Franchisees.

(b) Advertising Fund and Public Relations Campaigns. Franchisor has the right to establish national and/or regional advertising funds and/or regional advertising cooperatives (hereinafter collectively referred to as the "Fund") for the common benefit of the Anago franchise System. If a Fund is established, Franchisor may require Subfranchisor to contribute a monthly amount not to exceed 2.2% of Subfranchisor's Gross Revenues during the preceding month to the Fund. The Fund will not be Franchisor's asset. The Fund is not a trust. If established, Subfranchisor's payments to the Fund shall be used for advertising, marketing, promotion, production and development of advertising, marketing, promotional and other programs, product development, merchandising, public relations, administrative expenses, programs designed to increase business and enhance and further the public reputation of the Anago franchise System, and activities related to any or all of the foregoing. The content of all activities of the Fund, including, without limitation, the media selected and employed, as well as the area and units to be targeted for such activities shall be at the sole discretion of Franchisor. Franchisor does not owe any fiduciary obligation to Subfranchisor or Unit Franchisees for administering the Fund or any other reason. Franchisor undertakes no obligation to make expenditures for Subfranchisor or any individual Unit Franchisee which are equivalent or proportionate to contributions paid under this Agreement, or to insure that Subfranchisor or any unit Franchisee benefits directly or on a pro-rata basis from activities of the Fund, if any. Franchisor has the right to include a notation on all advertisements stating the availability of franchise and/or career opportunities. A statement of operations of the Fund, if developed, will be prepared annually by an independent public accountant selected by Franchisor. Upon reasonable request, Franchisor will provide Subfranchisor a copy of the annual statement of operations. A portion of Subfranchisor's payments to the Fund will be utilized, at the discretion of Franchisor, to provide for the administrative expenses of the Fund, including, without limitation, salaries, travel, rent and other expenses of administering the Fund, and for programs designed to increase sales and enhance and further develop the public reputation and image of Anago and the Anago franchise System. The balance, including any interest earned by the Fund, will be used for advertising and related expenses. Fund contributions not spent in the fiscal year in which they accrue will typically be carried forward to the next year and spent on advertising and related expenses. Franchisor shall have the right to terminate the Fund at any time, however, the Fund will not be terminated until all contributions have been expended.

(c) Periodic Assistance. Franchisor may, subject to availability of Franchisor's personnel, provide to Subfranchisor continuing advisory assistance in the operation and promotion of the Unit Franchises as Franchisor deems advisable, including communication of new developments, improvements in equipment and supplies, and new techniques in advertising, service and management that are relevant to the operation of Franchised Business.

(d) Subfranchisor acknowledges and agrees that Franchisor is an intended third-party beneficiary of the Unit Franchise Agreement, including without limitation, the provisions of the Unit Franchise Agreement which relate to dispute resolution and payment of fees by Franchisee to Subfranchisor, and that AFI has the right (but not the obligation) to enforce any provision of the Unit Franchise Agreement as though it were a party thereof.

(e) Referral of Leads. Franchisor will refer all leads received by Franchisor to Subfranchisor for possible Unit Franchises in the Area.

Section 2.6 - Franchise Disclosure Document

Franchisor will supply to Subfranchisor a current generic FDD which includes the Unit Franchise Agreement (FA) (Subfranchisor - Single Unit) to be modified, at Subfranchisor's expense, including the information required to be included regarding Subfranchisor by the FTC Franchise Rule. Franchisor will update its FDD in accordance with FTC Franchise Rule and current state requirements as to information concerning Franchisor. It is the sole responsibility of the Subfranchisor to maintain annual as well as any required interim updates to their FDD. Failure to maintain proper and complete updates to the FDD is a material breach under this agreement and the Franchisor at its option may terminate this agreement without the opportunity of the Subfranchisor to cure.

Section 2.7 - Duties Solely to the Subfranchisor

All of the obligations of Franchisor under this Agreement are solely to Subfranchisor. No other party is entitled to rely on, enforce, or obtain relief for breach of Franchisor's obligations either directly or by subrogation.

Section 2.8 - The Franchisor's Right to Delegate Duties

Subfranchisor agrees to Franchisor's right to delegate any of the duties of Franchisor under this Agreement to a Designee. Subfranchisor must discharge his or her duties in all respects with the Designee to the extent requested by Franchisor in the same manner with which Subfranchisor is otherwise required to do with Franchisor.

ARTICLE 3 - DUTIES OF THE SUBFRANCHISOR

Subfranchisor will perform the following duties on an exclusive, full-time, best-efforts basis for Franchisor:

Section 3.1 - Compliance with Franchise Regulations

(a) Subfranchisor acknowledges that there are federal, state and local laws governing the offer and sale of franchises ("Franchise Regulations") and that it is Subfranchisor's sole responsibility to ensure that it complies with all such laws, rules and regulations. Subfranchisor will retain a qualified franchise attorney to assist and counsel Subfranchisor in its legal obligations under all Franchise Regulations and other applicable laws. Subfranchisor will send copies of its proposed FDD (Subfranchisor - Single Unit) to Franchisor and its counsel for approval. Subfranchisor shall not modify its FDD without first obtaining Franchisor's prior written approval. Subfranchisor will also register its franchise offering and maintain its registration with the appropriate state agency, if required. Subfranchisor shall be responsible for all costs and expenses, including, without limitation, Subfranchisor's attorneys' fees and any applicable registration and filing fees in connection with complying with Franchise Regulations.

(b) Subfranchisor further acknowledges that Franchise Regulations require updating of disclosure information, amendments and renewals of disclosure documents and registration filings and that there may be periods of suspended sales and solicitation activity during any such renewals and/or amendments. Franchisor shall not be liable to Subfranchisor for any delays or any franchise sales that may be lost due to Franchisor's or Subfranchisor's efforts and actions to comply with Franchise Regulations.

(c) Subfranchisor shall be responsible for delivering to each prospective franchisee in the Area a complete copy of Subfranchisor's then-current FDD that has been approved by Franchisor. Subfranchisor shall not make any representations or statements to prospects for franchises which are (i) in addition to, inconsistent with or contradictory to the contents of the FDD; or (ii) misleading, incomplete, fraudulent or untrue. SUBFRANCHISOR SHALL NOT, UNDER ANY CIRCUMSTANCES, MAKE ANY FINANCIAL PERFORMANCE REPRESENTATIONS (AS DEFINED BY THE FTC Franchise Rule) TO ANY PROSPECTIVE FRANCHISEE, EXCEPT AS EXPRESSLY STATED IN ITEM 19 OF THE FDD (Subfranchisor – Single Unit).

(d) Subfranchisor's failure to comply with Franchise Regulations shall be deemed a material default under this Agreement granting Franchisor the right to immediately terminate Subfranchisor's rights hereunder without issuance of a determination by an agency or court. Subfranchisor acknowledges that any violation by Subfranchisor may result in fines, penalties and other enforcement proceedings. Subfranchisor hereby agrees to indemnify and hold Franchisor harmless from any and all damages, liabilities, costs and expenses, including, without limitation, fines penalties and attorneys' fees, incurred by Franchisor directly or indirectly as a result of Subfranchisor's violation or alleged violation of any Franchise Regulations.

Section 3.2 - Franchise Marketing and Sales

(a) Within the thirty (30) day period following completion of the initial training program, Subfranchisor will develop and submit to Franchisor for its review and approval, a franchise-marketing and advertising plan to attract qualified Unit Franchisee candidates within the Area. Subfranchisor shall only implement advertising, marketing and promotional programs in local and regional advertising media which are disseminated and/or circulated within the Area. Subfranchisor

will not conduct any advertising, promotional or marketing activities outside the Area without Franchisor's prior written approval. You may utilize any social media websites that we approve pursuant to our then-current social media policy, which we may periodically modify.

(b) Subfranchisor shall submit to Franchisor for prior approval, all sales, promotional, advertising and other materials Subfranchisor wishes to use in connection with recruiting new franchisees, or otherwise meeting its obligations under this Agreement. Subfranchisor shall not use any false or misleading advertising, including in the solicitation of prospective Unit Franchisees. Subfranchisor will comply with all laws regulating the content and use of advertising including registration with, and approval by, applicable state franchise regulators. Subfranchisor shall obtain Franchisor's prior written consent, which may be granted or withheld in Franchisor's sole and absolute discretion, prior to participating in any franchise trade shows within or outside the Area. Any such authorized participation will be at Subfranchisor's discretion and Subfranchisor shall be responsible for all expenses associated therewith. Any approval given to the use of any promotional or advertising (including Internet advertising) material developed by the Franchisor or Subfranchisor may be withdrawn at any time and the Subfranchisor agrees to discontinue its use within 30 days.

(c) Subfranchisor will spend at least $50,000 per calendar year on marketing Anago services to the Clients and potential clients in the Area ("Client Marketing Spend") and will provide Franchisor with satisfactory proof of these expenditures in the form and containing the detail specified by Franchisor. The Client Marketing Spend requirement will be prorated for each partial calendar year of the Term.. If Subfranchisor fails to satisfy the Client Marketing Spend requirement in any calendar year or to provide Franchisor with satisfactory proof of the Client Marketing Spend expenditures, Franchisor may, in addition to any other rights or remedies, require Subfranchisor pay to Franchisor the difference between the Client Marketing Spend requirement and portion of the Client Marketing Spend actually spent during the applicable calendar year in the Area, which amount Franchisor may use for any purpose in its sole discretion.

(d) Subfranchisor will not establish a separate website relating to its operations hereunder, unless approved by Franchisor in writing, which approval may be granted or withheld by Franchisor in its sole discretion. The Franchisor will be the absolute owner of all domain names and URLs related to the operation of your business under this Agreement, as well as any content posted to any such websites. In addition, the Franchisor may require that information relating to Subfranchisor be included on Franchisor's website; provided that Franchisor shall have the right to control the content of any such information and to remove any such information at any time during the Term of this Agreement. Any Internet advertising, marketing and/or solicitation methods Subfranchisor wishes to use must first be approved by Franchisor in writing. Franchisor may grant or withhold its approval in its sole discretion.

(e) Subfranchisor agrees to list and advertise the Business on all major internet search engines (for example, Google Local and CitySearch) and all major internet consumer review websites (for example, Yelp) set forth in the Anago Manuals from time to time and, at Franchisor's direction, in at least one recommended classified telephone directory distributed within the market areas in which the Business operates (in the business classifications Franchisor prescribes from time to time) and to use the form of classified telephone directory advertisement approved by Franchisor.

(f) In recruiting prospective franchisees, Subfranchisor shall screen franchise candidates pursuant to standards required by Franchisor and shall make every effort to locate candidates in the Area who meet Franchisor's then-current qualifications required to operate an Anago Unit franchise. Subfranchisor shall obtain completed franchisee applications for processing and review, and shall timely deliver, in accordance with all applicable laws, Subfranchisor's FDD (Subfranchisor - Single Unit). Subfranchisor shall promptly refer to Franchisor all inquiries Subfranchisor receives regarding the establishment of a franchise outside the Area.

(g) Subfranchisor will enter into Franchisor's then-current form of Unit Franchise Agreement with each approved franchise candidate. A current copy of the Unit Franchise Agreement is attached as Exhibit I. Subfranchisor acknowledges that certain changes and modifications to the Unit Franchise Agreement may be required in order to comply with System changes, business practices, laws and regulations. Franchisor shall have the right to make and require any changes or modifications as it deems necessary in its sole and absolute discretion to the form of Unit Franchise Agreement to be executed by Unit franchisees. Subfranchisor is not permitted to make any changes to the Unit Franchise Agreement, or any other agreement or Exhibit to the FDD (Subfranchisor - Single Unit) without obtaining Franchisor's prior written consent.

(h) Subfranchisor will establish and maintain sources of supplies and services for the Unit Franchisees within the Area, including sources for leasing and financing assistance to the Unit Franchisees approved by Franchisor.

(i) Each new Unit Franchisee pays an Initial Franchise Fee directly to Subfranchisor, as Franchisor is not a party to the Unit Franchise Agreement between Subfranchisor and the Unit Franchisee. Although Franchisor is not directly a party to the Unit Franchise Agreement, Franchisor is a third-party beneficiary of, and has a security interest in, each Unit Franchise Agreement and, therefore, Subfranchisor must notify Franchisor of each sale by electronic mail within 24 hours of the earlier of: (a) signing a Unit Franchise Agreement; or (b) acceptance of any monies from the Unit Franchisee. Copies of the following items must be sent to Franchisor within ten (10) calendar days of the sale:

(i) Completed Unit Franchise application via electronic mail or as otherwise designated by Franchisor;
(ii) The entire, fully executed Unit Franchise Agreement and promissory note, if applicable;
(iii) The Unit Franchisee's signed receipt of Subfranchisor's Franchise Disclosure Document; and
(iv) The Unit Franchisee's check or signed receipt of payment. If cash payment, Subfranchisor will deposit the cash immediately into Subfranchisor's bank account.

(j) Unless prohibited by applicable law, we may periodically set a maximum or minimum price that you may charge for products and services offered by or to Unit Franchisees and to Clients. If we impose such a maximum or minimum price for any product or service, you and the Unit Franchisees 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. For any product or service for which we do not impose a maximum or minimum price, we may require you and the Unit Franchisees to comply with an advertising policy adopted by us which will prohibit you and the Unit Franchisees from advertising any price for a product or service that is different than our suggested retail price. Although you and the Unit Franchisees must comply with any advertising policy we adopt, you and the Unit Franchisees will not be prohibited from selling any product or service at a price above or below the suggested retail price unless we impose a maximum price or minimum price for such product or service.

Section 3.3 - Reporting Obligations

(a) Reports to Franchisor. Subfranchisor shall keep accurate, complete and organized records, files and written communications relating to the Subfranchise Business and performance hereunder, including all transactions and communications between Franchisor, Subfranchisor and Unit Franchisees in the Area. Subfranchisor must report promptly to Franchisor regarding any complaints or suggestions made by a Unit Franchisee. A copy of any written or electronic communication must be forwarded immediately to Franchisor.

(b) Financial Statements Subfranchisor will submit to Franchisor annually, within 120 days after the end of each fiscal year of Subfranchisor, audited financial statements covering the previous 12-month's operation together with a balance sheet as of the end of the fiscal year. If Subfranchisor makes a permitted assignment to a corporation, Franchisor has the right to review the financial statements of all shareholders of the corporation who hold 10% or more of the equity of the corporation.

(c) Audit. Franchisor or its designated agents have the right at any time to examine, at its expense, the books, records, escrow accounts and tax returns of Subfranchisor including all documents in the care, custody, possession or control of Subfranchisor in connection with this Subfranchise. Franchisor also has the right, at any time, and at its own expense, to have an independent audit made of the books of Subfranchisor. If Franchisor's accountants indicate that there has been an understatement of Gross Revenues in any given period, then Subfranchisor will immediately pay to Franchisor the amount understated, plus interest from the date the amount was due until paid, at the maximum rate permitted by law. If any understatement is in the amount of 2% of Gross Revenues or more, or if Franchisor's audit reveals any material or willful violation of this Agreement, Subfranchisor will, in addition, reimburse Franchisor for all costs and expenses connected with the inspection (including travel expenses, compensation to Franchisor's representatives and reasonable accounting fees). The remedies are in addition to any other remedies Franchisor may have.

(d) Informational Requests; Monthly Forecasts. Subfranchisor will promptly comply with all informational requests of Franchisor and cooperate fully with Franchisor to administer the franchise program contemplated under this Agreement. Subfranchisor will provide monthly forecasts of sales of Unit Franchises and product sales by existing Unit Franchisees.

(e) Licenses. Subfranchisor is responsible for complying with all licensing requirements and other applicable laws concerning the performance of Subfranchisor's duties, for which the Franchisor makes no representations and warranties.

(f) Telephones. Subfranchisor will at all times:

(i) maintain continuously the number of operating telephone lines and telephone numbers to be used exclusively by Subfranchisor for the operation of Subfranchisor's Subfranchise Business required by Franchisor, with sufficient staff to handle telephone calls in an efficient and courteous manner at all times during business hours; and

(ii) maintain an answering service or voice mail after normal business hours.

(g) Compliance with Laws. Subfranchisor 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 franchises necessary for the full and proper conduct of the Subfranchise Business under this Agreement, including qualification to do business, fictitious, trade or assumed name registration, occupational licenses and franchise salesmen regulations. Copies of all inspection reports, warnings, certificates and ratings, issued by any governmental entity during the Term in the conduct of Subfranchisor's business that indicate material non-compliance by Subfranchisor with any applicable law, rule or regulation, will be forwarded to Franchisor by the Subfranchisor within 2 days of Subfranchisor's receipt of these items.

(h) Tax Payments; Contested Assessments. Subfranchisor will promptly pay when due all taxes levied or assessed by any federal, state or local tax authority, including unemployment taxes, withholding taxes, sales taxes, income taxes, tangible commercial personal property taxes, real estate taxes, intangible taxes and all other indebtedness incurred by Subfranchisor in the conduct of the Subfranchise Business. Subfranchisor will pay to Franchisor or Franchisor will withhold an amount equal to any sales tax, goods and services taxes, gross receipts tax, or similar tax imposed on Franchisor for any payments to Subfranchisor required under this Agreement, unless the tax is measured by or related to the net income of Franchisor or to its corporate status in a state. If any tax is paid by Franchisor on behalf of the Subfranchisor, then Subfranchisor will promptly reimburse Franchisor the amount paid. Upon any bona fide dispute as to liability for taxes assessed or other indebtedness, Subfranchisor may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; however, Subfranchisor will not permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against any assets used in the Subfranchise Business.

(i) Inspections. Subfranchisor will permit Franchisor and/or its representatives to enter the office of Subfranchisor and its training facility at any time during normal business hours, for purposes of conducting inspections including a review of Subfranchisor's books and records. Subfranchisor will cooperate fully with Franchisor and/or its agents in the inspections by rendering assistance as they may reasonably request and by permitting them, at their option, to observe the methods used by Subfranchisor in selling Unit Franchises and rendering Subfranchisor's services. The inspections may be conducted without notice at any time when Subfranchisor or one of its

employees is at the Subfranchise Business. The inspections will be performed in a manner that minimizes interference with the operation of the Subfranchisor's Subfranchise Business.

(j) Notices to the Franchisor. Subfranchisor will notify Franchisor in writing within 5 days of each of the following events:

(i) The actual filing of any action, suit or proceeding against Subfranchisor or any of his or her employees:
(ii) The issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, that may adversely affect the operation, financial condition or good will of the Subfranchisor or Franchisor; or
(iii) Notice to Subfranchisor of a violation of any law, ordinance or regulation by its business.

If any action or proceeding is brought against Subfranchisor regarding its business, Subfranchisor will immediately provide Franchisor with copies of all pleadings, papers and material correspondence regarding the action or proceeding. Subfranchisor will keep Franchisor informed about the progress and outcome of the action or proceeding. If Franchisor deems, in its sole discretion, that any action, suit or proceeding commenced against Subfranchisor or any of its employees may have an impact on the Anago franchise System, Franchisor shall have the right to participate in any such action, suit or proceeding and Subfranchisor agrees to cooperate fully with Franchisor's participation.

(k) Operational Suggestions. Subfranchisor is encouraged to submit suggestions in writing to Franchisor for improving elements of the System, such as products, services, equipment, service format, advertising and any other relevant matters, which will be considered by Franchisor when adopting or modifying standards, specifications and procedures for the System. Subfranchisor agrees that any suggestions made by Subfranchisor under this Agreement are the exclusive property of Franchisor. Franchisor has no obligation to use these suggestions and no obligation to provide compensation for any suggestion. Subfranchisor may not use any suggestions inconsistent with his or her obligations under this Agreement without the written consent of Franchisor.

(l) Record keeping. During the Term of this Agreement, Subfranchisor must maintain and preserve, for at least 10 years from the date of their preparation, full, complete and accurate books, records and accounts with respect to the Subfranchise Business. The Subfranchisor must use only the NBDS system or any other system as required by the Franchisor described in this paragraph. Any other software/programs the Subfranchisor desires to use must be approved in writing by the Franchisor before any such use is permitted.

(m) Late Fee. Subfranchisor acknowledges and understands that all required reports, forms, statements and information required to be submitted to Franchisor under this Agreement must be submitted as and when due so as to allow Franchisor to remain competitive in the market place and to facilitate the overall operation of the Anago franchise System. Franchisor will impose a late fee equal to $100 per day, per report, until each missing required report has been submitted for Subfranchisor's failure to submit any required report, statement, form or information as required

under this Agreement. In addition, a $100 fee will be imposed each day for failure to deposit client receipts properly into the required bank accounts.

Section 3.4 - Minimum Client Bids

Subfranchisor agrees to schedule and conduct marketing appointments with prospective cleaning clients that result in a bid for service (each a "Client Bid") throughout the Term. Franchisor may establish and describe in the Manuals, based on the population of Subfranchisor's Area, minimum numbers of Client Bids that Subfranchisor must schedule and conduct during a measurement period which, in Franchisor's discretion, may be an annual period or a 6-month period (each a "Measurement Period"). If Subfranchisor fails to satisfy, on average, the minimum requirements of the applicable Measurement Period, then (i) it agrees to pay Franchisor $150 multiplied by the difference between the minimum Client Bids required for the Measurement Period and the number of Client Bids actually created by Subfranchisor during the Measurement Period, and (ii) in addition to Franchisor's other remedies under this Agreement, Franchisor may, upon notice to Subfranchisor, reduce or redefine the Area.

Section 3.5 - Obligations to Unit Franchisees

(a) Subfranchisor will perform all of the obligations of Subfranchisor under each Unit Franchise Agreement to which it is a party.

(b) Subfranchisor shall bear the sole responsibility for reviewing, approving and allocating all potential areas of operation ("Unit Area of Operation") for each Unit Franchisee in the Area under each Unit Franchise Agreement. Subfranchisor shall indemnify Franchisor with respect to any selection or designation of any Unit Area of Operation.

(c) Subfranchisor will conduct periodic meetings of all Unit Franchisees in the Area including meetings of any Regional Advertising Cooperative for purposes as, and no less frequently than, Franchisor may require in writing. If requested by Franchisor, Subfranchisor will develop specific marketing programs for the Area using material provided or approved by Franchisor.

(d) Subfranchisor recognizes that as a material obligation under this Agreement, it shall ensure that each Unit Franchisee within the Area is operated strictly in accordance with the standards of the System as set forth in the Unit Franchise Agreement and in the Anago Manuals. Subfranchisor shall comply with Franchisor's policies and procedures in monitoring such compliance, which policies and procedures may be amended by Franchisor from time to time. Such monitoring procedures may include without limitation, Unit inspections.

(e) Subfranchisor shall take all steps reasonably necessary to enforce all Unit Franchisees' obligations under the Unit Franchise Agreement in the Area. If Franchisor or its Affiliates incur expenses to enforce or defend a Unit Franchise Agreements in the Area, Subfranchisor shall reimburse Franchisor for all costs and expenses incurred by Franchisor in any such enforcement actions, including, without limitation, arbitration or mediation fees, court costs, reasonable attorneys' fees and travel expenses.

(f) Subfranchisor shall not, itself, or through or in association with any third party, directly or indirectly, collect any money (other than in accordance with this Agreement), or barter or trade for anything of value, from a prospect, Unit Franchisee or any third party, directly or indirectly (including, but not limited to, consideration of any kind furnished by a third party to Subfranchisor or its designee, based upon or resulting from payment by a prospective franchisee or Unit Franchisee to such third party) which is in any way related to: (i) services to be provided by Subfranchisor pursuant to this Agreement; or (ii) the establishment and/or operation of a Unit pursuant to a Unit Franchise Agreement. Additionally, without limiting the generality of the foregoing, Subfranchisor shall not accept or otherwise receive payment including discounts, products, rebates or the like from any existing or prospective franchisee, landlord, vendor, broker, agent or supplier of the System or any representative or agent thereof, in connection with its operations hereunder or in any way related to the System or its Unit Franchisees.

Section 3.6 - Client Accounts

(a) Subfranchisor is authorized and obligated to search for, solicit, engage with, market janitorial and other approved facilities-related services to, and sign contracts with Clients in the Area to be serviced by Unit Franchisees in the Area (the "Client Solicitation Services"). Toward that end, Subfranchisor will, throughout the Term of this Agreement, secure and maintain resources dedicated to performing the Client Solicitation Services. Franchisor reserves the right to set forth in the Anago Manuals certain minimum standards with respect to the Client Solicitation Services, including setting parameters for how they are provided and by whom, and establishing certain performance metrics such as minimum number of proposals produced to prospective Clients and minimum number of Client contracts executed. All marketing, sales, promotional and solicitation materials for procuring Clients in the Area are to be submitted to Franchisor for its prior review and written approval and may not be used before obtaining such approval. Notwithstanding the foregoing, Subfranchisor shall refer all National Accounts to Franchisor. Subfranchisor shall not enter into any contracts with National Accounts without first obtaining Franchisor's written consent. Franchisor reserves the right to, either itself or through its designee, enter into contracts for the performance of Anago services to National Accounts. wherever or however the National Account is originated. "National Account" means any client or prospective client that, directly or though its affiliates: (i) owns, manages, operates, controls, or is responsible for ten (10) or more locations in your Area; (ii) owns, manages, operates, controls or is responsible for multiple locations, one or more of which is in your Area and one or more of which is outside of your Area; and (iii) requests that we or our affiliates submit or allow us or our affiliates to submit a response to a request for proposals ("RFP") and we determine that you do not meet the National Account's qualifications to submit an RFP response or enter into the contract. If Franchisor signs a contract with a National Account with locations in Subfranchisor's Area, and it is not prohibited from doing so under its contract with the National Account, Franchisor may provide Subfranchisor the option, on terms and conditions specified by Franchisor and on a non-exclusive basis, to license Unit Franchisees in the Area to perform services for National Account locations within the Area.

(b) With the exception of National Accounts, Subfranchisor shall enter into Client contracts in the form approved by Franchisor (a "Client Account") agreeing to provide Anago janitorial and other approved facilities-related services to such Client through Unit Franchisees in

the Area. Subfranchisor acknowledges and agrees that Franchisor shall own all rights in and to all Clients and Client Accounts upon default, termination or expiration of this Agreement.

(c) Subfranchisor shall be solely responsible for designating which Unit Franchisees in the Area will be given the opportunity to take an assignment of or join in the agreement with the Client and who, as a result, will be responsible for performing services for each Client Account in accordance with the Unit Franchise Agreement. Subfranchisor shall ensure that all Client Accounts are being serviced by Unit Franchisees in strict accordance with the Unit Franchise Agreement and the Anago Manuals.

(d) All Clients will be invoiced, and all payments for services rendered under Client Accounts shall be collected and accounted for, in the manner and according to the procedures designated by Franchisor, which procedures may be modified by Franchisor at any time effective upon written notice to Subfranchisor. Subfranchisor shall collect all payments from Clients for services performed under each Client Account as and when such payments become due. Franchisor shall have no responsibility or liability relating to any Client Accounts or the failure of any Client to pay any amount due under any Client Account. Franchisor shall have the right, as it deems necessary in its sole discretion, to assist Subfranchisor in the collection of payments from Clients.

(e) Subfranchisor shall immediately notify Franchisor of any Client complaint and shall provide a copy of any written complaints.

(f) Upon termination or expiration (through default or otherwise) of this Agreement, Subfranchisor shall deliver all Client lists and Client Accounts to Franchisor, including any and all documentation relating thereto and Subfranchisor shall have no further rights therein.

Section 3.7 - Insurance

(a) Subfranchisor will procure and maintain in full force and effect during the Term, at Subfranchisor’s sole expense, an insurance policy or policies, as required by Franchisor, including coverage protecting Subfranchisor and Franchisor, and their officers, directors, partners and employees, against any loss, liability, personal injury, death, or property damage or expense arising from Subfranchisor's obligations under this Agreement. The Subfranchisor is required to obtain insurance coverage through the Anago National Insurance program during the entire Term. All liability policies will name Franchisor as the additional insured and will provide that Franchisor will receive notice of Subfranchisor's default in payment of any premium and 30 days' prior written notice of termination, cancellation, expiration or alteration to provide less coverage. The insurance afforded by any liability policy will not be limited in any way by reason of any insurance maintained by Franchisor. Subfranchisor is responsible for payment of all deductibles, should a claim arise.

(b) The policy or policies will be written by a licensed insurance company and will include, at a minimum, commercial general casualty insurance and general liability insurance, including products liability, property damage, owned and non-owned motor vehicle coverage, and personal injury coverage with a combined single limit of $1,000,000, with an umbrella policy of $2,000,000, unless otherwise agreed in writing by Franchisor, an "Errors and Omissions" policy with

$1,000,000 coverage as well as workers' compensation insurance for accident or disease in an amount not less than $500,000 per employee.

(c) If Subfranchisor fails to procure and maintain any required insurance coverage or furnish satisfactory evidence of insurance, Franchisor, in addition to its other remedies, may, but need not, procure insurance coverage for Subfranchisor, who will pay Franchisor on demand the amount of any premiums and expenses incurred by Franchisor in obtaining the insurance.

(d) Subfranchisor must require all Unit Franchisees to obtain coverage of the types and amounts as required by Franchisor, protecting Franchisor and Subfranchisor against any and all claims, damages or harm caused by the Unit Franchise operations. Franchisor will at its option obtain insurance for any and all Unit Franchisees that do not produce proof of coverage and charge Subfranchisor for that coverage. Subfranchisor agrees that it shall be solely responsible to monitor the Unit Franchisee compliance with the insurance requirements and will forward any and all proof of coverage to Franchisor at its request.

(e) The Anago National Insurance program is provided to the Subfranchisor at a charge of the actual cost to maintain the insurance policy (Insurance Premium), which shall be paid to Franchisor or its designee. The plans will be subject to change, modification, and/or cancellation. Future changes in premiums, coverages and other changes will be set forth in the Manuals or in writing by Franchisor.

Section 3.8 - Confidentiality

Subfranchisor shall not, during the Term of this Agreement or thereafter, either directly or indirectly, use, divulge, disclose or communicate to any person, legal entity, association or firm, any Confidential Information, knowledge, know-how or information of any kind concerning any matters affecting the business of Franchisor or its Affiliates, which may be communicated to Subfranchisor or of which Subfranchisor may be apprised by virtue of its operation under this Agreement, including the terms of this Agreement, the terms of any other agreement between Franchisor and its employees or its other Subfranchisors and Unit Franchisees, or any Franchisee lists, compilations or profiles or the name of any Franchisee, without regard to whether the information would be deemed confidential or material. Subfranchisor will require all managers, field representatives and any personnel having access to any information they receive in connection with their employment by Subfranchisor to execute covenants that they will maintain the confidentiality of all such information. Franchisor shall be identified as a third-party beneficiary of such covenants with the independent right to enforce them. Subfranchisor must provide Franchisor with copies of all executed confidentiality agreements. Subfranchisor agrees that the information affects the successful and effective conduct of Franchisor's business and its goodwill, and that any breach of the terms of this Section is a material breach of this Agreement. All of the records, files and materials created or used by Subfranchisor in performing his or her duties under this Agreement are Franchisor's sole and exclusive property and any items in the Subfranchisor's possession will be returned immediately to Franchisor upon its request, and upon termination, transfer or expiration of this Agreement. Subfranchisor acknowledges that any failure to comply with the requirements of this Section will cause Franchisor irreparable injury, and Subfranchisor agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this

Section. Subfranchisor agrees that this agreement is strictly confidential and that no part or exhibit of this agreement may be discussed nor presented in any form to any person, entity or agency outside of AFI, Inc. unless required by local, state or federal law.

Section 3.9 - Information Security

Subfranchisor must implement all administrative, physical and technical safeguards necessary to protect any information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, government-issued identification numbers and credit report information ("Personal Information") in accordance with applicable law and industry best practices. It is entirely Subfranchisor's responsibility (even if Franchisor provides Subfranchisor any assistance or guidance in that regard) to confirm that the safeguards Subfranchisor uses to protect Personal Information comply with all applicable laws and industry best practices related to the collection, access, use, storage, disposal and disclosure of Personal Information. If Subfranchisor becomes aware of a suspected or actual breach of security or unauthorized access involving Personal Information, Subfranchisor will notify Franchisor immediately and specify the extent to which Personal Information was compromised or disclosed.

Section 3.10 - Obligation to Mentor

Subfranchisor agrees that it will make its office available as a training center and provide instruction for new or other current Anago subfranchisors as Franchisor reasonably requests. Franchisor will have the right to approve the individual providing the training. Franchisor will reimburse Subfranchisor for reasonable lunch or dinner expenses related to the training of other Anago subfranchisors.

Section 3.11 - Use of Designated Suppliers.

Franchisor reserves the right to identify, approve or designate, from time to time, (a) manufacturers, vendors, distributors, suppliers, and producers for the Anago System (each a "Vendor"), (b) the terms under which Vendors provide products or services (including insurance, cleaning products and supplies, equipment, and materials) to the Subfranchised Business and Franchised Businesses, and (c) the distribution methods for any goods or services provided to or used by the Subfranchised Business and any Franchised Businesses. For any product or service for which Franchisor has approved or designated a Vendor, Subfranchisor must purchase and require its Unit Franchisees to purchase all such goods and services only from the approved or designated Vendor for that product or service, under terms, in the manner, and from the source designated by Franchisor. In Franchisor's discretion, there may be only one approved or designated Vendor for any particular product or service, and the Vendor may be Franchisor or its Affiliates (in which case, Franchisor and its Affiliates may derive revenue from purchases and use any such revenue in its sole and unfettered discretion). Franchisor may, at its option, arrange with Vendors to collect or have its Affiliates collect costs and expenses associated with products and services they provide to Subfranchisor and, in turn, pay the Vendor, on Subfranchisor's behalf, for such products or services. If it chooses to do so, Subfranchisor agrees that Franchisor or its designated Affiliates may auto debit Subfranchisor's escrow account for such amounts in the same manner and using

the same authorization that Subfranchisor grants Franchisor with respect to payment of Royalty and other fees.

ARTICLE 4 - SUBFRANCHISE FEE AND COMPENSATION

Section 4.1 - Subfranchise Fee

Subfranchisor will pay to Franchisor a Subfranchise Fee in the amount of $98,000. The Subfranchise Fee is fully earned by Franchisor and is non-refundable upon signing this Agreement in consideration for the administrative and other costs incurred by Franchisor and opportunities lost or deferred as a result of the rights granted to Subfranchisor in this Agreement, except if Subfranchisor is not accepted by Franchisor at its home office within 30 days from the Agreement Date or except as provided in Subsection 2.1(b).

Section 4.2 - Ongoing Payments to Franchisor

(a) Royalty Fee. During the Term, Subfranchisor will pay to Franchisor a monthly royalty fee ("Royalty Fee") by the 20th day of each month equal to 5% of the previous calendar month's Gross Revenues. Subfranchisor acknowledges and agrees that its payment of Royalty Fees to Franchisor is subject to a monthly minimum equal to the greater of: (i) 5% of the previous month's Gross Revenues generated by Subfranchisor and the Unit Franchisees under the Unit Franchise Agreements; or (ii) $1,500 per month starting in the 13th month of operation, and each year thereafter the minimum monthly royalty shall increase at the rate of an additional $1,500 each year.

(b) Administrative Support Fee. During the Term, Subfranchisor will pay to Franchisor a monthly fee of 2% of the previous calendar month's Gross Revenues collected.

(c) Unit Franchisee Fee. During the Term, Subfranchisor will pay to Franchisor a flat fee sum of $400.00 for each Anago Unit Franchise sold by or on behalf of the Subfranchisor.

(d) Fund Contributions. If a Fund is established pursuant to Section 2.5(b) of this Agreement, Subfranchisor shall contribute, on a monthly basis, an amount not to exceed 2.2% of Subfranchisor's monthly Gross Revenues during the preceding month, as designated by Franchisor.

(e) Website Maintenance Fee. If Franchisor, in its sole discretion and upon written notice to Subfranchisor, assumes the responsibility for maintaining Subfranchisor's webpage for the business that Subfranchisor conducts pursuant to this Agreement, then Subfranchisor will pay to Franchisor a monthly fee (currently $1,500) for ongoing maintenance and services in connection with Subfranchisor's webpage on Franchisor's website, which may include reimbursement of fees paid to outside vendors for services such as search engine optimization, design and maintenance, and chat. Subfranchisor must pay the Website Maintenance Fee by the 10th of each month, in the manner designated by Franchisor. Franchisor periodically may modify the amount of the Website Maintenance Fee.

(f) Technology Fee. Franchisor reserves the right, upon written notice to Subfranchisor, to initiate a monthly technology licensing fee ("Technology Fee") equal to up to 1.5% of

Subfranchisor's monthly Gross Revenues during the preceding month. Subfranchisor agrees to pay the Technology Fee, once initiated, for the remainder of the Term. The Technology Fee is consideration for computer system hardware and/or the development, license, and/or use of proprietary or third-party software, whether for Franchisor's or Subfranchisor's use in connection with services provided by Franchisor to Subfranchisor.

(g) Monthly Reconciliation. By or about the 25th of each month, Franchisor will calculate the Subfranchisor's monthly Gross Revenues based on the Client payments deposited into the Anago Escrow Account during the previous calendar month. By or about the 26th of each month, Franchisor will distribute to Subfranchisor any amounts not previously distributed to Subfranchisor as part of the weekly distributions based on Gross Revenues received during the previous month, less any Royalty Fees, Fund contributions and any other payments owed to Franchisor which accrued during the previous calendar month, and less a holdback amount to satisfy the minimum account balance required to maintain the Anago Escrow Account.

(h) All payments required under Section 4.2 shall be paid to Franchisor in the manner and in accordance with the procedures designated by Franchisor, which are subject to change upon written notice to Subfranchisor. Without limiting the generality of the foregoing, Franchisor has the right to require Subfranchisor, upon written notice, to pay all fees required to be paid to Franchisor under this Agreement directly to Franchisor via electronic funds transfer ("EFT"). Subfranchisor must complete and deliver to Franchisor such forms as may from time to time be required to effectuate any changes necessary to accommodate any revised payment requirements, including any and all forms required by Subfranchisor's bank necessary to set up EFT.

(i) Unless otherwise expressly provided to the contrary in this Agreement, all expenses incurred by Subfranchisor in selling and servicing the Unit Franchisees as required pursuant to ARTICLE 3 are the sole expense and obligation of Subfranchisor.

(j) Subfranchisor agrees that Subfranchisor is not an employee of Franchisor. Subfranchisor has no rights to receive any employee benefits provided at any time by Franchisor or its Affiliates including pension, life insurance, hospital and medical, disability, profit sharing, vacation or retirement benefits to any of Subfranchisor's employees. Subfranchisor agrees that it is the sole responsibility of Subfranchisor to make, on the income earned by Subfranchisor, all periodic filings and payments required to be made for withholding taxes, FICA taxes, SECA payments, Federal Unemployment Taxes (FUTA) and all other federal or state taxes, payments or filings required to be paid, made or maintained in connection with Subfranchisor's operation of the Subfranchise Business and the performance of its obligations hereunder.

Section 4.3 - Security Interest

(a) As security for the full, prompt and complete payment and performance by Subfranchisor of all of its obligations under this Agreement or otherwise including all costs, expenses, advances and liabilities which may be made or evidenced by Franchisor in connection with this Agreement, including reasonable attorneys' fees to enforce Subfranchisor's obligations under this Agreement (the "Secured Obligations"), Subfranchisor grants to Franchisor a security interest under the applicable Uniform Commercial Code in the state in which Subfranchisor is

located and a security interest under any other applicable law in and to the Business Assets including all Unit Franchise Agreements and promissory notes and all client contracts and accounts receivables. Subfranchisor shall enter into the Security Agreement attached hereto as Exhibit VII upon signing this Agreement.

(b) Subfranchisor will: (i) sign any financing statements or renewals, substitutions or corrections or other documents, or provide any document, and pay all connected costs necessary to perfect the security interest granted in this Section against the rights or interest of third parties and Subfranchisor appoints Franchisor its true and lawful attorney, and in its name, place and stead, to make, sign, acknowledge and file all documents, instruments and forms, whether notarized or otherwise, which in the opinion of Franchisor's counsel, are reasonably required to perfect the security interest granted in this Section; (ii) except in the ordinary course of business, not sell, transfer, assign, mortgage, encumber or otherwise dispose of, or create, assume, or suffer to exist any security interest (other than as created under this Agreement) in any of the Business Assets; and (iii) at all times keep accurate and complete records of the Business Assets at its place of business and Franchisor or any of its agents has the right to call at Subfranchisor's place of business at intervals to be determined by Franchisor, and, without hindrance or delay, to inspect the Business and to inspect, audit, check and make copies and extracts from the books, records, journals, orders, receipts, magnetic computer disks and records, correspondence and other date relating to the Business Assets including all Unit Franchise Agreements and promissory notes.

(c) Upon the occurrence of any Event of Default, Franchisor may declare the Secured Obligations, or any of them immediately due and payable without demand or notice, and Franchisor may proceed to exercise any one or more of the rights or remedies afforded by the applicable Uniform Commercial Code of other applicable law of any jurisdiction, and any other remedies or right provided in this Agreement, all of which may be exercised, cumulatively or consecutively in Franchisor's reasonable discretion.

(d) Upon an occurrence of an Event of Default, Franchisor will send notice to the Subfranchisor and, upon the sending of the notice has the right to notify all of the Subfranchisor's account debtors obligated on any or all of the accounts receivable to make payment thereof directly to Franchisor. Moreover, Franchisor has the right (but not the obligation) to enforce and collect all amounts due with respect to the accounts receivable for purposes of satisfying the Secured Obligations. Subfranchisor constitutes and appoints Franchisor its lawful attorney-in-fact, and in its place and stead, with full power of substitution either in Franchisor's own name or in the name of Subfranchisor, as the case may be: (i) to ask for, demand, sue for, collect, receive, receipt and give a quittance for any of the accounts receivable; (ii) to endorse checks, drafts, orders and other instruments for payments of monies payable with respect to the accounts receivable; and (iii) to settle, compromise, extend the date for payment, prosecute or defend any action or proceeding with respect to the accounts receivable, all without notice or consent of Subfranchisor and without discharging or affecting Subfranchisor's obligations under this Agreement. Notwithstanding the foregoing sentence, Subfranchisor acknowledges that Franchisor is not obligated to take any such action on behalf of Subfranchisor.

ARTICLE 5 - PROPRIETARY MARKS

Section 5.1 - Ownership

(a) Anago Cleaning Systems, Inc. ("ACS") is the current owner of all right, title, and interest in and to the Proprietary Marks, as well as the goodwill associated with such marks, subject to the rights of senior users, if any. Franchisor owns the right to use and sublicense the use of the Proprietary Marks.

(b) Subfranchisor's use of the Proprietary Marks pursuant to this Agreement does not give Subfranchisor any ownership interest or other interest in or to the Proprietary Marks, except the license granted by this Agreement. Any and all goodwill arising from Subfranchisor's use of the Proprietary Marks shall inure solely and exclusively to Franchisor's and/or its Affiliates' benefit, and upon expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with Subfranchisor's use of the System or the Proprietary Marks.

Section 5.2 - Restrictions on Subfranchisor's Use of the Proprietary Marks

Subfranchisor acknowledges the importance of protecting the Proprietary Marks and ensuring that all Proprietary Marks are used in strict accordance with the terms and conditions of this Agreement. Subfranchisor further agrees that:

(a) Subfranchisor may sublicense the Proprietary Marks to the Unit Franchisees only in accordance with the terms of the Unit Franchise Agreement approved by Franchisor. Subfranchisor shall use its best efforts to ensure that all Unit Franchisees in the Area strictly comply with all terms, conditions, standards and specifications relating to the Proprietary Marks at all times during the Term of this Agreement;

(b) Subfranchisor will use only the Proprietary Marks as designated by Franchisor and will use them only in the manner required or authorized and permitted by Franchisor;

(c) Subfranchisor's right to use the Proprietary Marks is limited to the uses expressly authorized under this Agreement, and any unauthorized use of the Proprietary Marks is an infringement of Franchisor's rights;

(d) Subfranchisor will not use the Proprietary Marks as security for any obligation or indebtedness;

(e) Subfranchisor will not use the Proprietary Marks as part of his or her corporate, partnership, limited liability company or other business name which must consist of 4 letters or numbers (for example, "TROM Corp." or "1234, Inc." (but may use the Anago trade name as a fictitious, trade or assumed name that is properly registered, if required by law (for example, "TROM Corp. d/b/a Anago of Tampa"). Subfranchisor shall not authorize any Unit Franchisee in the Area to use the Proprietary Marks as part of any name of any corporation, partnership, limited liability company or other business entity;

(f) Subfranchisor 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,"

"AFI," or any Proprietary Marks, or other related or confusingly similar words or symbols, unless Subfranchisor first receives Franchisor's written consent. Subfranchisor may not use the Proprietary Marks or any derivation of the Proprietary Marks on the Internet, in any electronic advertising or social media, without the Franchisor's prior written consent. Subfranchisor may not use any other trade name or marks at the Subfranchise Business, or in connection with the Subfranchise Business without the express written consent of Franchisor; and

(g) Subfranchisor will exercise precaution when utilizing the Proprietary Marks to ensure that the Proprietary Marks are not jeopardized in any manner and Subfranchisor indemnifies and holds Franchisor harmless for any damage or expense occasioned by the Subfranchisor's improper use of the Proprietary Marks.

Section 5.3 - Subfranchisor's Lack of Ownership

Subfranchisor agrees to Franchisor's and its Affiliates' rights in and to the Proprietary Marks, and agrees not to represent in any manner that Subfranchisor has any ownership in the Proprietary Marks. Subfranchisor agrees that its use of the Proprietary Marks will not create in Subfranchisor's favor any right, title or interest in or to the Proprietary Marks except as the right to use same is expressly stated in this Agreement, but that all of this use will benefit Franchisor and its Affiliates.

Section 5.4 - Infringement by Subfranchisor

Subfranchisor agrees that the use of the Proprietary Marks outside the scope of this Agreement, without Franchisor's written consent, is an infringement of Franchisor's and its Affiliates' rights in and to the Proprietary Marks, and expressly agrees that during the Term, and after the expiration or termination of this Agreement, Subfranchisor will not, directly or indirectly, commit an act of infringement or contest or aid in contesting the validity or right of Franchisor and/or its Affiliates to the Proprietary Marks, or take any other action in derogation of these rights.

Section 5.5 - Indemnification of the Subfranchisor

Franchisor will indemnify Subfranchisor against and will reimburse Subfranchisor for all damages for which Subfranchisor is held liable in any proceeding arising solely from Subfranchisor's use of any Proprietary Mark, provided that such use was in strict accordance with this Agreement, or as otherwise authorized by Franchisor in writing, and for all costs reasonably incurred by Subfranchisor in the defense of any claim brought against Subfranchisor or in any such proceeding in which Subfranchisor is named as a party, if Subfranchisor: (i) has timely notified Franchisor of the claim or proceeding in accordance with Subsection 5.6(a); (ii) has otherwise complied with this Agreement; and (iii) allows Franchisor sole control of the defense and settlement of the action in accordance with Subsection 5.6(b).

Section 5.6 - Claims Against the Proprietary Marks

(a) Upon any claim of infringement, unfair competition or other challenge to Subfranchisor's right to use any Proprietary Mark, or if Subfranchisor becomes aware of any use of or claims to, any mark, name, logo or any other commercial symbol identical to or confusingly

similar to any Proprietary Mark, Subfranchisor will promptly notify Franchisor in writing immediately and in no event later than 10 days following the date Subfranchisor becomes aware of any such infringement, unfair competition, challenge or use;

(b) Subfranchisor will not communicate with anyone except Franchisor and its counsel about any infringement, challenge or claim except under judicial process. Franchisor has sole discretion to take action as it deems appropriate (including not taking any action) in any infringement, challenge or claim, and the sole right to control exclusively any litigation or other proceeding involving any infringement, challenge or claim involving any Proprietary Mark. Subfranchisor must sign all instruments and documents, render all assistance, and do all acts that Franchisor's attorneys deem necessary or advisable in order to protect and maintain Franchisor's interest in any litigation or proceeding involving the Proprietary Marks or otherwise to protect and maintain Franchisor's interests in the Proprietary Marks; provided Franchisor will reimburse Subfranchisor for the reasonable out-of-pocket expenses incurred and paid by Subfranchisor in complying with these requirements; and

(c) If Franchisor deems it advisable in the sole and absolute discretion of the Franchisor, 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 of any existing registration of any of the Proprietary Marks, Subfranchisor is obligated to do so, and will also cause its Unit Franchisees to do so, at his or her sole cost and expense within 30 days of Franchisor's request.

ARTICLE 6 - MANUALS AND OTHER CONFIDENTIAL INFORMATION

Section 6.1 - Confidential Use

Subfranchisor will receive valuable training regarding the operation and maintenance of the Subfranchise Business, Unit Franchise Businesses and Confidential Information which are beyond the present skills, experience and knowledge of Subfranchisor, or any of its owners, principals, managers or employees. The Confidential Information provided by Franchisor in connection with this Agreement constitutes valuable, essential, necessary and indispensable information that Subfranchisor requires and every restriction imposed on Subfranchisor and its principals in this Article 6 constitutes measures necessary to maintain the identity, integrity and reputation of the System. Consequently, Subfranchisor and each of its principals, owners, managers and employees will at all times treat the Anago Manuals and any other Confidential Information as confidential, and will use best efforts to preserve the confidentiality of all Confidential Information. The Anago Manuals will, at all times, be kept in a secure area at Subfranchisor's offices. Subfranchisor will report the theft, loss or destruction of the Anago Manuals, or any portion of the Manuals, immediately to Franchisor. Upon the theft, loss or destruction of the Anago Manuals, a replacement set must be purchased by Subfranchisor from Franchisor at a cost of $500. Moreover, Subfranchisor agrees that designated portions of the Anago Manuals are "trade secrets" held and treated as "trade secrets" by Franchisor. Subfranchisor will strictly limit access to the Anago Manuals to Subfranchisor’s employees, to the extent they have a "need to know" in order to perform their jobs. Subfranchisor will not at any time, without Franchisor's written consent, copy, record or otherwise reproduce any part of the Anago Manuals, nor otherwise make the Anago Manuals available to any

unauthorized person except as may be required by law, regulation or court order. All current and future principals, employees and agents of Subfranchisor involved in any manner with his or her Subfranchise Business and having access to the Anago Manuals or any other Confidential Information, are required to sign before Initial Subfranchisor Training or upon employment, a nondisclosure and noninterference agreement.

Section 6.2 - Sole Property of Franchisor

The Anago Manuals and other Confidential Information at all times is and remains the sole property of Franchisor. Subfranchisor acquires no right, title or interest to this property under this Agreement except to possess and use the Anago Manuals or other Confidential Information during the Term of, and subject to the restrictions contained in, this Agreement. Therefore, Subfranchisor is prohibited from altering, editing or changing the Anago Manuals or any part of thereof. All improvements, developments, derivative works, enhancements, or modifications to any Confidential Information (collectively, "Innovations") made or created by Subfranchisor, its employees, contractors or Unit Franchisees, whether developed separately or in conjunction with Franchisor, shall be owned solely by Franchisor. Subfranchisor represents, warrants, and covenants that its employees, contractors and Unit Franchisees are bound by written agreements assigning all rights in and to any Innovations developed or created by them to Subfranchisor. To the extent that Subfranchisor, its employees, contractors or Unit Franchisees are deemed to have any interest in such Innovations, Subfranchisor hereby agrees to assign, and does assign, all right, title and interest in and to such Innovations to Franchisor. To that end, Subfranchisor shall execute, verify, and deliver such documents (including, without limitation, assignments) and perform such other acts (including appearances as a witness) as Franchisor may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining, and enforcing such ownership rights in and to the Innovations, and the assignment thereof. Subfranchisor's obligation to assist Franchisor with respect to such ownership rights shall continue beyond the expiration or termination of this Agreement. In the event Franchisor is unable for any reason, after reasonable effort, to secure Subfranchisor's signature on any document needed in connection with the actions specified in this Section 6.2, Subfranchisor hereby irrevocably designates and appoints Franchisor and its duly authorized officers and agents as Subfranchisor's agent and attorney in fact, which appointment is coupled with an interest and is irrevocable, to act for and on Subfranchisor's behalf to execute, verify, and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section 6.2 with the same legal force and effect as if executed by Subfranchisor. The obligations of this Section 6.2 shall survive any expiration or termination of this Agreement.

Subfranchisor agrees not to contest, directly or indirectly, Franchisor's ownership, title, right or interest in the Confidential Information or any other copyrights, trade secrets, methods, procedures or other intellectual property rights that are part of Franchisor's business or contest Franchisor's sole right to register, use or license others the right to use the Confidential Information, copyrights, trade secrets, methods, or any other intellectual property rights.

Section 6.3 - Periodic Revisions

Franchisor may revise and change the contents of the Anago Manuals and Subfranchisor expressly agrees to comply with each new or changed provision and shall implement and enforce all

such modifications, as applicable, in connection with each Unit Franchisee in the Area. A new or changed provision is effective on the 30th day (or any longer time as specified by Franchisor) after written notice from Franchisor. Revisions to the Anago Manuals are based on what Franchisor, in its sole discretion, deem is in the best interests of the System, including to promote quality, enhance good will, increase efficiency, decrease administrative burdens, or improve profitability of Subfranchisor or its Unit Franchisees. Subfranchisor will at all times ensure that its copy of the Anago Manuals contains all updates received by Subfranchisor from Franchisor. Upon any dispute as to the contents of the Anago Manuals, the terms contained in the "Master Copy" of each of the Anago Manuals maintained by Franchisor at Franchisor's home office is controlling.

Section 6.4 - Prior Information

Subfranchisor acknowledges that all Confidential Information received before the Agreement Date was unknown to Subfranchisor before the negotiation and signing of this Agreement and that the marketing practices and operating procedures developed by Franchisor and loaned to Subfranchisor by Franchisor are unique to Franchisor. To the extent Subfranchisor receives any Confidential Information after the Agreement Date, and Subfranchisor does not object in writing to Franchisor within 30 days after receipt that any of the information comprising the Confidential Information should not be considered Confidential Information, then Subfranchisor agrees that he or she is deemed to have irrevocably waived his or her right to make any objection. Subfranchisor agrees that this provision is a material inducement for Franchisor to enter into this Agreement, and any breach of this provision is a material breach of this Agreement. Subfranchisor will take all other steps necessary, at his or her own expense, to protect the Confidential Information and will not divulge Confidential Information either during, or upon the expiration or termination of, this Agreement without the written consent of Franchisor.

ARTICLE 7 - TRANSFER OF INTEREST

Section 7.1 - Transfer by Franchisor

Subfranchisor represents that it has not signed this Agreement in reliance on any particular manager, owner, director, officer or employee remaining with Franchisor in any capacity. Franchisor may change its ownership or form at its discretion. Franchisor also has the absolute right, without the consent or approval of Subfranchisor, to transfer or assign this Agreement and to delegate all or any part of its rights or obligations under this Agreement. Subfranchisor agrees that, on Franchisor's notice that it has transferred or assigned this Agreement to a third party, it will look only to the transferee or assignee with respect to the performance of obligations designated herein as the Franchisor's obligations and any related claims arising under this Agreement from and after the date of the transfer or assignment. Subfranchisor agrees that, on Franchisor's or the assignee's request, it will sign a release of claims against Franchisor except for those claims that are then known to Subfranchisor with respect to matters that occurred or arose prior to the transfer or assignment.

Section 7.2 - Transfer of Subfranchisor's Interests

(a) Personal Rights. The rights and duties in this Agreement are personal to Subfranchisor and its owners. Franchisor has entered into this Agreement, in part, in reliance on Subfranchisor's

and its owners' representations regarding their individual and collective business and personal skills, reputation, aptitudes and financial capacity. Accordingly, Subfranchisor agrees that neither it nor any person owning any interest in it will, without the prior written consent of Franchisor (which, subject to Section 7.3 below, it may grant, withhold or condition in its sole and absolute discretion), sell, give, assign, transfer, convey, or encumber (each a "transfer") this Agreement, the Subfranchise Business, Subfranchisor's rights under contracts related to the Subfranchise Business (including with its Subfranchisees and customers or under any real estate leases), any ownership interests in Subfranchisor, Subfranchisor's assets (except in the ordinary course of its business), or any direct or indirect interest in any of the foregoing.

(b) Transfer to a Wholly Owned Entity. If Subfranchisor is an individual, Franchisor will not unreasonably withhold its consent to a transfer of this Agreement by such individual to a newly formed legal entity in which it owns 100% of the ownership interests and which will conduct no business other than operating the Subfranchise Business under this Agreement. No such transfer will act to release the individual Subfranchisor of any of its obligations under this Agreement, and the individual Subfranchisor will continue to be personally obligated under this Agreement post-transfer, both jointly with the transferee and as the guarantor of the transferee's obligations post-transfer. As part of the consideration for Franchisor's consent to a transfer under this paragraph, the individual Subfranchisor will sign and deliver to Franchisor a Personal Guaranty in the form attached hereto as Exhibit III, and the transferor and transferee will sign and deliver an Assignment and Assumption Agreement in the form attached hereto as Exhibit IV. Any purported transfer by Subfranchisor, by operation of law or otherwise in violation of this Agreement, is null and void and is a material breach of this Agreement, for which Franchisor may then terminate without opportunity to cure.

(c) Right of First Refusal. If Subfranchisor or any of its owners desire to engage in a transfer as described in paragraph (a) above, except a transfer to a wholly owned entity as described in paragraph (b) above, the transferor must submit to Franchisor, in writing, a bone fide written offer (an "Offer") signed by the proposed transferee reflecting the terms and conditions of any such proposed transfer, including the name or names of the entity or person desiring to purchase such interests, the price, and a description of the proposed transaction. Franchisor may, in its discretion, declare that any Offer under which the proposed transferee has not paid the transferor an earnest money deposit of at least 5% of the proposed price is not a bona fide Offer. Franchisor will have 30 days from its receipt of a copy of the signed Offer to notify Subfranchisor of its intent to purchase the interests to be transferred on the same terms and conditions as set forth in the Offer. If Franchisor elects to exercise its right of first refusal, it will have 60 days to close on the purchase. If Franchisor declines or does not timely elect to exercise its right of first refusal, then the parties may proceed with the transfer only after receiving Franchisor's consent as described in paragraph (a) of this Section and in Section 7.3 below. If, however, the transfer is not completed as and, on the terms, described in the Offer within 60 days of Franchisor's notice that it will not exercise its right of first refusal (or the expiration of Franchisor's right to exercise), Franchisor shall be afforded another 30 days to exercise its right of first refusal.

(d) Any purported assignment, transfer, conveyance or encumbrance without complying with the requirements of this Section 7.2 will be null and void, and may result in immediate termination of this Agreement, as stated below in Section 8.3.

(e) Franchisor's consent to a transfer does not constitute a waiver of any claims Franchisor may have against the transferring party, nor is it deemed a waiver of Franchisor's rights to demand exact compliance with any of the terms of this Agreement by the transferee.

Section 7.3 - Conditions to Franchisor's Consent to Transfer

Franchisor will not unreasonably withhold or delay its consent to a sale of the Subfranchise Business (and the transfer of this Agreement in connection therewith) or to a transfer of ownership interests in Subfranchisor if all of the following conditions are met before the time of the proposed transfer:

(a) The proposed transferee and its owners, in Franchisor's sole discretion, meet Franchisor's criteria for new Subfranchisors or owners of Subfranchisors, as applicable, including that it, he or she meets Franchisor's educational, managerial and business standards, possesses a good aptitude, moral character, business reputation and ability as may be evidenced by prior related business experience or otherwise; has adequate financial resources and capital to own and operate the Subfranchise Business; and has no material, prior unresolved problems related to the janitorial services business.

(b) Subfranchisor is then in compliance with its obligations under this Agreement, including the payment of all monies then owing to Franchisor, its Affiliates, and approved or mandatory vendors;

(c) If the transferor finances any part of the purchase price, its right to receive compensation from the transferee and any security interests it receives from the transferee will be subordinate to Franchisor's rights to receive payment from the transferee after the transfer, and any exercise by the transferor of its secured rights will be an additional transfer that will be subject to this Article 7;

(d) Subfranchisor and its owners guarantors and, if the transferee is already a franchisee of Franchisor's, the transferee and its owners have signed a general release, in a form satisfactory to Franchisor, of all claims they may have against Franchisor, its Affiliates, and their respective officers, directors, shareholders and employees, in their corporate and individual capacities, including claims arising under federal, state and local laws, rules and ordinances;

(e) The transferee and all interested parties will, in Franchisor's sole discretion, either sign Franchisor's then-current standard form of Subfranchise Rights Agreement or enter into a

written assignment, under seal, and in a form satisfactory to Franchisor, assuming and agreeing to perform all of Subfranchisor's obligations under this Agreement; and

(f) Subfranchisor and transferee pay Franchisor a transfer fee of $10,000, in lieu of paying an initial Subfranchise Fee to Franchisor, to cover Franchisor's administrative and other expenses in connection with the transfer.

Section 7.4 - Death or Disability

On the death or permanent disability of the Subfranchisor (if an individual) or of a principal owner of a Subfranchisor, a personal representative of the person must provide a replacement manager satisfactory to the Franchisor and transfer his or her interest within a reasonable time, not to exceed 6 months from the date of death or personal disability, to a third party, approved by the Franchisor. A transfer under this Section is subject to the requirements of Sections 7.2 and 7.3 above.

ARTICLE 8 - DEFAULT AND TERMINATION

Section 8.1 - Automatic Termination - Without Notice

Subfranchisor shall be deemed to be in default under this Agreement, and this Agreement and all rights granted herein shall automatically terminate without notice or opportunity to cure on the date of the occurrence of any of the following events: Subfranchisor becomes insolvent or makes a general assignment for the benefit of creditors; a petition in bankruptcy is filed by Subfranchisor or a petition is filed against or consented to by Subfranchisor and the petition is not dismissed within 45 days; Subfranchisor is adjudicated as bankrupt; a bill in equity or other proceeding for the appointment of a receiver of Subfranchisor or other custodian for Subfranchise Business or assets is filed and consented to by Subfranchisor; a receiver or other custodian (permanent or temporary) of the Subfranchisor's Subfranchise Business or assets is appointed by any court of competent jurisdiction; proceedings for a composition with creditors under federal or any state law is instituted by or against Subfranchisor; a final judgment in excess of $5,000 remains unsatisfied or of record for 30 days or longer (unless a supersedeas bond is filed); execution is levied against Subfranchisor's operation or property, or suit to foreclose any lien or mortgage against the Premises or assets of Subfranchisor is instituted against Subfranchisor and not dismissed within 45 days; or a substantial portion of real or personal property of Subfranchisor used in the Subfranchisor's Subfranchise Business, is sold after levy by any sheriff, marshal or constable. Subfranchisor shall notify Franchisor in writing within three (3) days of each of the foregoing events.

Section 8.2 - Termination by Franchisor - After Notice and Without Opportunity to Cure

Upon the occurrence of any of the following events of default, Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Subfranchisor any opportunity to cure the default, effective immediately upon notice to Subfranchisor:

(a) If Subfranchisor fails to complete the initial training program to Franchisor's satisfaction within the time period required under this Agreement;

(b) If Subfranchisor: (i) knowingly or willfully violates any law, rule or regulation governing the franchise offer and sales process; including knowing or intentional violations of the Franchise Regulations; or (ii) makes any material misrepresentations or commits an illegal act in connection with the offer and sale of franchises in the Area, including, without limitation, unauthorized financial performance representations as defined by the FTC and applicable state regulations;

(c) If Subfranchisor materially breaches any of its obligations to its Unit Franchisees under any of the Unit Franchise Agreements, including, without limitation, the obligation to make payments to Unit Franchisees when due;

(d) If Subfranchisor commits any act involving personal dishonesty, bad faith, misfeasance, malfeasance, willful misconduct, or willful violation of any law, rule or regulation (other than a law, rule or regulation involving a traffic violation or similar offense);

(e) If Subfranchisor, or any of the officers, directors, owners or employees is charged with, pleads guilty or no contest to, or is convicted of a felony, a crime of moral turpitude or any other crime or offense that Franchisor reasonably believes is likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated with the System or Proprietary Marks, or Franchisor's interest in the System or Proprietary Marks;

(f) If Subfranchisor denies the Franchisor the right to inspect his or her Subfranchise Business or to audit the accounting records of his or her Subfranchise Business;

(g) If Subfranchisor, contrary to this Agreement, purports to transfer any rights or obligations under this Agreement, or any interest in Subfranchisor, to any third party without first obtaining Franchisor's prior written consent as required under this Agreement;

(h) If Subfranchisor, or any of its directors, officers or owners, discloses or divulges in any material respect the contents of the Anago Manuals or other trade secret or Confidential Information in violation of this Agreement;

(i) If Subfranchisor knowingly maintains false books or records, or knowingly submits any false reports to Franchisor or refuses to submit reports or documents as requested within a reasonable time period but not to exceed 90 days;

(j) If Franchisor has received more than three complaints from Unit Franchisees in the Area in a 12-month period, or more than two complaints from Unit Franchisees in the Area in a 6 month period that, in the reasonable discretion of Franchisor, are justified and are adversely affecting the System;

(k) If Subfranchisor fails to comply with the in-term covenants set forth in Section 10.2 of this Agreement;

(l) If Subfranchisor misuses or makes any unauthorized use of the Proprietary Marks or any other identifying characteristics of the System, or otherwise materially impairs the goodwill associated therewith or Franchisor’s rights therein; or

(m) If Subfranchisor fails to comply with any provision of this Agreement on two (2) or more occasions during any consecutive six-month period or on three (3) or more occasions during any consecutive twelve-month period, regardless of whether Franchisor notified Subfranchisor of such defaults and whether the defaults were cured by Subfranchisor.

(n) If Subfranchisor fails to use the proprietary software or systems as directed by the Franchisor.

Section 8.3 - Termination by Franchisor - After Notice and Right to Cure

Except as otherwise provided in Sections 8.1 and 8.2, Subfranchisor has 30 days after delivery from Franchisor of a written Notice of Default specifying the nature of the default within which to remedy any default under this Agreement and provide evidence of cure satisfactory to Franchisor. If any default is not cured within that time, or any longer period as applicable law may require, all the rights of Subfranchisor under this Agreement terminate without additional notice to Subfranchisor effective immediately upon the expiration of the 30-day period or any longer period as applicable law may require. In addition to the events specified in Sections 8.1 and 8.2, Subfranchisor is in default under this Section for any failure to comply with any of the requirements imposed by this Agreement, as it may reasonably be revised or supplemented by the Anago Manuals, or to carry out the terms of this Agreement in good faith. Subfranchisor has the burden of proving Subfranchisor properly and timely cured any default, to the extent a cure is permitted under this Agreement.

Section 8.4 - Cross Default

If Subfranchisor commits a default in the performance of any of the covenants, conditions or agreements contained in any other agreement between Subfranchisor and Franchisor or its Affiliates, Subfranchisor shall also have breached this Agreement and Franchisor shall have all of the remedies available to it under this Agreement, including, but not limited to, the right to terminate this Agreement pursuant to Section 8.2, in addition to Franchisor's rights, if any, under such other agreement(s).

ARTICLE 9 - OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration (through default or otherwise) of this Agreement (including any transfer by Subfranchisor in accordance with this Agreement), for any reason, Subfranchisor shall comply with the provisions of this ARTICLE 9 and all other obligations that, by their nature, survive the expiration or termination if this Agreement.

Section 9.1 - Payment of Outstanding Amounts

Franchisor may retain all fees paid under this Agreement. In addition, within 10 days after the effective date of the termination or expiration of this Agreement, or any later dates as it is

determined that amounts are due to Franchisor, Subfranchisor will pay to Franchisor all amounts owed to Franchisor and its Affiliates that are then unpaid.

Section 9.2 - Discontinue Use of Proprietary Marks and Confidential Information

(a) Subfranchisor will take all action as may be necessary to cancel any fictitious, trade or assumed name registration, or equivalent registration that contains the name "Anago" or any other Proprietary Mark or colorable imitation of any trademark, trade name or service mark of Franchisor or its Affiliates. Subfranchisor will furnish Franchisor with evidence of compliance with this obligation to cancel the registration within 30 days after termination or expiration of this Agreement. If Subfranchisor fails to do so, Subfranchisor appoints Franchisor as Subfranchisor's attorney-in-fact to do so for Subfranchisor.

(b) Subfranchisor acknowledges that there will be substantial confusion in the mind of the public if, after the end or termination of this Agreement, Subfranchisor continues to use the telephone number, websites, social media accounts, and other printed and electronic identifiers associated with the Subfranchise Business or with which the Subfranchise Business has been identified. Therefore, Subfranchisor agrees that promptly after the expiration or termination of this Agreement for any reason, Subfranchisor will cease and desist from using all such identifiers. On Franchisor's request, Subfranchisor will direct all persons responsible for or controlling such identifiers to transfer them to Franchisor or its designee. As regards the telephone number associated with the Subfranchise Business, Subfranchisor will direct the telephone company servicing Subfranchisor to transfer the telephone number to Franchisor, or to any person and at any location as the Franchisor directs. If Subfranchisor does not promptly direct the telephone company, Subfranchisor irrevocably appoints Franchisor as his or her attorney-in-fact to direct the telephone company to make the transfer. There will be no refund of any prepayments by Subfranchisor to the telephone company. Subfranchisor shall execute the Conditional Assignment of Telephone Numbers Agreement in the form attached hereto as Exhibit VI.

(c) Subfranchisor shall immediately discontinue all use of all Confidential Information, including all Manuals and Client Information.

Section 9.3 - Return of Materials

Subfranchisor will immediately turn over to Franchisor in an organized manner all original hard copies of materials, including the Manuals, records, files, instructions, correspondence, all materials related to the System, the operation of the Subfranchise Business, operating an Anago Franchise, including all Authorized Original hard copy Materials, original hard copies of Unit Franchisee files and/or agreements and correspondence, all original hard copies of Client information and Client Accounts (signed contracts), all materials containing any Proprietary Marks or otherwise identifying or relating to the System, materials on the solicitation of prospective Unit Franchisees, and all other materials about the operation of a Franchised Business in Subfranchisor's possession or control, and all copies and any other forms of reproductions of any of these materials (all of which are acknowledged to be the sole and exclusive property of Franchisor) Subfranchisor will retain no copy or record of any of these materials, excepting only Subfranchisor's copy of this Agreement and related agreements and of correspondence between the parties, copies of all Unit

Franchise Agreements with the Unit Franchisees in the Area entered into during the Term, and copies of any other documents that Subfranchisor is required to retain for compliance with any applicable law. Subfranchisor agrees it shall be solely responsible for all expenses associated with the copying of the materials.

Section 9.4 - Cessation of Operation

(a) Subfranchisor will immediately cease operation of the Subfranchise Business and shall not directly or indirectly, at any time or in any manner identify itself or any business as a current or former Anago Subfranchise, franchisee, licensee or dealer of, or otherwise associated with, Franchisor or the System. Without limiting the generality of the foregoing, Subfranchisor shall immediately: (i) cease selling Unit Franchises for the Franchisor; (ii) cease using all advertising materials, forms and other materials bearing the Proprietary Marks; (iii) cease holding itself out as a Subfranchisor of Franchisor; (iv) take all steps necessary to disassociate itself from Franchisor and the System; (v) cease solicitations of Clients; (vi) cease all communication with all Clients; (vii) cease providing services to Unit Franchisees; and (viii) promptly and at its own expense make the alterations Franchisor may specify in the Anago Manuals (or otherwise) to distinguish the Premises clearly from its former appearance in order to prevent public confusion. Franchisor is free to sell new Unit Franchises, enter into new Subfranchise rights agreements or other arrangements in the Area without any obligation to the Subfranchisor. Subfranchisor shall immediately assign all Client Accounts to Franchisor in accordance with Section 9.5 below.

(b) Subfranchisor shall furnish to Franchisor within thirty (30) days after the effective date of the termination or expiration of this Agreement, evidence satisfactory to Franchisor of Subfranchisor's compliance with the foregoing obligations.

Section 9.5 - Assignment of Unit Franchise Agreements and Client Accounts

Franchisor shall have the right and option, in its sole and absolute discretion, to:

(a) obtain the assignment of, and Subfranchisor shall assign to Franchisor or its designee, all of Subfranchisor's interest in and to any or all of the Unit Franchisees and Unit Franchise Agreements then in effect for which Franchisor shall not be obligated to pay compensation to Subfranchisor;

(b) obtain the assignment of, and Subfranchisor shall assign to Franchisor or its designee, all of Subfranchisor's interest in and to any or all Clients and Client Accounts then in effect for which Franchisor shall not be obligated to pay compensation to Subfranchisor;

(c) terminate any or all of the then-existing Unit Franchise Agreements upon notice to each Unit Franchisee.

Upon the assignment of one or more Unit Franchise Agreements and/or Client Accounts pursuant to this Section 9.5, Subfranchisor does hereby assign and transfer all of its interest in and to such agreements to Franchisor or its designee, and Subfranchisor agrees to execute (and shall cause the applicable Unit Franchisee and/or Client to execute) any documents and take such other

action required or deemed necessary by Franchisor to effect such assignment and transfer. Upon the effective assignment and transfer of any Unit Franchise Agreement and/or Client Account as provided above, Franchisor or its designee shall assume the rights and undertake the obligations arising under such agreements after the effective date of assignment. Neither Franchisor nor its designee shall under any circumstances assume or be liable for any obligation for the performance or obligation or liability for default or nonperformance of Subfranchisor under the particular Unit Franchise Agreement, Client Account or this Agreement (or on any other basis) that arose prior to the effective date of the assignment. Likewise, neither Subfranchisor nor any of its principals shall, under any circumstances, be liable for any obligation for performance or obligation or liability for default or nonperformance under any Unit Franchise Agreement or Client Account or its designee that arises after the effective date of assignment.

ARTICLE 10 - INDEPENDENT COVENANTS OF THE SUBFRANCHISOR

Section 10.1 - Devotion to the Sale and Servicing of Franchises

Subfranchisor agrees that during the Term, except as otherwise approved in writing by Franchisor, Subfranchisor will designate an individual who has an ownership interest in Subfranchisor and who has executed the Personal Guaranty to serve as manager of the Subfranchised Business (the "Manager"). Subfranchisor and its Manager shall faithfully, honestly and diligently devote full time, energy and best efforts to the performance of Subfranchisor's obligations under this Agreement, including the sale and servicing of Unit Franchises, and will refrain from engaging in any other business or other activity, regardless of whether the activity is pursued for gain, profit, or other pecuniary advantage; provided, however, that this will not be construed as preventing Subfranchisor from investing his or her personal assets in businesses that do not compete with Franchisor where the form or manner of the investment will not require services on the part of Subfranchisor in the operation of the business in which the investments are made and in which his or her participation is solely that of a passive investor.

Section 10.2 - Diversion of Business; Competition With Franchisor; and Interference

Subfranchisor agrees that Franchisor 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 Subfranchisors and Unit Franchisees within the System if Subfranchisors were permitted to hold interests in any Competitive Business.

(a) In-Term. Subfranchisor agrees that during the Term (including any successor terms) except as otherwise approved in writing by Franchisor, Subfranchisor will not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, limited liability company, corporation, or relative:

(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 Business Affiliate of the Franchisor to terminate or modify his, her or its position with to compete against the Franchisor;
(ii) own, maintain, operate, engage in, provide assistance to, consult with, lend to,

lease any real property to, or have any interest, direct or indirect, or be connected in any other capacity with a Competitive Business (this restriction does not apply to a 5% or less beneficial interest in a publicly-held corporation); and

(iii) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any of its Subfranchisors or Unit Franchisees.

(b) Post-Term. Subfranchisor also agrees that for a 24-month period after the termination or expiration (including transfer) of this Agreement, or if you fail or refuse to comply with these restrictions, for 24 months following the date on which you begin to comply (whether or not pursuant to an order issued by a court or arbitrator), except as otherwise approved in writing by Franchisor, that Subfranchisor will not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, limited liability company, corporation, or relative:

(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 Business Affiliate of Franchisor to terminate or modify his, her or its business relationship with Franchisor or to compete against Franchisor;

(ii) own, maintain, operate, engage in, provide assistance to, consult with, lend to, lease any real property to, or have any interest, direct or indirect, or be connected in any other capacity with a Competitive Business which is located or operated within (a) the Area, (b) any other System Subfranchisor's Area, or (c) 20 miles of the perimeter of the Area or any other System Subfranchisor's Area (this restriction does not apply to a 5% or less beneficial interest in a publicly-held corporation); and

(iii) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of Franchisor or any of its other Subfranchisors and Unit Franchisees.

(c) Subfranchisor acknowledges and agrees that the length of the term and geographical restrictions contained in this Agreement are fair and reasonable and not the result of overreaching, duress or coercion of any kind and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. Subfranchisor agrees that his or her 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 contained in this Section will not impair his or her ability to obtain employment commensurate with his or her abilities and on terms fully acceptable to him or her or otherwise to obtain income required for the comfortable support of him or her and his or her family, and the satisfaction of the needs of his or her creditors.

(d) Subfranchisor agrees that to disregard the provisions of this ARTICLE would effectively foreclose Franchisor from selling another Unit Franchise in the Area and other areas and Subfranchisor could ride freely and unfairly on the laurels of goodwill of and training from Franchisor and its Affiliates. Moreover, the Unit Franchisees and Company-Owned Units within the System could be severely disadvantaged if Subfranchisor competes, without authorization, against them using the Proprietary Marks and other Confidential Information of the System.

Therefore, it is the manifest intent of Subfranchisor and Franchisor that, if any court finally holds that the time or territory or any other provision in this Section is an unreasonable restriction upon Subfranchisor, Subfranchisor agrees that the terms of this Agreement will not be rendered void, but will 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.

(e) Subfranchisor agrees that the restrictions on activities in this Agreement are required for Franchisor's reasonable protection. Subfranchisor agrees that upon the violation by Subfranchisor of any of the terms of this Agreement, Franchisor is entitled, if it so elects, to institute and prosecute proceedings at law or in equity to obtain damages for the violation or to enforce the specific performance of this Agreement by Subfranchisor or to enjoin Subfranchisor from engaging in any activity in violation of this Agreement.

(f) If Subfranchisor violates the post-term covenants set forth in Section 10.2(b) above following expiration or termination of this Agreement, Subfranchisor acknowledges and agrees that the post-term non-competition covenant period of 24 months shall be extended to commence on the date Subfranchisor first complies with such covenant so as to provide Franchisor with the full benefit of the post-term covenant period uninterrupted by Subfranchisor's interference.

Section 10.3 - Modification of Covenants

Subfranchisor agrees that Franchisor has the right, in its reasonable discretion, to reduce the scope of any covenants in this ARTICLE without Subfranchisor's consent, effective immediately upon receipt by Subfranchisor of written notice. Subfranchisor agrees that he or she will immediately comply with any covenant as so modified, which is fully enforceable.

Section 10.4 - Independent Covenants

The parties agree that the covenants in this ARTICLE will be construed as independent of any other covenant or term of this Agreement. Subfranchisor agrees that the existence of any claim he or she may have against Franchisor, regardless of whether under this Agreement, is not a defense to the enforcement of these covenants by the Franchisor.

Section 10.5 - Irreparable Harm

Subfranchisor acknowledges that any violation of the terms of this ARTICLE 10 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Subfranchisor accordingly consents to the issuance of an injunction prohibiting any conduct in violation of this ARTICLE, without bond or other security.

ARTICLE 11 - INDEPENDENT CONTRACTOR AND INDEMNIFICATION

Section 11.1 - Independent Status

The parties agree that this Agreement does not create a fiduciary relationship between them. Subfranchisor is an independent contractor, and nothing in this Agreement is intended to constitute

either party a 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 either party to make any contract, agreement, warranty or representation on the other party's behalf, or to incur any debt or other obligation in the other party's name. Neither party will assume liability for, or be liable under this Agreement as a result of, any action, or by reason of any act or omission of the other party or any claim or judgment from any act or omission of the other party. Franchisor has no control over the terms of employment of Subfranchisor's employees or of their activities or control over the day-to-day operations of the Subfranchise Business. Neither Subfranchisor nor its employees are bound by any rules, regulation or policies applicable to Franchisor's employees. Subfranchisor is free to exercise Subfranchisor's own independent business judgment in determining the methods to be used in performing Subfranchisor's duties under this Agreement, including those related to the hours of operation and the location of Subfranchisor's office.

Section 11.2 - Indemnification

Subfranchisor will defend fully, protect, indemnify and hold harmless Franchisor, its Affiliates and their respective officers, directors, agents, employees, successors and assigns (the "Indemnified Parties") from and against all claims, requests for relief, judgments, liabilities of any kind or nature, payments of money, including, without limitation, demands, cause of action, costs, expenses (including reasonable attorneys' fees, accounting expenses, costs and expenses incurred in defense of Franchisor, even if incident to appellate, post-judgment or bankruptcy proceedings), damages (including incidental, actual, consequential and punitive damages), fines and settlement amounts, of every kind and description, incurred by Indemnified Parties in connection with, arising out of, or resulting from (a) Subfranchisor's operation of the Subfranchise Business, (b) the nonperformance of, or other acts or omissions relating to, the Unit Franchise Agreements of Subfranchisor, (c) Subfranchisor's negligence or willful misconduct, (d) Subfranchisor's violation of any law or regulation, (e) Subfranchisor's breach of any covenant, representation or warranty in this Agreement, (f) any claim that we or our affiliates are the employer or joint employer of you, your Subfranchisees or your Subfranchisees' employees, or (g) because of any act or omission of Subfranchisor or any person associated with, employed by, or affiliated with Subfranchisor, including any action that may be made or asserted by a Unit Franchisee, a prospective Unit Franchisee or any third party. Subfranchisor shall promptly give written notice to Franchisor of any action, suit, proceeding, claim, demand, inquiry or investigation related to the foregoing. Franchisor shall have the right, through counsel of its own choice at Subfranchisor's expense, to control the defense, respond to or settle any such action, and such undertaking by Franchisor shall not, in any manner or form, diminish Subfranchisor's obligations to Franchisor hereunder. Under no circumstances shall Franchisor be required or obligated to seek recovery from third parties or otherwise mitigate its losses in order to maintain a claim under this indemnity and against Subfranchisor, and the failure of Franchisor to pursue such recovery or mitigate such loss will in no way reduce the amounts recoverable by Franchisor from Subfranchisor. This indemnification provision shall survive the expiration or termination of this Agreement, or any transfer of this Agreement.

ARTICLE 12 – REPRESENTATIONS AND WARRANTIES

Section 12.1 - No Reliance

Except as expressly provided to the contrary in this Agreement, Franchisor makes no representations, warranties or guarantees upon which Subfranchisor may rely, and assumes no liability or obligation to Subfranchisor, by providing any waiver, approval, consent or suggestion to Subfranchisor in this Agreement, or by reason of any neglect, delay or denial of any request therefore unless the conduct would otherwise be a breach of an express obligation of Franchisor under this Agreement.

Section 12.2 - Representations of Subfranchisor

Subfranchisor makes the following representations and warranties to Franchisor, which will be true and correct upon the Agreement Date and throughout the Term:

(a) Organization. Subfranchisor, if a corporation, is duly organized, validly existing and in good standing under the laws of its state of incorporation.

(b) Authorization. Subfranchisor has the power to sign, deliver, and carry out the terms of this Agreement. Subfranchisor has taken all necessary action to obtain the power to sign, deliver and carry out the terms of this Agreement. This Agreement has been duly authorized, signed and delivered by Subfranchisor and is a valid, legal and binding agreement and obligation under the terms of this Agreement, except as may be limited by applicable bankruptcy, insolvency, reorganization and other laws and equitable principles affecting creditors' rights.

(c) No Violation. Performance by Subfranchisor of its obligations under this Agreement will not result in: (i) the breach of, or be a default under, any contract, agreement or other commitment to which Subfranchisor is a party or by which Subfranchisor is bound, 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 the violation by Subfranchisor of any statute, rule, regulation, ordinance, code, judgment, order, injunction or decree.

(d) True Copies. Copies of all documents required to be furnished by Subfranchisor to Franchisor will be true and correct copies of the documents, including all amendments or modifications to the documents and all written representations made by Subfranchisor, in any application, financial statement or other document submitted to Franchisor to obtain this Agreement or otherwise contain no misleading or incorrect statement or material omissions.

ARTICLE 13 - DISPUTE RESOLUTION

Section 13.1 - Arbitration

(a) Each party agrees that prior to initiating arbitration as described in this Section 13.1, it will submit to the other party a notice of intention to initiate arbitration arising out of any and all controversies, disputes, or claims between Franchisor or Franchisor's affiliates, and Franchisor and their respective shareholders, officers, directors, agents, and employees, on the one hand, and Subfranchisor (and Subfranchisor's owners, guarantors, affiliates, and employees), on the other hand, arising out of or related to:

(i) this Agreement or any other agreement between Subfranchisor (or any of Subfranchisor's owners) and Franchisor (or any of Franchisor's affiliates);

(ii) Franchisor's relationship with Subfranchisor (including any employment or joint employment claims you might assert against Franchisor, ACS or their respective affiliates, owners, officers, directors, employees and agents);

(iii) the scope or validity of this Agreement or any other agreement between Subfranchisor (or any of Subfranchisor's owners) and Franchisor (or any of Franchisor's affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which Franchisor and Subfranchisor acknowledge is to be determined by an arbitrator, not a court); or

(iv) any System Standard.

Within thirty (30) days of receipt of the notice of intent to initiate arbitration, the receiving party may request the other party to provide additional information and documents to resolve the controversy, dispute, or claim. Franchisor and Subfranchisor will make commercially reasonable effort to resolve the controversy, dispute, or claim internally within sixty (60) days ("**Internal Dispute Resolution Deadline**") of submission of all information reasonably requested by the receiving party, unless the parties mutually agree to extend the Internal Dispute Resolution Deadline. If any such controversy, dispute, or claim is not resolved internally as described above then Franchisor and Subfranchisor agree that such controversy, dispute, or claim between Franchisor or Franchisor's affiliates, and Franchisor and their respective shareholders, officers, directors, agents, and employees, on the one hand, and Subfranchisor (and Subfranchisor's owners, guarantors, affiliates, and employees), on the other hand, 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 Franchisor's then-current principal place of business (currently, Pompano Beach, Florida). 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 Franchisor or Franchisor's 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 (Franchisor and Subfranchisor hereby waive 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).

Franchisor and Subfranchisor agree to be bound by the provisions of any applicable

contractual or statutory limitations provision, whichever expires earlier. Franchisor and Subfranchisor 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 Subfranchisor or Franchisor.

Franchisor and Subfranchisor agree that arbitration will be conducted on an individual basis and that an arbitration proceeding between Franchisor and Franchisor's affiliates, or Franchisor and their respective shareholders, officers, directors, agents, and employees, on the one hand, and Subfranchisor (or Subfranchisor's 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 Subfranchisor's 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 Franchisor's and Subfranchisor's agreement to arbitrate, Franchisor and Subfranchisor 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 Franchisor and Subfranchisor must contemporaneously submit our dispute, controversy or claim for arbitration on the merits as provided in this Section.

Subfranchisor and Franchisor 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." Subfranchisor and Franchisor further agree that no interrogatories or requests to admit shall be propounded. With respect to any electronic discovery, Subfranchisor and Franchisor agree that:

(i) production of electronically stored information 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 electronically stored information 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 electronically stored information may be collected shall be narrowly tailored including only those individuals whose

electronically stored information 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.

(b) Subfranchisor acknowledges that Subfranchisor's franchise office is one of a number of offices using Franchisor's Proprietary Marks and style of conduct and that the failure on the part of Subfranchisor to comply with any of the terms of this Agreement could cause irreparable damage to some or all of the other offices franchised or operated by Franchisor and to Franchisor's business. Therefore, Subfranchisor agrees that upon the happening of any event of default set forth in this Agreement, or in the event of a threatened breach by Subfranchisor of any of the terms of this Agreement, Franchisor shall have the immediate right to secure a court order enjoining any such default or threatened breach. If this Agreement shall have been terminated, Subfranchisor may be enjoined from any continued operation of any office licensed under this Agreement and/or the Franchised Business. This covenant shall be independent and severable and shall be enforceable notwithstanding any other rights or remedies that either party may have.

Section 13.2 - Injunctive Relief; Specific Performance

(a) Subfranchisor agrees that upon a breach or threatened breach of any of the terms of this Agreement by Subfranchisor, Franchisor shall be entitled to, and Subfranchisor hereby consents to the entry of an ex parte injunction restraining the breach and/or to a decree of specific performance, without showing or proving any actual damage, and without any notice to the Subfranchisor that injunctive relief is being sought, together with recovery of reasonable attorneys' fees and costs incurred in obtaining equitable relief until a final and binding determination is made by the court. This equitable remedy is in addition to, and not in lieu of, all remedies or rights that Franchisor may otherwise have by virtue of any breach of this Agreement by Subfranchisor.

(b) Franchisor is entitled to seek injunctive relief without the posting of any bond or security to obtain the entry of temporary and permanent ex parte injunctions and/or orders of specific

performance enforcing the terms of this Agreement, including in connection with Subfranchisor's use of the Proprietary Marks, the obligations of Subfranchisor upon termination or expiration of this Agreement, any transfers restricted under this Agreement concerning interests in Subfranchisor, its business and this Agreement, the assignment or proposed assignment of its business, this Agreement or any ownership interest in Subfranchisor (and if a bond is nevertheless required by a court of competent jurisdiction, or if an ex parte injunction is denied and notice of the motion is required, the parties agree that the sum of $100 is a sufficient bond and that service of the lawsuit and/or motion for injunctive relief shall be as sufficient notice).

(c) Subfranchisor agrees that Franchisor may, in addition to any other available remedies, obtain an injunction to terminate or prevent the continuance of any existing default or violation, and/or to prevent the occurrence of any threatened default by Subfranchisor of this Agreement.

Section 13.3 - Enforcement Costs

If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in any term of this Agreement, the successful or prevailing party is entitled to recover reasonable attorneys' fees, court costs and all expenses even if not taxable as court costs (including all fees, costs and expenses incident to arbitration, appellate, bankruptcy and post-judgment proceedings), incurred in that action or proceeding, in addition to any other relief to which the party may be 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, short of filing a legal proceeding or other action, we take measures to force compliance with your obligation under this Agreement 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, Subfranchisor must reimburse Franchisor for any costs and expenses (including reasonable attorneys' fees) it incurs in doing so.

Section 13.4 - Jurisdiction and Venue

Subject to the parties' obligation to arbitrate pursuant to Section 13.1 of this Agreement, Subfranchisor and Franchisor acknowledge and irrevocably and unconditionally agree that any case or controversy arising out of or relating to, either directly or indirectly, this Agreement, ancillary agreements or the business relationship between the parties must be commenced exclusively in the state or federal court which is closest to Franchisor's then current principal place of business (currently Pompano Beach, Florida). The parties further agree that, in the event of such arbitration, they will not contest or challenge the jurisdiction or venue of these courts. The parties hereby waive any objection that it, he or she may have to the laying of venue of any suit, action or proceeding in any of these courts.

Section 13.5 - Governing Law

This Agreement shall become valid when executed and accepted by Franchisor. The parties agree that it shall be deemed made and entered into in the State of Florida. Except to the extent

governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051 et seq.,) this Agreement and any other agreement between the parties and all transactions contemplated by this Agreement are governed by, and construed and enforced in accordance with, the internal laws of the State of Florida without regard to principles of conflicts of laws.

Section 13.6 - WAIVER OF PUNITIVE DAMAGES CLAIMS

EXCEPT FOR SUBFRANCHISOR'S OBLIGATION TO INDEMNIFY FRANCHISOR FOR THIRD PARTY CLAIMS UNDER SECTION 11.2, AND EXCEPT FOR PUNITIVE, EXEMPLARY OR MULTIPLE DAMAGES AVAILABLE TO EITHER PARTY UNDER UNITED STATES FEDERAL TRADEMARK LAW, FRANCHISOR AND SUBFRANCHISOR (AND YOUR FRANCHISEES) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY OR MULTIPLE DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN FRANCHISOR AND SUBFRANCHISOR, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

Section 13.7 - WAIVER OF JURY TRIAL

THE PARTIES WILLINGLY WAIVE THE RIGHT EITHER PARTY MAY HAVE TO A TRIAL BY JURY FOR ANY CLAIMS MADE BETWEEN THEM, INCLUDING CLAIMS RELATING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, THE NEGOTIATION OF THIS AGREEMENT, OR THE BUSINESS RELATIONSHIP RELATING TO THIS AGREEMENT, WHETHER NOW EXISTING OR LATER ARISING IN THE FUTURE, INCLUDING ALL CLAIMS, DEFENSES, COUNTERCLAIMS, CROSSCLAIMS, THIRD PARTY CLAIMS AND INTERVENOR'S CLAIMS RELATING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, THE BUSINESS RELATIONSHIP, OR THE SALE, NEGOTIATION, EXECUTION, OR PERFORMANCE OF THE TRANSACTIONS TO WHICH THIS AGREEMENT RELATES.

Section 13.8 - LIMITATION OF ACTIONS

SUBFRANCHISOR AND SUBFRANCHISOR'S OWNERS AGREE NOT TO BRING ANY CLAIM ASSERTING THAT ANY OF THE MARKS ARE GENERIC OR OTHERWISE INVALID. EXCEPT WITH REGARD TO SUBFRANCHISOR'S OBLIGATION TO PAY FRANCHISOR AND FRANCHISOR'S AFFILIATES ROYALTY PAYMENTS, THE ADMINISTRATIVE SUPPORT FEE, THE ADVERTISING FUND CONTRIBUTIONS AND/OR LOCAL ADVERTISING COOPERATIVE CONTRIBUTIONS (IF ENACTED), AND OTHER ADVERTISING FEES, AND OTHER PAYMENTS DUE FROM SUBFRANCHISOR PURSUANT TO THIS AGREEMENT OR OTHERWISE, ANY CLAIMS BETWEEN THE PARTIES MUST BE COMMENCED WITHIN ONE YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIM, OR SUCH CLAIM SHALL BE BARRED. THE PARTIES UNDERSTAND THAT SUCH TIME LIMIT MIGHT BE SHORTER THAN OTHERWISE ALLOWED BY LAW. SUBFRANCHISOR AND SUBFRANCHISOR'S OWNERS AGREE

THAT THEIR SOLE RECOURSE FOR CLAIMS ARISING BETWEEN THE PARTIES SHALL BE AGAINST FRANCHISOR OR OUR SUCCESSORS AND ASSIGNS. SUBFRANCHISOR AND SUBFRANCHISOR'S OWNERS AGREE THAT FRANCHISOR AND AFFILIATES' MEMBERS, MANAGERS, SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS SHALL NOT BE PERSONALLY LIABLE NOR NAMED AS A PARTY IN ANY ACTION BETWEEN FRANCHISOR OR OUR AFFILIATES AND SUBFRANCHISOR OR SUBFRANCHISOR'S OWNERS. THE PARTIES AGREE THAT CLAIMS OF ANY OTHER PARTY OR PARTIES SHALL NOT BE JOINED WITH ANY CLAIMS ASSERTED IN ANY ACTION OR PROCEEDING BETWEEN FRANCHISOR AND SUBFRANCHISOR. NO PREVIOUS COURSE OF DEALING SHALL BE ADMISSIBLE TO EXPLAIN, MODIFY, OR CONTRADICT THE TERMS OF THIS AGREEMENT. NO IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING SHALL BE USED TO ALTER THE EXPRESS TERMS OF THIS AGREEMENT.

Section 13.9 - Waiver of Class Actions

NO PARTY SHALL INITIATE OR PARTICIPATE IN ANY CLASS ACTION LITIGATION CLAIM AGAINST ANY OTHER PARTY BOUND HEREBY.

Section 13.10 - Survival of Provisions

The provisions of this ARTICLE 13 shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement, however effected.

ARTICLE 14 - TERM

Section 14.1 - Term

The Term of this Agreement runs for 10 years from the Agreement Date, unless sooner terminated as provided in this Agreement. The conditions under which Subfranchisor will have the opportunity of obtaining a Successor Anago Subfranchise Rights Agreement at the expiration of this Agreement are stated in Section 14.2.

Section 14.2 - Option to Obtain Successor Anago Subfranchise Rights Agreement

So long as Subfranchisor is not in material default under this Agreement and each Unit Franchise Agreement and all Unit Franchisees are in reasonable compliance with the terms and conditions of their respective Unit Franchise Agreements, Subfranchisor is hereby granted an option to obtain a Successor Anago Subfranchise Rights Agreement for an additional 10-year term, without an additional franchise fee, however both parties agree that any additional costs due to changes in state, federal or local laws associated with the execution of a Successor Anago Subfranchise Rights Agreement shall be borne by Subfranchisor. The following conditions must be met at the time the option is exercised and immediately before the beginning of the Succeeding Term, unless another time is specified, in order to obtain a Successor Anago Subfranchise Rights Agreement:

(i) Subfranchisor gives Franchisor written notice of Subfranchisor's intention to exercise its option to obtain a Successor Anago Subfranchise Rights Agreement by

submitting an application for a Successor Anago Subfranchise Rights Agreement between 9 months and 12 months before the end of the Term;

(ii) Subfranchisor is not in default of any term of this Agreement, or any other agreement between Subfranchisor and Franchisor or its Affiliates and any outstanding debt owed to Franchisor by Subfranchisor has been satisfied;

(a) Should the Subfranchisor be in a state of default prior to expiration of the term of this agreement or enter into a state of default during the last 9 months remaining, the default must be cured prior to the renewal or obtaining a Successor Anago Subfranchise Rights Agreement; and
(b) Should the default not be cured or be determined to be incurable within 60 days of the expiration of the agreement all remedies to cure if any shall be at the sole discretion of the Franchisor before a Successor Anago Subfranchise Rights Agreement may be obtained;

(iii) Subfranchisor, within 30 days before the expiration of the Term, signs and delivers to Franchisor, Franchisor's then current form of Anago Subfranchise Rights Agreement, which may contain terms and conditions materially different from this Agreement; provided, however, no renewal fee will be charged. Upon signing and delivery by Franchisor and the expiration of the Initial Term, the Successor Anago Subfranchise Rights Agreement supersedes in all respects this Agreement, and the terms of which may differ from the terms of this Agreement;

(iv) Subfranchisor has complied with Franchisor's then current qualification and training requirements and all other requirements we impose under a Successor Anago Subfranchise Rights Agreement;

(v) Subfranchisor understands that any Successor Agreement shall contain a provision for the minimum monthly royalty paid to Franchisor to not be less than the greater of either the minimum required in the last year of this agreement or the average monthly royalty paid during the last year of this agreement; and

(vi) Subfranchisor must have executed and delivered to Franchisor a general release (in a form prescribed by Franchisor) of all claims against Franchisor and its Affiliates and each of their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, and employees, in their corporate and individual capacities, including claims arising under this Agreement and under any applicable laws, rules or regulations.

If Subfranchisor fails to satisfy any of the foregoing conditions, Franchisor shall have the right, in its sole discretion, to not grant a Successor Anago Subfranchise Rights Agreement, and, in such event, shall have the right to exercise all rights afforded to it upon the termination of this Agreement.

ARTICLE 15 - DEFINITIONS

Section 15.1 - Definitions

As used in this Agreement, the Exhibits attached and any other document signed incidental to this Agreement and any exhibits to these documents, the following terms have the following meanings:

"Affiliate" means an entity controlling, controlled by, or under common control with Franchisor.

"Agreement" means this Anago Subfranchise Rights Agreement, as amended, supplemented or otherwise modified by an agreement in writing signed by Subfranchisor and Franchisor under Section 16.2.

"Agreement Date" means the date the President of Franchisor executes this Agreement.

"Anago Manuals", or "Manuals" means all manuals produced by ACS, AFI and/or their affiliates, or for the benefit of Franchisor and the System, and loaned to the Subfranchisor, now existing or later produced, and any revisions, additions and modifications thereto. The Anago Manuals are deemed confidential including Franchisor's Standards for operating and managing a Unit Franchise and advertising and marketing of the Unit Franchises.

"Area" means the Subfranchisor's area of responsibility where Subfranchisor may sell Franchises as stated in Section 1.2 and as identified in the Data Sheet attached to this Agreement.

"Authorized Materials" means: (i) those written or recorded materials provided by Franchisor to Subfranchisor for purposes of soliciting prospective Unit Franchisees, including the FDD, Unit Franchise Agreement and exhibits, brochures and applications; (ii) written or recorded materials prepared by Subfranchisor upon the specific written request of, or that have previously been approved in writing by Franchisor; and (iii) general written correspondence prepared by Subfranchisor that is based upon, and not inconsistent with (i) or (ii) above, nor inconsistent with policies and procedures of Franchisor stated in this Agreement and otherwise in writing by Franchisor. No materials are considered Authorized Materials if Franchisor has notified Subfranchisor (or Subfranchisor is otherwise aware) that the materials are no longer Authorized Materials; the materials are not current or are misleading, or Franchisor has notified Subfranchisor (or Subfranchisor is otherwise aware) that the materials are no longer correct or are misleading; or the materials later become inconsistent with facts, policies or procedures Franchisor states in writing to Subfranchisor. Subfranchisor will make no representations that would not, if written, be Authorized Materials.

"Business" or "Franchised Business" means the Anago Unit Franchise a Unit Franchisee is authorized to establish and operate under the Unit Franchise Agreement.

"Business Assets" means (a) all of Subfranchisor's accounts receivable arising out of, or in connection with, the operation of the Subfranchise, existing as of the date of this Agreement and which came into existence during the Term, including notes, negotiable instruments, contracts and

the Unit Franchisee obligations for the payment of money, all proceeds owing from trips, clubs, parties, lessons, video studies and any other services or activities connected with the operation of the Subfranchise (the "Accounts Receivable"); (b) all books and records pertaining to the Subfranchisor's Accounts Receivable; (c) all equipment, furniture and fixtures located at any owned or controlled site of Subfranchisor; (d) all contracts related to each and every Business within the Area including all Anago Unit Franchise Agreements, promissory notes and any leases to which Subfranchisor is a party; (e) all intangible rights related to this Agreement and the Subfranchise; and (f) all proceeds upon sale or other disposition of any of the foregoing.

"Business Affiliate" means any officer, director, agent, consultant, representative, contractor, supplier, distributor, franchisee or other business contact of the Franchisor.

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

"Client" means a person who signs an Anago services contract in the Area.

"Competitive Business" means a business, activity or endeavor, whether or not for compensation, that is engaged wholly or partially, directly or indirectly, in the janitorial facilities-related services business or selling licenses or franchises for or providing services to janitorial and related services businesses or licensors or franchisors of janitorial and related services businesses.

"Confidential Information" means all information, knowledge, know-how, trade secrets (whether or not judicially recognized as a trade secret), technologies and all other information not generally known, that is or was developed and/or is owned by Franchisor or any of its Affiliates, or their officers, directors, employees, agents, representatives, Subfranchisors and Unit Franchisees, including, but not limited to the Anago Manuals, financial information, marketing strategies and programs, Client information and other documentation, including those on the subjects of management and administration, field operation, purchasing and marketing; and all other information Franchisor or its Affiliates provides to or makes available to Subfranchisor, in any form, or by any method, solely for use in the operation of the Subfranchise Business or any Unit Franchise Business. Confidential Information shall also include all data gathered by Subfranchisor in the performance of its obligations under this Agreement, including all data entered by Subfranchisor in its computer system, as well as Client information and lists.

"Designee" means one or more representatives of the Franchisor who are independent contractors and are appointed by the Franchisor to perform certain of the Franchisor's duties under this Agreement or as stated in ARTICLE 4 of the Unit Franchise Agreement.

"Enforcement Costs" means the costs stated in Section 13.3.

"FDD" and **"FDD (Subfranchisor-Single Unit)"** means the Franchisor's current Franchise Disclosure Document (Subfranchisor – Single Unit) and all exhibits and supplements.

"Gross Revenues" means all amounts, in whatever form and however characterized, that are received for or attributed to services provided to Clients, regardless of (1) how or by whom the

Client was procured, (2) the type or nature of the service or the frequency with which it is provided, and (3) whether the service is provided by You directly or by Your Unit Franchises, employees or other contractors, 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.

"Include" or "including" means, unless otherwise indicated where it is used, "including, without limitation" and "including, but not limited to."

"Initial Franchise Fee" means the fee stated in Subsection 5.1(a) of the Unit Franchise Agreement.

"Initial Franchise Fee Payment" means the fee stated in Subsection 4.1.

"Initial Training" means the training stated in Section 2.1.

"NBDS System" means the software programs licensed to the Subfranchisor from time to time for use in the Business it operates pursuant to this Agreement.

"Notice of Default" means the notices stated in Section 8.3.

"Proprietary Marks" means the trade name and logo "Anago" and all other trademarks, service marks, trade names, logos and commercial symbols presently owned or licensed by Franchisor or its Affiliates or later acquired or adopted by Franchisor or its Affiliates as part of the System.

"Royalty Fee" means the fee stated in Subsection 4.2(a) of the Unit Franchise Agreement.

"Royalty Payment" means the payment to the Franchisor stated in Subsection 4.2(a).

"Secured Obligations" means the obligations described in Subsection 4.3(a).

"Subfranchise Business" means the business the Subfranchisor operates pursuant to this Agreement.

"Subfranchise Fee" means the fee stated in Section 4.1.

"System" means a comprehensive marketing and operational system prescribed by Franchisor to

be used in the conduct of the Subfranchise Business and Unit Franchise Businesses, as set forth in this Agreement and the Anago Manuals as amended from time to time. The System shall include, among other things, the Proprietary Marks and certain advertising, marketing and sales programs and techniques, training programs and materials, artwork, graphics, layouts, slogans, names, titles, text and other intellectual property that Franchisor makes available to Subfranchisor. Franchisor, in its sole discretion, may improve and/or change the System from time to time (including adding to, deleting or modifying elements of the System, establishing categories or classifications of Subfranchises or unit franchises and amending the Anago Manual) for the intended purpose of making the System more effective, efficient, economical or competitive; adapting to or taking advantage of competitive conditions, opportunities, technology, materials or local marketing needs and conditions; enhancing the reputation or public acceptance of the System; and/or better serving the public.

"Standards" shall mean the methods, specifications, standards and procedures for operating and managing a Unit Franchise and Subfranchise Business as set forth in the Anago Manuals.

"Term" means the term of the Agreement stated in Section 14.1.

"Unit Franchise" means the rights granted to a Unit Franchisee under Anago Unit Franchise Agreement.

"Unit Franchisee" means a person who signs a Unit Franchise Agreement with Subfranchisor in the Area for the operation of a Unit Franchise in the Area.

"Unit Franchise Agreement" means Franchisor's then-current form of Franchise Agreement (including all attachments, exhibits, riders and other agreements used in connection therewith) customarily used by Franchisor in connection with the offering and granting of unit franchises; a copy of the current form of such Unit Franchise Agreement is attached as Exhibit I to this Agreement.

Section 15.2 - 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, partnership, estate, trust, association, branch, bureau, subdivision, venture, associated group, individual (and the heirs, executors, administrators, or other legal representatives of an individual), government, institution, instrumentality and other entity, enterprise, association or endeavor of every nature and kind.

ARTICLE 16 - GENERAL PROVISIONS

Section 16.1 - SUCCESS OF THE SUBFRANCHISOR'S BUSINESS

SUBFRANCHISOR AGREES THAT THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT DEPENDS PRIMARILY UPON THE ABILITY OF SUBFRANCHISOR AS AN INDEPENDENT BUSINESS OWNER. SUBFRANCHISOR AGREES THAT NEITHER FRANCHISOR NOR ANY OTHER PERSON HAS GUARANTEED OR WARRANTED THAT SUBFRANCHISOR WILL SUCCEED IN THE OPERATION OF THE SUBFRANCHISE BUSINESS OR HAS PROVIDED ANY SALES OR INCOME PROJECTIONS OF ANY KIND TO SUBFRANCHISOR. SUBFRANCHISOR AGREES THAT THERE HAVE BEEN NO REPRESENTATIONS, PROMISES, GUARANTEES OR WARRANTIES OF ANY KIND MADE BY FRANCHISOR TO INDUCE SUBFRANCHISOR TO SIGN THIS AGREEMENT. SUBFRANCHISOR AGREES THAT SUBFRANCHISOR HAS REVIEWED THE FDD AND HAS RECEIVED ALL INFORMATION THAT, IN THE OPINION OF SUBFRANCHISOR, IS NECESSARY FOR SUBFRANCHISOR TO DECIDE WHETHER TO ENTER INTO THIS AGREEMENT.

Section 16.2 - Amendments

Except as specifically provided in this Agreement, the terms of this Agreement may not be amended, supplemented, waived or changed orally, but only by a written document signed by both Subfranchisor and Franchisor and making specific reference to this Agreement. The President of Franchisor has the authority to sign any amendment for Franchisor. No other officer, employee or agent of Franchisor has authority to sign any amendment.

Section 16.3 - Binding Effect

All of the terms of this Agreement, regardless of whether so expressed, are binding and enforceable by the parties and their respective personal representatives, legal representatives, heirs, successors and permitted assigns.

Section 16.4 - Notices

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

If to the Franchisor:
Attn: Adam Povlitz, CEO & President
Anago Franchising, Inc.
20 SW 27th Ave. Suite 300
Pompano Beach, FL 33069

If to the Subfranchisor: See Notice address listed on the Data Sheet attached to this Agreement as Schedule A; notices to Subfranchisor may also be delivered to the Premises. Any party may designate a new address for notices to be delivered pursuant to this Agreement by providing a notice to the other party complying with the terms of this Section. Each notice is deemed delivered: (a) on the date delivered if by personal delivery; (b) on the date telecommunicated if by telecopy or telegraph; (c) on the date of transmission with confirmed answer back if by telex, telefax or other telegraphic method; and (d) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, if mailed.

Section 16.5 - 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 16.6 - Severability

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

(b) If any applicable and binding law or rule of any jurisdiction requires a greater notice of the termination or non-renewal of this Agreement than is required under this Agreement, or the taking of some other action not required under this Agreement, or if under any applicable and binding law or rule of any jurisdiction, any term of this Agreement or any specification, standard or operating procedure required by Franchisor is invalid or unenforceable, the notice and/or other action required by the law or rule is substituted for the comparable terms of this Agreement. Franchisor has the right, in its reasonable discretion, to modify the invalid or unenforceable term, specification, standard or operating procedure to the extent required to be valid and enforceable.

Section 16.7 - Waivers

The failure or delay of any party at any time to require performance by another party of any term of this Agreement, even if known, does not affect the right of that party to require performance of that term or to exercise any right, power or remedy under this Agreement. Any waiver by any party of any breach of any term of this Agreement should not be construed as a waiver of any continuing or succeeding breach of that term, a waiver of the term itself, or a waiver of any right, power or remedy under this Agreement. No notice to or demand on any party in any case will, of itself, entitle that party to any other or additional notice or demand in similar or other circumstances.

Section 16.8 - Remedies Cumulative.

Except as otherwise expressly provided in this Agreement, no remedy in this Agreement conferred upon any party is intended to be exclusive of any other remedy. Every remedy is cumulative and is in addition to every other remedy given under this Agreement or now or later existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right or remedy under this Agreement precludes any other or additional exercise of any right or remedy.

Section 16.9 - Effectiveness; Counterparts.

This Agreement is not effective or binding and enforceable against Franchisor until it is accepted by the Franchisor at its home office in Pompano Beach, Florida and signed by an authorized agent of Franchisor. No other officer, employee or agent of Franchisor has authority to accept and/or sign this Agreement for Franchisor and Subfranchisor is advised not to incur any expenses under this Agreement until Subfranchisor has received a final signed copy of this Agreement from Franchisor's home office signed by the authorized agent. This Agreement may be signed in one or more counterparts, each of which is deemed an original, but all of which together are one and the same instrument. Confirmation of signing by telex or by telecopy or telefax of a facsimile signature page is binding upon any party to the confirmation.

Section 16.10 - Consents, Approvals and Satisfaction.

All consents or approvals required of Franchisor are not binding upon Franchisor unless the consent or approval is in writing and signed by the President of Franchisor. No other officer, employee or agent of Franchisor has authority to sign any consent or approval for Franchisor. Franchisor's consent or approval, whenever required, may be withheld if any default by Subfranchisor exists under this Agreement, or unless the Agreement expressly states otherwise, for any other reason in the sole discretion of Franchisor. If the satisfaction of Franchisor is required in this Agreement, unless the Agreement expressly states otherwise, the satisfaction is determined in the sole discretion of Franchisor.

Section 16.11 - Interpretation

Each of the parties agree that it, he or she has been or has had the opportunity to have been represented by its, his or her own counsel throughout the negotiations and at the signing of this Agreement and all of the other documents signed incidental to this Agreement and, therefore, it, he or she will not, while this Agreement is effective or after its termination, claim or assert that any term 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 16.12 - Entire Agreement

This Agreement, its Exhibits and all other written agreements related to this Agreement and expressly referenced in this Agreement, represent the entire understanding and agreement between the parties on the subject matter of this Agreement, and supersede 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 are

of any effect. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim the representations in Franchisor's Franchise Disclosure Document furnished to Subfranchisor prior to entering into this Agreement.

Section 16.13 - Survival

All obligations of the Franchisor and the Subfranchisor that expressly or by their nature survive the expiration or termination of this Agreement, continue in full force and effect after its expiration or termination and until they are satisfied or by their nature expire.

Section 16.14 - Third Parties

Except as provided in this Agreement to the contrary for any Affiliates of Franchisor, nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons 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 Designee of the Franchisor, nothing in this Agreement is intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor does any provision give any third persons any right of subrogation or action over or against any party to this Agreement.

Section 16.15 - Acknowledgment of Disclosure Document

Subfranchisor acknowledges receiving Franchisor's Franchise Disclosure Document as required by the Federal Trade Commission's Franchise Rule, as amended July 23, 2007, not less than fourteen (14) calendar days prior to the date on which this Agreement was executed or the date on which Subfranchisor paid any consideration to Franchisor.

Section 16.16 - Anti-Terrorist Activities and Representations

Subfranchisor certifies and warrants that neither it, nor any of its owners, principals, employees or associates (including all shareholders, members or partners (as applicable)), are (i) a person or entity designated by the U.S. Government on the list of the Specially Designated Nationals and Blocked Persons (the "SDN List"), as maintained by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") at http://www.ustreas.gov/offices/enforcement/ofac/sdn, with which a U.S. person or entity cannot deal with or otherwise engage in business transactions; (ii) a person or entity who is otherwise the target of U.S. economic sanctions and trade embargoes enforced and administered by OFAC, such that a U.S. person or entity cannot deal or otherwise engage in business transactions with Subfranchisor or its shareholders, members or partners; (iii) either wholly or partly owned or partly controlled by any person or entity on the SDN List, including, without limitation by virtue of such person being a director or owning voting shares or interests in an entity on the SDN List; (iv) a person or entity acting, directly or indirectly, for or on behalf of any person or entity on the SDN List; or (v) a person or entity acting, directly or indirectly, for or on behalf of a foreign government that is the target of the OFAC sanctions regulations such that the entry into this Agreement would be prohibited under U.S. law.

Subfranchisor shall comply with, and assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with, the Anti-Terrorism Laws (as defined below). Subfranchisor shall not hire nor have any dealings with any person listed on the SDN List, as it may be modified from time to time. Subfranchisor is solely responsible for ascertaining what actions must be taken by Subfranchisor to comply with all Anti-Terrorism Laws. Subfranchisor specifically acknowledges and agrees that Subfranchisor's indemnification obligations under this Agreement pertain to Subfranchisor's obligations under this Section. Any misrepresentation by Subfranchisor under this Section, or any violation of any Anti-Terrorism Laws by Subfranchisor, Subfranchisor's owners, principals or employees, shall constitute grounds for immediate termination of this Agreement and any other agreement Subfranchisor has entered into with Franchisor or its Affiliates. As used herein, "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT ACT, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including, without limitation, The United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

THE PARTIES HAVE SIGNED AND DELIVERED THIS AGREEMENT ON THE AGREEMENT DATE.

SUBFRANCHISOR:

BY: _____ _____

PRINT NAME: _____ _____

TITLE: _____ _____

INDIVIDUALLY: THE UNDERSIGNED AGREES TO ABIDE BY ALL RESTRICTIVE COVENANTS AND CONFIDENTIALITY CLAUSES CONTAINED IN THIS AGREEMENT

BY: _____ _____

PRINT NAME: _____ _____

FRANCHISOR:
ANAGO FRANCHISING, INC.

BY: _____

PRINT NAME: ADAM D. POVLITZ
TITLE: CEO & PRESIDENT

EXHIBIT I – FORM OF ANAGO UNIT FRANCHISE AGREEMENT

ANAGO UNIT FRANCHISE AGREEMENT

Between

Corp Name, Inc.

A State 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 Corp Name, Inc., ("**We**," "**Us**," "**Our**" or "**Subfranchisor**") a State [corporation OR limited liability company], 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 commercial service businesses providing janitorial and other approved services 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 subfranchisors and their franchisees.

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 State, in the counties of territory (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.

F. 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 only operate your Unit Franchise anywhere within the counties of (Your counties) in the state of (Your State) (the "**Area**") under the name Anago. You cannot operate your Unit Franchise 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 your own Premises within the Area from which you will manage and administer Your Unit Franchise. 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. We require only that you complete the work assigned to your Unit Franchise and, while we might make suggestions or recommendations, from time to time, we do not direct or control the manner and means in which you perform the tasks necessary to complete the work or the hours you set aside to perform the work.

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.

At Our option, You will join in as a party to the Accounts secured by Us through a contract with a Client or those contracts will be assigned to You, in either case until the earlier of (a) the expiration or termination of this Agreement, (b) the contract with the Client is terminated, cancelled, or transferred, or (c) any situation arises whereby You errantly cease service to the Account. All Accounts will initially 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 or to which Your Unit Franchise has become a party by joinder except pursuant to a third-party's purchase of Your Anago business in accordance with this Agreement. You are not permitted to perform or invoice for janitorial or other services offered through Your Unit Franchise directly to those Accounts or to perform or invoice the Account for such services outside of the contract. You may however solicit and negotiate additional business with Clients assigned to You. All such additional business must be reflected on an amendment to the contract with the Account and will be subject to the provisions of the assignment of the contract, including Our appointment as Your agent for billing and collections related to the additional business. We will invoice for those services retaining Our fees earned under this Agreement. All Accounts We

assign to You or to which you become a party by joinder must be serviced in accordance with the times, frequency of service and cleaning specifications as determined by the Client.

You acknowledge and agree that we or AFI may negotiate contracts with third parties that provide that their products and services will be the only such products or services that are offered by the Anago System. If we notify you that such a contract has been executed, you agree that you will offer only that third party's products or services and will not provide any products or services to Clients that are competitive with that third party's products or services.

(a) **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:

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

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

(ii) You have signed an orientation acknowledgment in the form attached as Exhibit 1 to this Agreement.

(iiii) You have proof of all necessary business licenses, tax registrations, insurance and permits and have forwarded copies to Us.

(iv) 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 fictitious 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 fictitious 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 3.0 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.

(b) **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).

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

(i) If You lose an Initial Account due to circumstances beyond your control or an Initial Account transfer 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

(v) If You lose an Initial Account or an Initial Account transfer 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.

(iii) If You lose an Initial Account or an Initial Account transfer for the following reasons:

(a) You or Your employee's 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 requested 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 personally 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 one (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 that are designated therein as mandatory. You may, at your discretion, adopt any changes that are designated therein as "suggested" or "recommended." 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 EQUIPMENT AND SUPPLIES.

You must use Your own tools, equipment, and supplies to perform the services required under the contract with the Account. 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 2.6 ASSISTANCE IN INITIAL SET-UP AND FIRST TIME CLEANING.

We will provide to You experienced field support and accompany You during the initial set-up and first-time cleaning of the very first Account You service pursuant to this Agreement.

SECTION 2.7 CONTINUED ASSISTANCE AND SUPPORT.

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

(a) **Invoicing and Accounting Services.** You have agreed to retain Us as Your agent to directly invoice the Accounts that are assigned to You or with respect to which You sign a joinder, and You will forward to Us amounts We are due from Client payments sent or given directly to You. We will invoice the Accounts monthly for the cost of services and supplies You render under the contract with the Account. We will invoice the Accounts we assign to You and maintain those revenue Records for You. You hereby authorize and direct Us to withhold, on Your behalf, any Money due You from servicing the Accounts We assign to You for 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 attorneys' fees and court costs) We incur in enforcing payment of Accounts on Your behalf. 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. You hereby also authorize and direct Us, at Our sole discretion, to initiate action on Our own to recover unpaid amounts of Our fees that would have been collected if the Account had paid as agreed. It is an essential part of Our record keeping that all amounts due from the Client be remitted to Us so that We can maintain accurate and timely records on the amounts due You and the failure to remit any payments received by You will result in significant additional costs to Us. Consequently, 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 to compensate for this additional expense.

We will only be responsible for the invoicing or collection of any monies due from Accounts assigned to you or to with respect to which you sign a joinder.

(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 brand 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 brand standards 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 operational questions.

(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 Unit 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 and related service industries 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 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 those of Your representatives that we specify 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 2.8 LICENSE OF PROPRIETARY MARKS AND PROPRIETARY PROPERTY.

Subject to 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 solely in connection with the operation of Your Unit Franchise.

SECTION 2.9 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.

SECTION 2.10 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 $5,015 to $26,350 if paid in cash, or $5,900 to $31,000 with down payments ranging from $1,000 to $23,500 if financed. You have selected Program number _____, and have chosen to:

Initial One:

[ ] 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 14% 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 Administration Fee during the Term of 8% of collected monthly Gross Revenues, to reimburse Us for Our costs as your agent, of invoicing, receiving, and disbursement of funds from Accounts we assign to You. We will retain the Administration Fee from the payments Clients make and remit the balance to You.

(d) **Advertising Contribution**. 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% (5% for General Liability & 3% for Workers' Compensation) of monthly Gross Revenues, (subject to change in our discretion), plus $2.00 per invoice per Client serviced. If You do not obtain insurance through Us, You are still liable for a charge of 2% of Gross Revenues for insurance administration and policy verification.

(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 currently equal to 3.0 times the Gross Monthly Billing of additional Accounts, but we reserve the right, on 30 days' notice to You, to increase it to 5.0 times the Gross Monthly Billing of additional Accounts. The C-Fee 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 payable: (a) 20% upon assumption of the Account; and (b) the balance payable in 11 equal monthly installments including interest at 14% 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 payable: (a) 20% upon assumption of the Account; and (b) the balance payable in 11 or 17 equal monthly installments including interest at 14% 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 repayable as negotiated by the parties as stated in the Account Assignment & 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 Services, Initial Cleans or Extra Work on additional Accounts We secure will be equal to 20% of the gross fee charged to the Client and will not be financed.

(vii) If You voluntarily relinquish an additional Account that You have assumed, after 10 business 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)(ii)-(iii) or if You cease service to the Account (for more than 2 days without at least 10 business 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 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 services 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 Your Anago Unit Franchise's fault.

(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, additional C-Fees may be charged in our sole discretion.

(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) 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 Brand Standards 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 Brand Standards 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 Brand Standards 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 Brand Standards Department must respond to the complaint, a Standards Enforcement Fee of $50 will also be assessed to You. If a complaint is made known to You by Our Brand Standards Department and You fail to correct the deficiency to Our or the Client's satisfaction on or before Your next contractually scheduled visit, Our Brand Standards 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) **Technology Fee.** We reserve the right, at the direction of AFI and upon written notice to You, to initiate a monthly technology licensing fee ("Technology Fee") equal to up to 1.5% of Your monthly Gross Revenues during the preceding month. You agree to pay the Technology Fee, once initiated, for the remainder of the Term. We pay the Technology Fee we receive from you to AFI in consideration for computer system hardware and/or the development, license, and/or use of proprietary or third-party software, whether for AFI's, Our or Your use in connection with technology services provided by AFI or Us to you.

(m) **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.

(n) **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).

(o) **Corrective Measures Fees.** If You receive unsatisfactory inspection reports from Us and fail to promptly remedy the deficiencies, We may require You and Your representatives 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.

(p) **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).

(q) **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.

(r) **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 manufacturers, 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).

(s) **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.

(t) **Return of Keys Fee.** When your Franchise Agreement expires or terminates, you must immediately give us or the customer (as each customer decides) all keys, security passes, security codes, and other means of access to your customers' premises. You also must do this if you are to stop servicing any customer. Failure to return keys will result in a $500 a day fine until all keys have been returned. If a key is lost and cannot be returned, You will be charged the full cost of the replacement for each key lost and/or for the re-keying/reprogramming any locks. If a key is lost and cannot be returned, You will be charged the full cost of the replacement for each key lost and/or for the re-keying/reprogramming any locks.

SECTION 3.2 PAYMENT SCHEDULE.

The Royalty Fee, Administration Fee, Advertising Contributions, Insurance Fee 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 mandatory 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 and other approved facilities-related services and honor all Anago Accounts You assume;

(d) Comply with the procedures and Systems we mandate from time to time whether in the Manual or otherwise;

(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 aspects of the operation of Your Anago Unit Franchise;

(h) Sell or offer for sale under the Anago System only the products and services that meet Our 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) If You believe or receive information that indicates that one of Our employees or agents has or may have engaged in any act of sexual or racial harassment or discrimination, or any other act prohibited by law, You agree to report the incident to Us within 48 hours;

(j) Set up a separate corporation or approved legal entity to operate Your Anago Unit Franchise, within 30 days of signing this Agreement;

(k) Not subcontract out services of any type to any Anago Accounts You assume. All Anago Accounts must be serviced only by Your Anago Unit Franchise; and

(l) Comply with any maximum or minimum pricing we may periodically set, but only for those products and services offered by Unit Franchises under and as part of the Anago System (we do not limit your ability to set your own prices for work you perform outside of the Anago System). 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 HIRING, TRAINING AND APPEARANCE OF EMPLOYEES.

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 are solely responsible for determining who You employ and all of the essential terms and conditions of their employment, including their compensation, their training, the number of hours and when they work, the duties they are assigned to perform, the supervision of their performance, the rules regarding how they perform their duties, how and why You discipline them, all decisions regarding termination of their employment, and any working conditions related to their health and safety. You are also solely responsible for following all applicable regulations and laws applicable to the operation of Your Anago Unit Franchise. You recognize, however, that Individual Accounts may dictate specific service hours, methods, or staffing requirements. It is your responsibility to determine the staff and staffing levels and qualifications you need in order to satisfy the Accounts' requirements in that regard. 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. We are not responsible for any claim made by Your employees or contractors, and You agree to indemnify and hold Us harmless from any such claims as set forth more fully herein.. 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.

SECTION 4.3 MANAGEMENT OF THE ANAGO UNIT FRANCHISE.

(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 or other approved legal entity for the operation of Your franchise within 30 days of signing this Agreement. You may not commence any work or provide any services as an Anago Unit Franchise until this Agreement has been assigned to Your legal entity.

(b) You must appoint, subject to our approval, one of Your owners who will devote his or her best efforts to the full exploitation and management, day-to-day supervision, and operation of the Anago Unit Franchise.

SECTION 4.4 APPROVED SPECIFICATIONS AND SOURCES OF SUPPLY.

(a) **Purchases from Us or Our Affiliates.** We do not allow You to use Our tools, equipment or supplies to perform the work of Your Unit Franchise. You must own Your own tools, equipment and supplies necessary to perform the work for which the Account has contracted. However, You must purchase only 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/postal code 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 ensure we and all our Franchisees not only continue growing 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 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 Clients and Your employees (provided, however, that if We notice any deficiencies in Your employees' performance, We will notify You of the deficiencies and You, in turn, will correct such deficiencies as described below). We may also 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, countersuit 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 information relevant to the System. You agree that all such suggestions and any improvements, developments, derivative works, enhancements or modifications to the System and any Confidential Information (collectively, "Innovations") made or created by You, Your employees or Your contractors, whether developed separately or in conjunction with Us, shall be owned solely by Us and our licensors. We have no obligation to use any Innovations and no obligation to provide compensation for any Innovations. You may not use any Innovations inconsistent with Your obligations under this Agreement without Our written consent. You represent, warrant, and covenant that Your employees and contractors are bound by written agreements assigning all rights in and to any Innovations developed or created by them to You. To the extent that You, Your employees or Your contractors are deemed to have any interest in such Innovations, you hereby agree to assign, and do assign, all right, title and interest in and to such Innovations to Us. To that end, You shall execute, verify, and deliver such documents (including, assignments) and perform such other acts (including appearances as a witness) as We may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining, and enforcing such ownership rights in and to the Innovations, and the assignment thereof. Your obligation to assist Us with respect to such ownership rights shall continue beyond the expiration or termination of this Agreement. If we are unable for any reason, after reasonable effort, to secure your signature on any document needed in connection with the actions specified in this Section 4.11, You hereby irrevocably designate and appoint Us and Our duly authorized officers and agents as Your agent and attorney in fact, which appointment is coupled with an interest and is irrevocable, to act for and on Your behalf to execute, verify, and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section 4.11 with the same legal force and effect as if executed by You. The obligations of this Section 4.11 shall survive any expiration or termination of the Agreement.

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

You agree that the offer to sell or the sale of unauthorized or prohibited products and services within the Anago System or operation of Your Unit Franchise will result in damages to Us. You agree these damages will be measured as $100 for each day that You offer or sell unauthorized or prohibited products or services, payable to Us upon demand. These damages are in addition to Our other rights including Our right to strictly enforce or terminate this Agreement as provided in this Agreement and obtain injunctive relief, except to the extent any other rights are excluded by law in light of this Section. The parties agree that a precise calculation of the full extent of the damages that We will incur from the offer or sale of unauthorized products and services is difficult to determine and We and You desire certainty in this matter and agree that the liquidated damages are reasonable and are not a penalty.

SECTION 4.13 CESSATION OF SERVICE TO CLIENTS ONLY.

You will surrender, as directed by the Regional Office or the Client, all keys, codes and pass cards to Our Clients' facilities, after the completion of the last scheduled day of service. You will remove only equipment and supplies belonging 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 business 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;

(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 CLAIMS AGAINST THE PROPRIETARY PROPERTY.

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 YOUR INDEMNIFICATION.

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 OUR RIGHT TO MODIFY THE PROPRIETARY MARKS.

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, You are obligated to do so at Your sole expense within 30 days of Our request.

SECTION 5.6 OWNERSHIP; INUREMENT SOLELY TO US.

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 goodwill 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 goodwill and to maintain uniform standards of operation under the Proprietary Marks, You will conduct Your Anago Unit Franchise in accordance with the mandatory provisions of the Unit Franchise Operating Manual. Those provisions of the Manual are 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 that is designated therein as “mandatory” beginning on the 30th day (or any longer time We specify) after written notice from Us. Revisions to the Manual 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 goodwill, 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 Manual, the Terms contained in Our master copy 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. You may independently, and entirely separate from any advertising You conduct for Your Anago Unit Franchise, advertise Your availability to perform cleaning, janitorial and other services for other non-Anago clients, but You may not use, refer to, or incorporate into any such advertising the Anago Proprietary Marks or System or Your position as an Anago franchisee. No advertising for such services shall satisfy Your advertising obligations under this Agreement.

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 are not required to spend any amount on advertising in Your Area of Operation.

(f) 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.

(g) 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 insurance in accordance with state law covering bodily injury by accident or disease in an amount not less than $500,000 for each employee;

(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.

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) We must be named as an additional insured to any insurance policy you obtain for Your Business.

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 (1) this Agreement, (2) any Account or interest in any Account assigned to You under this Agreement or with respect to which you sign a joinder, or (3) 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 to the full exploitation of the Anago Unit Franchise and to the day-to-day operation and development of the Anago Unit Franchise;

(ii) The corporation is newly organized;

(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;

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

(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 Subfranchising 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;

(iv) 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) The transferee must sign Our then-current franchise agreement, which may contain terms materially different than this Agreement; and

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

We have no duty to consider these factors and approval of a proposed transfer is not an expression of opinion of the appropriateness or fairness of the 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 Owner of You who holds a 25% or greater voting or ownership interest in You 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) secure a replacement for You, and You will reimburse Us the costs and expenses We incur in doing so (including the payment of the replacement's wages and benefits). 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 any individual referenced in paragraph (a) above 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.

If You are in default 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 the 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 goodwill 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 goodwill 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 TERMINATION BY US - AFTER NOTICE AND RIGHT TO CURE.

If You are in default 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 ARTICLE 12 apply to the rights and obligations of the parties.

SECTION 12.1 CEASE OPERATIONS.

You will immediately cease to operate the Anago Unit Franchise using the Proprietary Marks or System. 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 business 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 and will pay all costs to Us associated with such cancellation.

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 RETURN OF EQUIPMENT.

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 LIQUIDATED DAMAGES FOR PREMATURE TERMINATION.

If termination is the result of Your default, You will pay to Us a lump sum payment (as liquidated damages for causing the premature termination of this Agreement and not as a penalty) equal to the 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.

ARTICLE 13 - YOUR INDEPENDENT COVENANTS

SECTION 13.1 DIVERSION OF BUSINESS; COMPETITION AND INTERFERENCE

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 or Facilities-Related Franchised Business. Therefore, You covenant that during the Term, and for 24 months after the termination or expiration of this Agreement or, if you fail or refuse to comply with these restrictions, for 24 months after the date on which you begin to comply with them (whether or not pursuant to an order issued by a court or arbitrator), 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 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 or Facilities-Related 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 or Facilities-Related 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, and does not preclude Us from seeking other remedies afforded by law, including but not limited to seeking injunctive relief.

You agree that the scope, 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.

You agree and acknowledge that the rights covered by this ARTICLE 13 are unique and special in nature and We will not have an adequate remedy at law in the event of Your failure to abide by the terms of this ARTICLE 13. Therefore, You agree that for any violation or anticipated violation of any covenant contained in this ARTICLE 13, We shall be entitled to a temporary restraining order, temporary and/or preliminary injunction, and/or permanent injunction against You for such violation, whether anticipated or real, without requiring that We provide bond or other security, and We shall be entitled to a decree of specific performance enforcing the terms of this ARTICLE 13. Nothing contained in this ARTICLE 13 shall prohibit Us from pursuing any other legal or equitable remedy available to Us by law.

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 the scope, time and territory or to any other extent as the court may judicially determine or indicate is a reasonable restriction under the circumstances involved.

SECTION 13.2 INDEPENDENT COVENANTS.

The parties agree that the covenants in ARTICLE 13 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, and nothing herein is intended to make Us an employer or co-employer of Your employees, any such relationship being expressly disclaimed. 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 (a) Your ownership or operation of the Anago Unit Franchise or (b) from Your breach of this Agreement unless caused by Our gross negligence or intentional misconduct. You must also defend, indemnify and hold Us and AFI harmless from and against any claims asserting that AFI or We are the employer or joint or co-employer of You or Your employees. These indemnity obligations continue 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.

The following provision applies if you or the franchise granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor.

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 State.

(b) **Authorization**. We have the corporate power to sign, deliver, and carry out the terms 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 5 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 5 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 Client or Current Client.

"**Account Transfer Fee**" means the fee we will assess if We transfer an Account from You to another Anago Unit Franchise as and under the circumstances described in Section 3.1(h) of this Agreement.

"**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 commercial janitorial and facilities-related services business You are authorized to operate under the Marks and System as described in 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 business entity or person who signs a contract to receive services provided by an Anago Unit Franchise.

"**Company Unit**" means an Anago janitorial and facilities-related services business that We or our Affiliate owns and operates under the System.

"**Competitive Janitorial or Facilities-Related Franchised Business" / "Competitive Business**" means a business that is engaged, wholly or partially, directly or indirectly, in (i) providing janitorial and facilities-related services to non-Anago clients as part of a franchised or licensed brand, or (ii) selling franchises of non-Anago janitorial and other facilities-related services businesses.

"**Confidential Information**" means all information, knowledge, know-how and technologies that We designate as confidential, proprietary or trade secrets. Confidential Information includes the Unit Franchise Operating Manual and the Anago Orientation Program.

"**Day Porter**" means a person You provide to a Client for clean-up services during the day, provided You have a contract with the Client for normal janitorial services.

"**Designee**" means 1 or more of Our representatives who are independent contractors and are appointed by Us to perform certain of Our duties under this Agreement as described in ARTICLE 2.

"**Enforcement Costs**" means the costs described in Section 18.9.

"**Event of Default**" means a breach of this Agreement including those situations described in Sections 6.4, 10.2(a), 10.2(d), ARTICLE 11, 15.2(c) and 15.3(c), assuming any requirement for the giving of notice, the lapse of time, or both, or any other condition is satisfied.

"**Extra Work**" means work, whether as part of a multiple occasion contract or a One-Time Service, requested by a Client over and above the normal monthly janitorial services contract such as, for example, special carpet cleaning, hard service floor restoration, or any other services that, as an Anago franchisee, you are permitted from time to time to perform for Clients.

"**FDD" / "Franchise Disclosure Document**" means the Franchise Disclosure Documents and all its Exhibits and supplements that You received as a precedent to Your signing this Agreement.

"**Franchised Unit**" means an Anago Unit Franchise owned and operated under the System by a Unit Franchisee.

"**Franchisee" / "Unit Franchisee**" means the business entity or each person who signs a Franchise Agreement as the owner of the Franchised Unit.

"**Generally Accepted Accounting Principles**" means those standards, conventions and rules accountants follow in recording and summarizing transactions, and in the preparation of financial statements. Generally Accepted Accounting Principles derive, in order of importance, from: (i) issuances from an authoritative body designated by the American Institute of Certified Public Accountants ("AICPA") Council; (ii) other AICPA issuances including AICPA Industry Guides; (iii) industry practice; and (iv) accounting literature in the form of books and articles.

"**Gross Monthly Billing**" means the gross amount of receipts from services and products provided by You to all Clients billed before any deductions.

"**Gross Revenues**" means all amounts, in whatever form and however characterized, that are received for or attributed to services provided to Clients, regardless of (1) how or by whom the Client was procured, (2) the type or nature of the service or the frequency with which it is provided, and (3) whether the service is provided by You directly or by Your employees or other contractors, 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.

"**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.

"**One-Time Service**" means a cleaning or other service performed on a single occasion (even if performed multiple times) which is not performed pursuant to or as part of a monthly or other contract for multiple services, and is billed separately.

"**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 and facilities-related 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 a corporation, the individual who owns a majority of the voting and ownership interests in the corporation; (ii) 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 (iii) 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 or other legal entities signing the signature page of this Agreement as Unit Franchisee, jointly and severally.

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:
Corp Name, Inc.
Address
City, State zip

With a copy to:
(attorney's Name)
(attorney's Address)
(attorney's City, State Zip)

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, short of filing a legal proceeding or action, We take measures to enforce compliance of Your obligations 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 costs and expenses (including reasonable attorneys' fees) We incur in doing so.

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, [*insert city and state*]), 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 or that you might assert against AFI, ACS, their affiliates or their owners, officers, directors, employees or agents (including any claims related to vicarious liability, employment or joint employment);

(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, [*insert city and state*]). 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 electronically stored information 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 electronically stored information 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 electronically stored information may be collected shall be narrowly tailored to include only those individuals whose electronically stored information 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 18.13 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 18.15 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 State without regard to principles of conflicts of laws.

SECTION 18.16 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 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 18.22 RIGHT OF PARTIES.

If You default in performing any of Your obligations under this Agreement, We have the

right (but not the obligation) to perform Your obligations and be reimbursed by You for the actual costs of so performing, together with accrued interest permitted under this Agreement on overdue amounts. Interest accrues beginning on the 10th day after Our demand for reimbursement.

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 18.24 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 18.25 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 18.26 RECITALS.

The recitals set forth above are true and correct and are hereby incorporated into and made a part of this Agreement.

Remainder of page intentionally blank

The parties have signed and delivered this Agreement on the Agreement Date.

UNIT FRANCHISEE:

By: _____ _____

Print Name: _____ _____

Title: _____ _____

INDIVIDUALLY: the undersigned agrees to abide by all restrictive covenants contained in this Agreement

By: _____ _____

Print Name: _____ _____

SUBFRANCHISOR:

INSERT CORP NAME, d/b/a ANAGO OF ENTER YOUR CITY HERE

By: _____

Print Name: _____

Title: _____

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:

- **Pre-Opening Procedures**
  - Overview of Legal Entities
  - Licenses, Permits, and Taxes
  - Orientation
  - Initial Inventory and Supplies
  - Bank Accounts
  - Insurance Coverage
  - Pre-Opening Checklist

- **Personnel**
  - Non-Joint Employer Status
  - Employment Law Basics
  - OSHA
  - Preparing to Hire Your First Employee
  - Job Responsibilities and Ideal Employee Profiles
  - Recruiting Employees
  - Job Applications
  - Interviewing Job Applicants
  - Background Checks on Job Applicants
  - Miscellaneous Hiring Issues
  - New Employee Paperwork
  - Additional Steps in Hiring Process
  - Uniforms – Dress Code
  - Recommended Franchisee Employee Training
  - Personnel Policies
  - Paying your Employees
  - Employee Morale / Motivation
  - Performance Evaluations
  - Employee Discipline
  - Resignation / Termination
  - Summary of Good Employee Management Practices
  - Getting Legal Help with Employment Law Issues

- **Policies and Procedures**
  - Orientation
  - Start-Up and Operation
  - Financial Procedures
  - Business Management
  - Service Management
  - Recommended Operating Guidelines

- **Daily Operating Procedures**
  - Days /Hours of Operation
  - Customer Service Procedures
  - General Cleaning Procedures
  - Team Cleaning
  - Inventory Management

- **Floor Care**
  - Floor Care Safety
  - Floor Care – Resilient
  - Floor Care – Carpet
  - Floor Care – Stone & Finished Aggregate
  - Floor Care – Masonry
  - Floor Care – Stairs

- **Safety and Security**
  - General Safety Tips
  - Security
  - Preventing Accidents and Injuries
  - Reporting Accidents & Claim Process
  - Crisis Management Policy
  - Tips for Reducing Your Workers' Compensation Insurance Costs
  - Workers' Compensation Issues
  - Workers' Compensation Audits

- Ten Most Common Workplace Injuries
- Fire Safety
- Robbery/Burglary
- First Aid

- **Biohazards**
  - Blood Borne Pathogens
  - OSHA Definitions
  - Intent of the Exposure Control Plan
  - Exposure Determination / Assignment of Categories to Employees
  - Compliance – Universal Precautions
  - Compliance – Engineering Controls
  - Compliance – Work Practice Controls
  - Compliance Personal Protective Equipment
  - General Biohazard Area Safety
  - Golden Rule
  - Hepatitis B Vaccination, Post-Exposure Evaluation and Follow Up
  - Labels and Signs
  - Record Keeping

- **Financial Reports**
  - Royalty Payment
  - Financial Statements
  - Income Sources
  - Expense and Owner Accounts
  - Required Reports
  - Taxes
  - How to Succeed in Business
  - Documentation

- **Bidding and Estimating**
  - Basic Bid Factors
  - Other Bid Factors
  - Measuring Square Footage
  - Cleaning What Has Been Measured
  - Production Rates by Industry Type
  - Bidding Formulas
  - Smart Clean Bidding
  - Bidding Exercises

_____	_____
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 Inspection Sheets	20	15.00
Anago Message Reply	20	15.00
Anago Performance Evaluations	20	15.00
Unit Franchise Operating Manual	1	500.00

TOTAL OFFICE AND MARKETING MATERIALS **$680.00**

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
4	Quart Spray Bottles
1	Microfiber Duster
1	Bottle of All Purpose Cleaner
1	Bottle of Disinfectant Cleaner
1	Bottle of Window Cleaner
1	Stainless Steel Cleaner
1	Bottle of Cream Cleanser
1	Bottle of Toilet Bowl Cleaner
1	Bottle of Carpet Stain Remover
4	Microfiber Glass Cloth

APPROXIMATE TOTAL COST $150.00

* 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
2	Charging Buckets with Sealing Lids
1	Brute Mobile and Wheels
1	Maid Caddy
1	Microfiber Dust Mop / 24"
2	Microfiber Mop Frames
2	Mop Handles
1	Toilet Brush
2	Microfiber Dust Mops (Blue & Red)
1	Yellow Mop Bucket & Wringer
1	Microfiber Loop Mop
2	Wet Floor Signs
1	Lobby Broom & Pan Combo

APPROXIMATE TOTAL COST **$450.00**

* 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"	$700.00 - $1,600.00
1	Wet/dry vacuum	$450.00 - $750.00
1	Hand Held Vacuum	$100.00 - $150.00
1	Cellular phone w/internet, email, and SMS	$500.00 - $1,250.00
Major Equipment Total		**$1,750.00 - $3,750.00**

Exhibit 6 – ACCOUNT ASSIGNMENT & ASSUMPTION AGREEMENT

FRANCHISE OWNER - ACCOUNT ASSIGNMENT & ASSUMPTION AGREEMENT

PID:
Contract Name:
Site Address:
Approx. Sq.Ft.:
Monthly Amt:
Cost of Supplies included in Monthly Amt: $_____
Cost of Day Porter included in Monthly Amt: $_____

Assignment of Account: Pursuant to your Franchise Agreement ("FA"), between Subfranchisor ("us") and the undersigned Unit Franchisee ("you"), we hereby assign the Service Procurement Agreement ("SPA") described above to you. You agree that (a) the SPA is not further assignable by you to any third party except pursuant to such third-party's purchase of your Anago business in accordance with the FA, and (b) on expiration or termination of the FA, the SPA will, automatically and without further action on your part, be deemed assigned to us.

Account Acceptance: You acknowledge that you have received, read and completely understand the Service Procurement Agreement (SPA) and this Account Assignment & Assumption Agreement ("AAAA") and agree the price stated above is fair and reasonable. You agree to assume and perform all obligations under the SPA and to adhere to the Client's cleaning schedule. You represent that you have sufficient working capital to purchase all supplies and equipment necessary to perform under the SPA. You understand that this AAAA is subject to the terms of the FA, including the payment of all fees, as per the FA. By signing this Agreement, you hereby appoint us as your agent to liaise with Client on your behalf and to collect under the SPA all sums due you from the Client and to retain from such collections your C-Fees, if any, in accordance with Subsection 3.1(f) of the FA as well as any other sums due to us and to remit the balance to you.

To be used only for Accounts offered as Initial Business

1. Portion of Monthly Amt applied to Initial Business for Franchisee: $_____

To be used only for Accounts offered as Additional Business

1. Portion of Monthly Amt applied to C-Fee for Franchisee: $_____
2. Select a C-Fee payment option:
   [____] Cash - C-Fee paid in full at assumption (15% Discount)
   [____] 90 Days - C-Fee paid in full within 90 days (0% Interest) **OR** (___) 120 Days – C-Fee paid in full within 120 days (0% Interest)
   [____] Financed - C-Fee Financed over 12-18 months (with interest) *Accounts of $2000.00 or greater, may be extended to 18 months.
3. C-Fee Payment Method:
   [____] Cash/Check (attach copy of receipt or deposit) OR [____] Month to start deduction: _____
4. Down Payment % (if applicable): _____
5. Number of Months to Finance (excluding Down Payment): _____

Client Keys: Number of Keys: ____ You hereby accept responsibility for all keys to the Clients' premises and agree to secure the premises as directed by the Client upon completion of services. Upon termination of your FA or expiration or termination of the SPA, you shall return all electronic or other keys as directed by the Client or us. Failure to promptly comply could result in the need to re-key or otherwise change the electronic or manual locks at the Client's premises; and you shall be solely responsible for the total cost of doing so.

Special Considerations: Enter any specific requirements for accepting this Account (e.g., client requested chemicals/equipment, background checks, etc.)

RELEASE OF CLAIMS On behalf of yourself and your current and former agents, principals, employees, representatives, legal representatives, accountants, and successors and assigns (the "Releasing Parties"), you hereby release us, Anago Franchising, Inc., Anago Cleaning Systems Inc., and our and their respective current and former members, agents, principals, officers, directors, shareholders, employees, representatives, legal representatives, accountants, subsidiaries, divisions, predecessors, and successors and assigns (the "Released Parties"), of and from any and all manner of obligation, debt, liability, tort, covenant, contract, agreement, undertaking, and account, and any and all claims or causes of action, statutory or common law, that you or any other Releasing Party had, has, or may have, through the date of this AAAA, known or unknown, including but not limited to any and all claims or causes of action arising under or related to whatever rights and claims you or they had, have, or may have under any applicable labor and/or employer legislation (the "Released Claims"), excepting only your prospective obligations under the FA and any claims or rights of actions which cannot be released under applicable law. You warrant and represent that you and the other Releasing Parties have not assigned or otherwise transferred any claim or cause of action released by this Paragraph. You further warrant and represent that you are not the subject of any bankruptcy proceeding. You acknowledge and agree that you may hereafter discover facts different from, or in addition to, those facts known to you, or which you now believe to be true with respect to the Released Claims. You nevertheless, agree that the release set forth in this AAAA has been negotiated and agreed on, that it is intended to include and does include in its effect, without limitation, all claims which you and the other Releasing Parties do not know or suspect to exist, and that this release expressly contemplates the extinguishment of all such claims. Nothing in this release purports to or releases or waives any rights or causes of actions that the Releasing Parties may have under the franchise legislation applicable in the jurisdiction within which the Anago Franchise operates.

COMPANY:	**UNIT FRANCHISEE:**
XXXX, Inc. dba Anago of XXXX	_____
Sign: _____	**Sign:** _____
Print Name: _____	**Print Name:** _____
Title: _____	**Title:** _____
Date: _____	**Date:** _____

FRANCHISE OWNER SPECIALTY SERVICE - ACCOUNT ASSIGNMENT & ASSUMPTION AGREEMENT

To be used only for Extra Work/Initial Clean/One-Time Service

PID:
Contract Name:
Site Address:
Approx. Sq.Ft.:

Specialty Service Amt: $ _____

Assignment of Account: Pursuant to your Franchise Agreement ("FA"), between Company ("us") and the undersigned Unit Franchisee ("you"), we hereby assign the Extra Work/Initial Clean/One-Time Service ("Specialty Service") described above to you. You agree that (a) the Specialty Service is not further assignable by you to any third party except pursuant to such third-party's purchase of your Anago business in accordance with the FA, and (b) on expiration or termination of the FA, the Specialty Service will, automatically and without further action on your part, be deemed assigned to us.

Account Assumption: You acknowledge that you have received, read, and completely understand the Specialty Service and this Account Assignment & Assumption Agreement ("AAAA") and agree the price stated above is fair and reasonable. You agree to assume and perform all obligations under the Specialty Service and to adhere to the Client's cleaning schedule. You represent that you have sufficient working capital to purchase all supplies and equipment necessary to perform under the Specialty Service. You understand that this AAAA is subject to the terms of the FA, including the payment of all fees, as per the FA. By signing this Agreement, you hereby appoint us as your agent to liaise with Client on your behalf and to collect under the Specialty Service all sums due you from the Client and to retain from such collections any sums due to us and to remit the balance to you.

1. Select the C-fee percentage to charge the Franchise Owner (refer to Franchise Owner's FA for specific information):

[__] 15% [__] 20% [__] Other: _____%

Client Keys: Number of Keys: ____ You hereby accept responsibility for all keys to the Clients' premises and agree to secure the premises as directed by the Client upon completion of services. You shall return all electronic or other keys as directed by the Client or Company. Failure to promptly comply could result in the need to re-key or otherwise change the electronic or manual locks at the Client's premises; and you shall be solely responsible for the total cost of doing so.

Special Considerations:

RELEASE OF CLAIMS On behalf of yourself and your current and former agents, principals, employees, representatives, legal representatives, accountants, and successors and assigns (the "Releasing Parties"), you hereby release us, Anago Franchising, Inc., Anago Cleaning Systems Inc., and our and their respective and former members, agents, principals, officers, directors, shareholders, employees, representatives, legal representatives, accountants, subsidiaries, divisions, predecessors, and successors and assigns (the "Released Parties"), of and from any and all manner of obligation, debt, liability, tort, covenant, contract, agreement, undertaking, and account, and any and all claims or causes of action, statutory or common law, that you or any other Releasing Party had, has, or may have, through the date of this AAAA, known or unknown, including but not limited to any and all claims or causes of action arising under or related to whatever rights and claims you or they had, have, or may have under any applicable labor and/or employment legislation (the "Released Claims"), excepting only your prospective obligations under the FA and any claims or rights of actions which cannot be released under applicable law. You warrant and represent that you and the other Releasing Parties have not assigned or otherwise transferred any claim or cause of action released by this Paragraph. You further warrant and represent that you are not the subject of any bankruptcy proceeding. You acknowledge and agree that you may hereafter discover facts different from, or in addition to, those facts known to you, or which you now believe to be true with respect to the Released Claims. You nevertheless, agree that the release set forth in this AAAA has been negotiated and agreed on, that it is intended to include and does include in its effect, without limitation, all claims which you and the other Releasing Parties do not know or suspect to exist, and that this release expressly contemplates the extinguishment of all such claims. Nothing in this release purports to or releases or waives any rights or causes of actions that the Releasing Parties may have under the franchise legislation applicable in the jurisdiction within which the Anago Franchise operates.

COMPANY:

XXXX, Inc. dba Anago of XXXX

Sign: _____

Print Name: _____

Title: _____

Date: _____

UNIT FRANCHISEE:

_____

Sign: _____

Print Name: _____

Title: _____

Date: _____

Exhibit 7 - PROMISSORY NOTE

U.S. $_____ Date: _____, 20_____

FOR VALUE RECEIVED, _____ _____ ("You" or "Your") promise to pay to the order of Corp Name, Inc., a State corporation ("We" or "Us"), at Our offices at address, City, State Zip 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 __% 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 Xxxx County, State 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 State.

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.

13. **Personal Guaranty.**

Your payment of all amounts due under this Note and performance of all obligations hereunder are personally guaranteed by all guarantors that are a party to the Personal Guaranty attached as Exhibit 9 to the Unit Franchise Agreement, which is incorporated hereinto this Note in full by reference.

YOU (MAKER):

Exhibit 8 – GUARANTEED PAYMENT OPTION

GUARANTEED PAYMENT OPTION PLAN CONTRACT (GPO)

TERMS:

I. _____ d/b/a Anago of _____ 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 or any credits deducted by the Client.

C. One-Time Service (1 X Job)

1. What We shall pay You for:
   - (i) One-Time Service sold by Us that You perform.
   - (ii) One-Time Service 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 Service not billed by Us.
   - (ii) Any amounts paid directly to You by a Client for One-Time Service performed.
   - (iii) One-Time Service not completed or any credits deducted by the Client.

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) Supplies or services not billed by Us.

(ii) Missed cleans, missing supplies, or credits deducted by the Client.

E. Other Services

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

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

II. Your fee for this option of payment will be 5% (five percent) of Your gross billing for that month.

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

IV. 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.

V. Damages or Client credits that reduce the amount due from the Client are not covered under this Agreement.

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.**

This Agreement shall be in effect beginning on the first day of _____, 20____ (Effective Date).

_____	_____
Anago of XXXX Representative Signature	**Franchisee Signature**
_____	_____
Anago of XXXX Representative Print Name	**Franchisee Print Name**
_____	_____
Title	**Title**
_____	_____
Date	**Date**

Exhibit 9- PERSONAL GUARANTY

PERSONAL GUARANTY BY SHAREHOLDERS OF A CORPORATION, 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 Corp Name, Inc. (hereinafter referred to as "SUBFRANCHISOR"), dated _____, and will be attached thereto. If UNIT FRANCHISEE was financed by SUBFRANCHISOR, then this Guaranty is further incorporated and made part of the Promissory Note (the "Note") attached as Exhibit 7 to the Unit Franchise Agreement, 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. represents and warrant to SUBFRANCHISOR that the Exhibits/attachments to the Unit Franchise Agreement are accurate and complete;

b. agrees 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. agrees 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. notices 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 State. You hereby irrevocably submit to the jurisdiction of the (enter applicable court in Your State) (or its successor) in and for Xxxx County, State, 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.

By signing below, the undersigned spouse of each Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty. We confirm that a spouse who signs this Guaranty solely in his or her capacity as a spouse (and not as an owner) is signing merely to acknowledge and consent to the execution of the Guaranty by his or her spouse and to bind the assets of the marital estate as described therein and for no other purpose (including, without limitation, to bind the spouse's own separate property).

You now execute this Guaranty on the date shown above

_____	_____
Witness	Name:
	_____,
	individually
_____	_____
Witness	Name:
	_____,
	individually
_____	_____
Witness	Name:
	_____,
	individually
_____	_____
Witness	Name:
	_____,
	individually

Exhibit 10 - FRANCHISE INSURANCE REQUIREMENTS

I. General Provisions

1. Policies include a written Waiver of Subrogation.
2. Clients are automatically added to policy whenever they enter into a signed contract with Subfranchisor.

II. Workers' Compensation Insurance

Workers' Compensation must be procured and maintained in accordance with applicable state law with certain minimum required limits outlined below. No employee of a Unit Franchisee 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 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
Personal and Advertising Injury Limit	$1,000,000
Medical Expense	$15,000
Hired & Non-Owned Auto Liability (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	$25,000
Employee Dishonesty	$50,000
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	$25,000

IMPORTANT

Unit Franchisees must provide proof of every required coverage. If you are not insured through Subfranchisor's policy or policies, you are required to notify Subfranchisor 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 Subfranchisor. Upon request, Franchisees may 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 (Corp Name) as Additional Insured"

Certificate Holder

Anago Franchising, Inc.
20 SW 27th Ave.
Suite 300
Pompano Beach, FL 33069

Exhibit 11 – ASSIGNMENT & ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Assignment") is made and entered into this _____ day of _____ by and between Corp Name ("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 State/ Province of Master Province 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 City, State 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 City, State). ASSIGNOR and ASSIGNEE irrevocably submit to the jurisdiction of such courts and waive any objection they may have to either the jurisdiction or venue of such courts. 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:
Corp Name

BY: _____

TITLE: _____

ASSIGNEE:

BY: _____

EXHIBIT II - LIST OF COMPUTER HARDWARE

High Speed Internet Connection (50+ Mbps or faster)

Backup Requirements	Min. 256-500 GB hard drive space
Printer Requirements	(1) All-In-One Color Printer (*Print/Scan/Copy/Fax*) High Volume Scanning capability (*150+ page automatic feeder)*
***Workstations (3) Min**	2.0 GHz dual or quad core processor 8+ GB of ram **Running Windows 11 or Running Mac OS X v13 (Ventura) or higher
Apple® iPad	2022 iPad Pro (6th gen) or newer with 2nd gen Apple Pencil® required 126GB storage (Minimum) 5G Cellular 1 per sales rep 1 per brand manager
Software Required	Microsoft Office 2019 or newer - on all workstations NBDS

* You would bear any costs associated with overcoming compatibility issues.

EXHIBIT III- PERSONAL GUARANTY

PERSONAL GUARANTY BY SHAREHOLDERS OF A CORPORATION, MEMBERS OF A LIMITED LIABILITY COMPANY, OR PARTNERS OF A LIMITED PARTNERSHIP

SUBFRANCHISOR: _____ 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 SUBFRANCHISOR, a corporation

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

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

organized under the laws of the state of name of State. This Guaranty is incorporated and made a part of a franchise agreement between SUBFRANCHISOR and Anago Franchising, Inc. (hereinafter referred to as "FRANCHISOR"), dated _____, and will be attached thereto.

1. Acknowledgments. You acknowledge and agree that SUBFRANCHISOR and FRANCHISOR have entered into a Subfranchise Rights Agreement, dated _____ (the "Franchise Agreement"), pursuant to which SUBFRANCHISOR has been granted the right to enter into Unit Franchise Agreements with subfranchisees within a defined territory. You further acknowledge and agree that FRANCHISOR has been willing to execute the Franchise Agreement with SUBFRANCHISOR solely on the condition that each owner of SUBFRANCHISOR be personally obligated and jointly and severally liable with SUBFRANCHISOR (and with each other owner of SUBFRANCHISOR) for the performance of each and every obligation of SUBFRANCHISOR (and its owners) under the Franchise Agreement, any amendments or modifications to the Franchise Agreement, any extensions or renewals of the Franchise Agreement, and under each and every agreement ancillary to the Franchise Agreement that has been or hereafter may be entered by SUBFRANCHISOR with FRANCHISOR or with FRANCHISOR's affiliates related to the Franchise Agreement or the business conducted by SUBFRANCHISOR pursuant thereto (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 Franchise Agreement by FRANCHISOR, you hereby personally, irrevocably and unconditionally:

a. represent and warrant to FRANCHISOR that the exhibits/attachments to the Franchise Agreement are accurate and complete;

b. guarantee the prompt payment and performance of all Obligations (as hereinafter defined) of SUBFRANCHISOR under the Anago Agreements;

c. agree to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Agreement and each and every provision in any of the Anago Agreements, as if you were the SUBFRANCHISOR; and

d. agree not to divert any assets to other parties in order to avoid any debt covered by this Guaranty.

The term "Obligations" means the payment of all debts, liabilities and obligations of SUBFRANCHISOR to FRANCHISOR arising under the Anago Agreements, whether direct, indirect, absolute, contingent, matured or unmatured, 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 FRANCHISOR of the foregoing Guaranty;
   b. notice of demand for payment of any indebtedness or nonperformance by SUBFRANCHISOR of any indebtedness or nonperformance by SUBFRANCHISOR 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 SUBFRANCHISOR 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 SUBFRANCHISOR 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 FRANCHISOR or any other party to take, protect, perfect or preserve any right against and/or security granted by the SUBFRANCHISOR or any other party;
   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 SUBFRANCHISOR and each other GUARANTOR of SUBFRANCHISOR;
   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 FRANCHISOR's option, immediately become due and payable without notice;
   d. If any payment or transfer to FRANCHISOR which has been credited against any Obligation is voided or rescinded or required to be returned by FRANCHISOR, 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 Franchise Agreement and/or any of the Anago Agreements upon demand if SUBFRANCHISOR 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 FRANCHISOR's pursuit of any remedies against SUBFRANCHISOR 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 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 FRANCHISOR may from time to time grant to SUBFRANCHISOR 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 FRANCHISOR 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 Franchise Agreement and so long as any performance is or may be owed under any of the Anago Agreements by SUBFRANCHISOR or its owners and so long as FRANCHISOR may have any cause of action against SUBFRANCHISOR or its owners; and

j. Any and all present and future debts and obligations of the SUBFRANCHISOR to you or any other GUARANTORS are hereby subordinated to the full payment and performance of the Obligations.

5. Choice of Law; Jurisdiction and Venue; Arbitration. This Guaranty, and any claims related thereto, shall be governed by and construed in accordance with the laws of the State of Florida. You hereby irrevocably submit to the jurisdiction of the state or federal court which is closest to FRANCHISOR's then current principal place of business (currently Pompano Beach, Florida) 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. You further acknowledge and accept as your own the obligation to submit all disputes arising under the Anago Agreements to arbitration in accordance with Section 13.1 of the Franchise Agreement, which provisions are adopted herein as though copied in their entirety.

6. 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.

7. 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.

By signing below, the undersigned spouse of each Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty. We confirm that a spouse who signs this Guaranty solely in his or her capacity as a spouse (and not as an owner) is signing merely to acknowledge and consent to the execution of the Guaranty by his or her spouse and to bind the assets of the marital estate as described therein and for no other purpose (including, without limitation, to bind the spouse's own separate property).

You now execute this Guaranty on the date shown above

By: _____ By: _____

Name: _____ Name: _____

EXHIBIT IV – ASSIGNMENT & ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Assignment") is made and entered into on _____ by and between Anago Franchising, Inc. ("FRANCHISOR"), _____ ("ASSIGNOR") and _____("ASSIGNEE").

BACKGROUND

A. FRANCHISOR and ASSIGNOR entered into a certain Franchise Agreement dated _____ (the "Subfranchise Rights Agreement"), whereby ASSIGNOR was granted the right and undertook the obligation to operate an Anago Subfranchise in the area identified in the Subfranchise Agreement (the "Franchised Business");

B. ASSIGNOR has formed ASSIGNEE for the convenience and purpose of owning and operating the Franchised Business;

C. ASSIGNOR desires to assign his or her rights and obligations under the Subfranchise Agreement to ASSIGNEE pursuant to, and in accordance with, the provisions of the Subfranchise Agreement; and

D. FRANCHISOR is willing to consent to the assignment of the Subfranchise 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 Subfranchise Agreement and to continue to be bound by all the provisions of the Subfranchise 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 Subfranchise 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 Subfranchise Agreement, and agrees to be bound by and observe and faithfully perform all of the obligations, assignments, commitments and duties of the Subfranchisor under the Subfranchise Agreement with the same force and effect as if the Subfranchise Agreement were originally written with ASSIGNEE as subfranchisor.

3. ASSIGNOR agrees that ASSIGNOR shall continue to be bound by all of the terms, covenants, conditions and obligations of Subfranchisor under the Subfranchise 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 Subfranchise Agreement. ASSIGNOR further agrees to execute FRANCHISOR's form of personal guaranty, simultaneously with the execution of this Assignment.

4. This Assignment is entered into in the State of Florida 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 Subfranchise Agreement. ASSIGNOR and ASSIGNEE further agree that they have and will continue to have a substantial relationship with FRANCHISOR at its offices in Pompano Beach, Florida and that, with the exception of FRANCHISOR'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 FRANCHISOR's then current principal place of business (currently Pompano Beach, Florida). 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. FRANCHISOR 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 Subfranchise 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 FRANCHISOR to retain the services of legal counsel to enforce the terms of this Assignment, FRANCHISOR 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.

IN WITNESS WHEREOF, the undersigned have affixed their signatures hereto as of the day and date first written above.

ASSIGNOR:

BY: _____

NAME: _____

FRANCHISOR:

BY: _____

ADAM D. POVLITZ – CEO & PRESIDENT
ANAGO FRANCHISING, INC.

ASSIGNEE:

BY: _____

PRINT NAME: _____

CORP.NAME:_____

EXHIBIT V - COLLATERAL ASSIGNMENT OF CLIENT ACCOUNTS

THIS COLLATERAL ASSIGNMENT OF CLIENT ACCOUNTS this ("Collateral Assignment") is made by and among Anago Franchising, Inc. ("AFI"), and Corp Name ("Subfranchisor").

WHEREAS, Subfranchisor and its Clients are parties to a certain Anago services contract for janitorial and, as applicable, other facilities-related services (the "Client Accounts");

WHEREAS, Subfranchisor and AFI are parties to a Subfranchise Rights Agreement dated, _____, (the "Subfranchise Agreement"), whereby Subfranchisor was granted the right to operate an "Anago Subfranchise Business" within a designated area; and

WHEREAS, as a condition to AFI entering into the Subfranchise Agreement, AFI has required that Subfranchisor, and Subfranchisor has agreed to, assign its right, title and interest in the Client Accounts to AFI, with the right to reassign to an authorized Anago subfranchisor, as security for Subfranchisor's obligations and AFI's rights under the Subfranchise Agreement.

NOW THEREFORE, in consideration of the foregoing and the mutual promises contained herein and in the Subfranchise Agreement, and in order to secure Subfranchisor's obligations and AFI's rights under the Subfranchise Agreement, the parties agree as follows:

1. Subfranchisor hereby collaterally assigns, transfers and sets over unto AFI, with the right to reassign, all of its right, title and interest in and to the Client Accounts, subject to the terms and conditions of this Collateral Assignment.

2. Subfranchisor shall retain all rights under the Client Accounts until declaration by AFI of a default by Subfranchisor under the Subfranchise Agreement.

2. Upon the termination or expiration of the Subfranchise Agreement, or upon Subfranchisor's default under the Subfranchise Agreement, AFI may, at its option, assume the Client Accounts. Upon exercise of this option, AFI shall be deemed to be substituted in the place and stead of Subfranchisor and shall be deemed to have assumed expressly all of the terms, covenants and obligations of the Client Accounts therefore applicable to Subfranchisor and shall likewise be entitled to enjoy all of the rights and privileges granted to Subfranchisor under the terms and conditions of the Client Accounts.

3. So long as AFI shall not have exercised its option to take an assignment of any or all Client Accounts, AFI shall not be liable for the performance of any services, duties or obligations thereunder, and Subfranchisor shall remain liable for all such services, duties and obligations.

4. Upon the occurrence of the events set forth in paragraph 2 above, AFI shall have the right to assign ALL Client Accounts to an approved Anago subfranchisor, as designated by AFI.

IN WITNESS WHEREOF, the parties hereto have executed this Collateral Assignment of Client Accounts dated: _____

SUBFRANCHISOR: CORP NAME.	FRANCHISOR: ANAGO FRANCHISING, INC.
BY: _____	BY: _____
NAME: _____	NAME: ADAM D. POVLITZ
TITLE: _____	TITLE: CEO & PRESIDENT

EXHIBIT VI - CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS

THIS CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS is made and entered into as of the date indicated below by and between Anago Franchising, Inc. ("Assignee") and Corp Name. ("Assignor").

1. As an inducement for Assignee to enter into the Anago Subfranchise Rights Agreement ("SRA") with Assignor, and in exchange for other good and valuable consideration provided by Assignee, Assignor's receipt of which is hereby acknowledged, Assignor hereby conditionally assigns to Assignee all telephone numbers and listings utilized, whether currently or in the future, by Assignor in connection with the operation of Assignor's Anago Subfranchise Business, including, without limitation, the following numbers:_____.

2. This conditional agreement will become effective automatically upon termination or expiration of Assignor's SRA. Upon the occurrence of one of these conditions, Assignor must do all things required by Assignee and the telephone company to assure the effectiveness of the assignment of telephone numbers as if the Assignee had been originally issued such telephone numbers, listings and the usage thereof.

3. Assignor agrees to pay the telephone and listing companies on or before the effective date of assignment, all amounts owned for the use and listing of the telephone number(s), including, without limitation, Yellow Pages advertising. Assignor further agrees to indemnify Assignee for any sums Assignee must pay the telephone and listing companies to effectuate this Agreement, and agrees to fully cooperate with Assignee and the telephone company in effectuating the assignment.

IN WITNESS WHEREOF, each of the undersigned has executed this Conditional Assignment of Telephone Numbers as of this date: _____

ASSIGNOR:

BY: _____

NAME: _____

TITLE: _____

ASSIGNEE:

ANAGO FRANCHISING, INC.

BY: _____

NAME: ADAM D. POVLITZ

TITLE: CEO & PRESIDENT

EXHIBIT VII - SECURITY AGREEMENT

THIS SECURITY AGREEMENT is entered into, on this date_____, by and between Corp. Name located at address (Debtor), and Anago Franchising, Inc. (Secured Party).

AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Debtor grants to Secured Party a first priority security interest in Debtor's Business Assets (the "Collateral"). For purposes of this Agreement, Debtor's "Business Assets" shall mean: (a) all of Debtor's accounts receivable arising out of, or in connection with, the operation of Debtor's Anago Subfranchise Business, existing as of the date of this Agreement and which come into existence during the Term of the Anago Subfranchise Rights Agreement by and between Debtor and Secured Party, including notes, negotiable instruments, contracts and the Unit Franchisee obligations for the payment of money, all client accounts and their account receivables, all proceeds owing from trips, clubs, parties, lessons, video studies and any other services or activities connected with the operation of the Subfranchise Business (the "Accounts Receivable"); (b) all books and records pertaining to the Debtor's Accounts Receivable; (c) all equipment, furniture and fixtures located at any owned or controlled site of Debtor; (d) all contracts related to each and every Business within the Area including all Anago Unit Franchise Agreements, promissory notes and any leases to which Debtor is a party; (e) all intangible rights related to this Agreement and the Subfranchise Business; and (f) all proceeds upon sale or other disposition of any of the foregoing. The capitalized terms in this Agreement shall have the meanings defined herein and in the Subfranchise Rights Agreement by and between Debtor and Secured Party.

TO SECURE:

(a) Performance of each agreement of Debtor contained in that certain Subfranchise Rights Agreement between Debtor and Secured Party, dated _____ (the "SRA"); and

(b) The repayment of all sums and amounts that may be advanced or expended by Secured Party for the maintenance and preservation of the Collateral or any part thereof or the enforcement of any rights of Secured Party hereunder; and

(c) Performance of each agreement of Debtor contained herein.

DEBTOR WARRANTS AND AGREES:

1. Except for the security interest granted hereby, Debtor is the owner of the Collateral, free from any adverse lien, security interest or encumbrance, and Debtor will defend against all claims and demands of all persons at any time claiming the same or an interest therein.

2. No Financing Statement covering any of the Collateral or any proceeds thereof is on file in any public office. Debtor hereby authorizes Secured Party to execute, on behalf of both Debtor and Secured Party, one or more Financing Statements, pursuant to the Uniform Commercial Code, in form satisfactory to Secured Party, and to file or record same in all public offices wherever filing

or recording is deemed by Secured Party to be necessary or desirable and Debtor agrees to pay the cost of filing or recording the same.

3. To do all acts which may be necessary to maintain, preserve and protect the Collateral, not to commit or permit any waste thereof, and to maintain the Collateral in good order, repair and condition, reasonable wear and tear excepted.

4. Not to remove any of the Collateral from the Premises, as applicable, except for the purpose of repair or replacement with other articles of substantially similar quality and value, which will not be subject to any lien, encumbrances or interests in others, except for purchase money security interests and the security interest granted hereby, and to permit Secured Party to inspect the Collateral at any time. Notwithstanding the above, Debtor may sell the inventory secured hereby in the ordinary course of its business.

5. Except as provided in Section 4 above, not to sell, assign, lease, encumber, or otherwise dispose of all or any of the Collateral other than in the ordinary course of business without the prior written consent of Secured Party.

6. To pay before delinquency, all taxes, assessments and liens now or hereafter imposed on the Collateral, and to maintain in force at all times, fire and other insurance policies (including all risk, and earthquake insurance) on the Collateral.

7. If Debtor fails to make any payment or do any act as herein required, then Secured Party, without obligation to do so and without notice to or demand upon Debtor, may make such payments and do such acts as Secured Party may deem necessary to protect its security interest in the Collateral, Secured Party being hereby authorized (without limiting the general nature of the authority hereinabove conferred) to take possession of the Collateral or any part thereof and to pay, purchase, contest or compromise any security interest, encumbrance, charge or lien which, in the judgment of Secured Party, appears to be prior or superior to or to jeopardize the security interest granted hereby, and in exercising any such powers and authority to incur necessary expenses, including attorneys' fees. Debtor hereby agrees to repay immediately and without demand all sums expended by Secured Party pursuant to the provisions of this paragraph.

8. Debtor shall be in default under this Agreement upon the happening of any of the following events or conditions:

(a) Default by Debtor in the payment of any or all of the indebtedness, obligations or liabilities secured hereby beyond the applicable cure periods, or failure by Debtor to perform any agreement herein contained or secured hereby.

9. Upon any such default, Secured Party, at its option, without demand upon or notice to Debtor, may declare all indebtednesses, obligations and liabilities secured hereby to be immediately due and payable, and Secured Party shall have all the rights and remedies provided a secured party under the Uniform Commercial Code and may proceed to foreclose the security interest created hereby according to law, and may, at its option, and it is hereby empowered, with or without foreclosure action, to enter upon the Premises or any other premises where the Collateral or any part thereof may be and take possession thereof and remove the Collateral or any part

thereof. In addition, Secured Party may require and Debtor agrees to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party which is reasonable convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will give Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private or other intended disposition is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Debtor shown above at least ten (10) days before the time of the sale or disposition. The Collateral may be sold in one or more lots and at one or more sales, which may be held on different days and need not be held within view of the Collateral being sold. Secured Party shall deduct and retain from the proceeds of such sale or sales all costs and expenses paid or incurred in the taking, removal, holding, preparing for sale or sales of the Collateral, including any reasonable attorneys' fees and legal expenses incurred or paid by Secured Party; the balance of the proceeds shall be applied by Secured Party upon the indebtedness's, obligations and liabilities secured hereby, in such order and manner as Secured Party may determine, and the surplus, if any, shall be paid to Debtor or to the person or persons lawfully entitled to receive the same.

(a) Secured Party, at its option, shall have the right to commence any action or proceeding against a third party or appear in or defend any action or proceeding brought by a third party purporting to affect the rights, duties or liabilities of the parties hereto, including, without limiting the generality of the foregoing, an action to foreclose the security interest created hereby, and in connection therewith to incur costs, expenses and attorneys' fees in any such action or proceeding in which the Secured Party shall appear, all of which costs, expenses and attorneys' fees will be paid or reimbursed to Secured Party by Debtor.

(b) In the event of any default hereunder, Secured Party shall be entitled, without notice and without regard to the adequacy of the Collateral and of any other security for the indebtedness hereby secured, to the appointment of a receiver to take possession of all or any part of the Collateral and to exercise such powers as the Court shall confer upon him.

(c) At any public sale or sales made under this Section 9 or authorized herein or by laws, or at any sale or sales made upon judicial foreclosure of this security interest, Secured Party (or its representative) may bid for and purchase any Collateral being sold and, in the event of such purchase, shall hold such property thereafter discharged of all rights of redemption.

10. Secured Party shall be entitled to enforce any indebtedness, obligation or liability secured hereby and to exercise all rights and powers hereby conferred, although some or all of the indebtedness, obligations and liabilities secured hereby are now or shall hereafter be otherwise secured. Debtor's acceptance of this Agreement shall not affect or prejudice Secured Party's right to realize upon or enforce any other security now or hereafter held by Secured Party, and Secured Party shall be entitled to exercise all rights of set-off to the same effect and in the same manner as if this security interest had not been given.

11. In the event suit is brought to enforce or interpret any part of this Agreement, the prevailing party shall be entitled to recover, as an element of damages, its cost of suit and, not as damages, a reasonable attorneys' fee to be fixed by the Court.

12. The words Secured Party and Debtor, as used herein, shall be construed to include the heirs, legatees, devisees, administrators, executors, successors and assigns, respectively, of Secured Party and Debtor. This Agreement shall bind and inure to the benefit of such third persons. Whenever the context so requires, the masculine gender includes the feminine and neuter, the singular number includes the plural, and vice versa. All references herein to the Uniform Commercial Code means the Uniform Commercial Code as adopted by the State in which Secured Party's principal place of business is located.

THE UNDERSIGNED DEBTOR HEREBY SPECIFICALLY CERTIFIES THAT HE HAS READ AND UNDERSTANDS THIS SECURITY AGREEMENT. IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

Secured Party:	Debtor:
ANAGO FRANCHISING, INC.	
BY:_____	BY:_____
PRINT NAME: ADAM D. POVLITZ	PRINT NAME: _____
TITLE: CEO & PRESIDENT	TITLE:_____

EXHIBIT VIII - COLLATERAL ASSIGNMENT OF LEASE AGREEMENT

This Collateral Assignment of Lease (this "Collateral Assignment") is entered into, as of _____, by and between Corp. Name with its principal address located at _____ ("Assignor"), ANAGO FRANCHISING, INC. ("Assignee") and _____ ("Landlord").

WHEREAS, Assignor is the tenant under a certain lease (or sublease) dated _____ (the "Lease"), wherein Landlord leased to Assignor the following premises: _____ (the "Premises"); and

WHEREAS, Assignor and Assignee have entered into a Subfranchise Rights Agreement dated ___ _____ (the "SRA"), whereby Assignee granted to Assignor the right to operate an Anago Subfranchise Business within the following area: _____; and

WHEREAS, Assignor is operating the Subfranchise Business at the Premises; and

WHEREAS, as a condition to Assignee entering into the SRA, Assignee has required that Assignor, and Assignor has agreed to, assign its right, title and interest in the Lease to Assignee, with the right to reassign (as provided therein), as security for Assignor's obligations and Assignee's rights under the SRA.

NOW THEREFORE, in consideration of the foregoing premises and the mutual promises contained herein and, in the SRA, and in order to secure Assignor's obligations and Assignee's rights under the SRA, the parties agree as follows:

1. Assignor does hereby collaterally assign, transfer and set over unto Assignee, with the right to reassign (as provided by the Lease), all of its right, title and interest in and to the Lease and in and to the Premises, subject to the terms and conditions of this Collateral Assignment and to Landlord's consent.

2. Assignor shall retain right to possession of the Premises in accordance with the terms and conditions of the Lease until the declaration by Assignee of an Event of Default by Assignor under the SRA. For purposes of this Agreement, the term "Event of Default" shall mean a default by Assignor under the SRA which remains uncured beyond all applicable notice and cure periods.

3. Upon: (a) the declaration of an Event of Default by Assignor under the SRA, (b) the expiration of the SRA, (c) termination of the SRA by Assignee for cause, or (d) an expression by Assignor of its desire to terminate the Lease, Assignee may, at its option, upon written notice to Landlord and Assignor, assume the Lease and occupy the Premises. Upon exercise of this option, Assignee shall be deemed to be substituted as the tenant under the Lease in the place and stead of Assignor and shall be deemed to have assumed expressly all of the terms, covenants and obligations of the Lease therefore applicable to Assignor which arise after Assignee's assumption of the Lease and shall likewise be entitled to enjoy all of the rights and privileges granted to Assignor under the terms and conditions of the Lease. Notwithstanding the foregoing, in the event Assignee exercises its rights under this paragraph 2, Assignor shall remain obligated under the Lease.

4. So long as Assignee shall not have exercised its option to take possession of the Premises under the foregoing provisions, Assignee shall not be liable for rent or any other obligation under the Lease, and Assignor shall remain liable for all such rent and obligations. Assignor shall be liable to Assignee for all payments by Assignee for rent and other Lease obligations. The parties acknowledge that such payments are reasonable expenses of foreclosure.

5. Upon the occurrence of one of the events set forth in paragraph 2 above, Assignee shall have the right to assign the Lease to an approved Anago Subfranchisor without obtaining Landlord's prior written consent, provided that such subfranchisor: (i) has a net worth equal to or greater than the net worth of Assignor at the time of Lease execution; and (ii) assumes all of the Assignor's obligations under the Lease.

6. The Lease may not be amended, in any way, or terminated by agreement, without Assignee's prior written consent, which shall not be unreasonably withheld.

AND FURTHER, the Landlord unites in this assignment for the purpose of indicating its consent to the aforesaid assignment to Assignee, with the right, notwithstanding anything contained to the contrary in the Lease, to sublet or re-assign its interest in the Lease to a bona-fide subfranchisor of Assignee, and

hereby agrees with Assignor and Assignee that, in the event of any default under the Lease, Landlord will provide to Assignee the same notice and opportunity to cure with respect to such default as is currently provided to Assignor under the Lease (which shall commence upon the expiration of the cure period provided to Assignor); and so long as Assignee has not entered into possession of the Premises, it shall not be liable for any rent or other obligation of the Assignor under the Lease, and Assignor shall be solely liable for all such rents and obligations. The Landlord further acknowledges and agrees that the Lease may not be amended, in any way, or terminated by agreement, without Assignee's prior written consent, which shall not be unreasonably withheld, and that the Landlord will promptly notify Assignee of any expression by Assignor of its desire to terminate the Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Collateral Assignment of Lease this date: _____.

ASSIGNOR: CORP NAME

BY:_____

PRINT NAME: _____

TITLE:_____

ASSIGNEE: ANAGO FRANCHISING, INC.

BY: _____

PRINT NAME: ADAM D. POVLITZ

TITLE: CEO & PRESIDENT

LANDLORD: _____

BY:_____

PRINT NAME: _____

TITLE: _____

EXHIBIT B - 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 Financial Protection & Innovation:
Toll Free: 1 (866) 275-2677

Los Angeles

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

Sacramento

2101 Arena Blvd.
Sacramento, California 95834
(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

Hawaii Commissioner of Securities
State of Hawaii Department of Commerce & Consumer Affairs
Business Registration Division – Securities Compliance Branch
335 Merchant St, Room 203
Honolulu, Hawaii 96813
Phone# 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)

NYS Department of Law
Investor Protection Bureau
28 Liberty St. 21st fl
New York, NY 10005
(212) 416-8285

(agent for service of process)

Secretary of State
99 Washington Avenue
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 C - DEPOSIT AGREEMENT

DEPOSIT AGREEMENT

(NAME) (the "Applicant") has made formal application for Anago Subfranchise Rights in the following target area:

(State) counties of (Names of Counties).

A cashier's check of or Bank transfer in the amount of **$XXX,XXX (_____ dollars)** (the "Subfranchise Fee") is acknowledged as having been received as an indication of his *bona fide* intent to enter into an Anago Subfranchise Rights Agreement with Anago Franchising, Inc. (the "Franchisor").

The Applicant understands that, in reliance on his Application, time and effort will be exerted by the Franchisor in undertaking various steps preliminary to the granting of Anago Subfranchise Rights. The Applicant acknowledges that they have received from the Franchisor a copy of its Franchise Disclosure Document, including all exhibits at least 14 Calendar Days before the signing of this Deposit Agreement or the payment of any consideration for Anago Subfranchise Rights.

In consideration of the services to be rendered to the Applicant, the Applicant agrees not to disclose or make use of, either directly or indirectly, any trade secrets or Confidential Information disclosed to them in reliance on the Application. "Confidential Information" includes, without limitation, contemplated locations for the Anago Master Franchise, Unit Franchises, methods of financing, sources of supply, merchandising techniques, operating methods and techniques, standards and specifications, policies, procedures, marketing and promotional programs, and knowledge of our and other Subfranchisors' customer lists, operating results and financial performance. It is intended that this clause is effective regardless of whether an Anago Subfranchise Rights Agreement ("SRA") is entered into between the parties.

The Applicant agrees that an SRA must be signed and the full Initial Fee must be received within 30 days of the date of this Deposit Agreement. If no SRA is signed then Applicant shall be entitled to a refund of their deposit, less 50% (fifty percent).

_____ _____/_____/_____

Applicant's Signature Date

_____ _____/_____/_____

Franchisor's Representative Date

EXHIBIT D - NBDS LICENSE AGREEMENT

NBDS LICENSE AGREEMENT

Between

ANAGO FRANCHISING, INC.,
a Florida corporation
(Franchisor)

CORP NAME.
a State [corporation or limited liability company]
(Subfranchisor)

Dated: _____

NBDS LICENSE AGREEMENT

THIS NBDS LICENSE AGREEMENT ("Agreement") is signed on _____, between Anago Franchising, Inc., a Florida corporation (the "Franchisor"), and Corp Name, (the "Subfranchisor").

(a) **General.** This Agreement is being entered into pursuant to Subsection 2.3(b) of that certain Anago Subfranchise Rights Agreement between the Franchisor and the Subfranchisor, dated of even date herewith (the "Subfranchise Agreement"). All capitalized terms used in this Agreement have the same definitions as set forth in the Subfranchise Rights Agreement, unless otherwise expressly defined in this Agreement.

(b) **Grant of License.** During the Term, and subject to the terms of this Agreement, the Franchisor hereby agrees to: (a) grant Subfranchisior access to a Software program currently known as IGAS, an internet-based Software currently known as AnagoCloud, and an internet-based application currently known as Anago CleanSource; (b) furnish Subfranchisior with certain Related Materials (as later defined in this Agreement) in support of the Software; (c) grant the Subfranchisior a nontransferable and nonexclusive license to use the Software and Related Materials which are described pursuant to any Schedule to this Agreement signed by both parties ("Schedule"); and (d) provide Software maintenance, all as described in this Agreement.The term "Software" means the object code version of any proprietary or third-party software to which Franchisor provides Subfranchisor access for use in connection with its Subfranchise Business, including any updates or new versions thereof. Software does not include source code. The term "Related Materials" means any printed material not consisting of Software programs, such as Software user instructions, and which is designated by the Franchisor as available under license to the Subfranchisor for the licensed Software to which such Related Materials relate.

(c) **Term of License.** The license granted in this Agreement for any Software and Related Materials will be in effect for the Term (so long as the Subfranchise Rights Agreement is in full force and effect), unless sooner terminated in accordance with this Agreement.

(d) **Terms of Use.** The Software (including any changes Franchisor makes to the Software at the request of Subfranchisor) may be used by the Subfranchisor on any number of workstations, computers, or mobile devices approved by the Franchisor. Security of the Software, collected data, and Related Materials from outside intrusion through any aforementioned workstations, computers, or mobile devices will be the sole responsibility of the Subfranchisor, regardless of any assistance provided by Franchisor to protect the Software, collected data and Related Materials. Backup of the data is the Franchisor's responsibility. Should the backup data be lost or corrupted through no fault of the Franchisor, the Franchisor shall not be responsible for any cost of recovery of the data by the Subfranchisor nor shall the Franchisor be liable for any lost income or damages of the Subfranchisor as of the result of data loss. Title and full ownership rights to the Software at all times remains with the Franchisor, including with respect to any enhancements or modifications Franchisor makes to the Software at Subfranchisor's request. The Subfranchisor may not enhance or modify the Software in any manner. The rights granted under this Agreement authorize the Subfranchisor to utilize the Related Materials in printed form, in support of its use of the Software in machine-readable form.

(e) **Fees and Charges.** The Subfranchisor will pay a current fee of $200 per month (the "Software Support Fee"), together with any additional sums (Internet, or other access fees) due for additional technical support not relating to the operation of the Software. The Software Support Fee includes technical support directly relating to the Software, updates and fixes approved by the Franchisor, and installation of approved updates, general computer bulletins. All network and hardware support are billable at our programmer's current rate per hour if the Subfranchisor uses their services. The software Support fee is subject to change with a 30-day notice.

(f) **Taxes.** The Subfranchisor will declare and pay when due all assessments, charges and taxes, including sales, use, excise and property taxes, and penalties and interest with respect to this Agreement, imposed in connection with this Agreement, if any; excluding, however, any taxes based on or measured solely by the Franchisor's net income.

(g) **Technical Services, Updates and Enhancements.** During the Term, the Franchisor may, from time to time, as it deems necessary make enhancements, improvements, or other changes to the name, user interface, functionality, compatibility, capabilities, performance, efficiency, or quality of the Software and Related Material (collectively, "Updates and Enhancements"). All Updates and Enhancements provided by Franchisor to Subfranchisor will be deemed Software or Related Material, as applicable. Subfranchisor will install all Updates and Enhancements as soon as practicable after receipt. Franchisor may from time to time require Subfranchisior to pay a reasonable fee for certain Updates and Enhancements, and Subfranchisior shall be responsible for the costs of postage, insurance and handling.

(h) **Consent to Use of Data**. Subfranchisor agrees that Franchisor and its affiliates may collect and use technical and other information, including but not limited to technical information about Subfranchisor's computer, system and application software and peripherals, that is gathered periodically to facilitate the provision of Software updates, product support and other services to Subfranchisor (if any) related to the Software and to retrieve and collect information and data which Subfranchisor is required to provide to Franchisor under the Subfranchise Agreement. Franchisor is not restricted in its use of this information.

(i) **Warranties.** The Franchisor does not warrant that the Software or the Related Materials (i) will be free of defects or that any defect in the Software or the Related Materials will be corrected; (ii) will meet any or all of Subfranchisor's requirements; (iii) will be compatible with hardware or third-party software not approved by Franchisor; or (iv) will be available for uninterrupted use by Subfranchisor. **EXCEPT AS PROVIDED IN THIS SECTION, THE FRANCHISOR MAKES NO EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, INCLUDING THOSE OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE SOFTWARE AND SERVICES FURNISHED UNDER THIS AGREEMENT, AND EXPRESSLY DISCLAIMS THE SAME.**

(j) **Termination.** The license granted under this Agreement for any Software terminates at the expiration or termination of this Agreement, or as otherwise provided in this Agreement. Upon expiration or termination of this Agreement, the Subfranchisor will immediately deliver to the Franchisor all Software and Related Materials. This requirement will apply to all copies in any form including translations, compilations or partial copies.

(k) **Hardware Requirements.** It is the obligation of the Subfranchisor to obtain the computer hardware, workstations, and mobile devices required for the operation of the Software as periodically specified in the Anago Manuals (as defined in the Subfranchise Agreement), the Subfranchise Agreement or otherwise in writing. Configuration, setup, and all network wiring are the responsibilities of the Subfranchisor.

(l) **Confidentiality.** Without limiting any other confidentiality requirements of the Subfranchisor under the Subfranchise Rights Agreement or any other agreement with us, the Subfranchisor agrees not to provide or otherwise make available any portion of the Software, including documentation and machine-readable code, or the Related Materials in any form to any person other than the Subfranchisor's employees with a need to know such information and who are themselves bound to written confidentiality obligations similar to those contained herein. The Subfranchisor will not reverse assemble or reverse compile the Software in whole or in part. The Subfranchisor may not copy the Software or Related Materials in any manner without the Franchisor's prior written consent. Subfranchisor acknowledges and agrees that the Software and Related Materials are the proprietary information and trade secrets of the Franchisor and its affiliates, whether any portion is or may be validly copyrighted or patented. The Software will be treated by the Subfranchisor as proprietary information and trade secrets, and Subfranchisor acknowledges and agrees that all of Subfranchisor's confidentiality obligations under the Subfranchise Rights Agreement apply to the Software. Further, Subfranchisor will treat the Software with at least the same care as it treats its own confidential information. The Franchisor has the right to enforce independently all its, and its affiliates, respective rights under this Agreement against the Subfranchisor and its employees. In order to protect the Franchisor's trade secrets and copyright notices with respect to the Software, the Subfranchisor agrees to reproduce or incorporate Franchisor's trade secret and copyright notices, if any, in any copies, modifications or partial copies of such Software.

(m) **Assignment.** Without the prior written consent of the Franchisor, the Subfranchisor will not: (a) assign, transfer, or grant a security interest in this Agreement, the Software, the Related Materials or any part of the Software or Related Materials or any interest in the Software or Related Materials; (b) sublicense or lend the Software or any part of the Software, or any interest in the Software; (c) permit the Software or any part of the Software to be used by anyone other than the Subfranchisor or the Subfranchisor's employees; or (d) change the location of the Software. The Franchisor may assign or otherwise transfer all or a portion of their respective interests in the Software or this Agreement. The Subfranchisor: (i) consents to such assignments and/or transfers; (ii) agrees to execute and deliver promptly such further acknowledgements, agreements and other instruments as may be reasonably requested by the Subfranchisor's assignee or transferee (the "Transferee") to effect such assignments and/or transfers; and (iii) agrees to comply fully with the terms of any such assignment and/or transfer. Upon an assignment or other transfer, the Franchisor will notify the Subfranchisor of the assignment or transfer and thereafter all references to the Franchisor will include the Transferee; provided, however, that the Transferee will not be obligated to perform the obligations of the Franchisor under this agreement unless the Transferee expressly agrees to do so in writing.

(n) **Limitation of Liability.** The Franchisor's entire liability and the Subfranchisor's exclusive remedy are as follows:

A. In all situations involving performance or nonperformance of the Software or services furnished under this Agreement, provided the Subfranchisor has paid all amounts due pursuant to the applicable Schedule, the Subfranchisor's remedies are:

(i) the correction by the Franchisor of the Defects (as defined later in this Agreement), or

(ii) if, after repeated efforts, the Franchisor is unable to correct the Defects, the Subfranchisor shall be entitled to recover actual damages from the Franchisor to the limits set forth in this Section (n); and

B. For any other claim concerning performance or nonperformance by the Franchisor pursuant to, or in any other way related to, the subject matter of this Agreement, the Subfranchisor is entitled to recover actual damages to the limits set forth in this Section (n).

C. Notwithstanding anything to the contrary, the Franchisor's liability for damages to the Subfranchisor for any cause whatsoever, and regardless of the form of action, whether in contract or in tort including negligence, is limited to the amount which Subfranchisor paid to Franchisor for use of the Software, or for the services provided by or on behalf of the Franchisor, during the twelve-month period preceding the event that caused the damages or that is the subject matter of, or is directly related to the cause of action. **IN NO EVENT WILL THE FRANCHISOR BE LIABLE FOR ANY DAMAGES CAUSED BY THE SUBFRANCHISOR'S FAILURE TO PERFORM THE SUBFRANCHISOR'S RESPONSIBILITIES, OR FOR ANY LOST PROFITS, LOST SAVINGS, LOSS OF DATA, BUSINESS INTERRUPTION OR OTHER INDIRECT OR CONSEQUENTIAL DAMAGES, ARISING OUT OF SUBFRANCHISOR'S USE OR INABILITY TO USE THE SOFTWARE, EVEN IF THE FRANCHISOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, OR FOR ANY CLAIM AGAINST THE SUBFRANCHISOR BY ANY OTHER PARTY.**

D. The Franchisor's liability for any payments under this Section (n) is contingent upon delivery by the Subfranchisor to the Franchisor of a certified letter, with attached proof, describing the effects of the defective Software from which the Franchisor is able to reproduce the reported defect (the "Defect"). If any reported Defect is found to be caused by the Subfranchisor's negligence, error, mistake or modification, by the Subfranchisor-supplied data, equipment or operator failure, or by any other cause not inherent to the Software furnished by the Franchisor, the Franchisor reserves the right to charge the Subfranchisor for time and materials, if any, incurred by or on behalf of the Franchisor in connection with responding to the reported Defect.

(o) **Cross Default.** Any default under the Subfranchise Rights Agreement, or other agreement between the Franchisor and the Subfranchisor is deemed a default under this Agreement.

(p) **Remedies.** Upon any default under this Agreement, the Franchisor may, by written notice to the Subfranchisor, terminate this Agreement. The remedy provided to the Franchisor in this Section is not exclusive, but is cumulative and in addition to any other remedy referred to in this Agreement or otherwise available to either party.

(q) **Data.** All data acquired by Subfranchisor while using the NBDS System or through the operation of the Subfranchise is the exclusive property of the Franchisor and may only be used within the system and may not be published in any form unless approved in writing by the Franchisor.

(r) **Security.** The Franchisor will maintain safeguards, firewalls, and any measures deemed necessary to protect its proprietary property and information collected from the Subfranchisor through use of the Software that is stored within the Franchisor's designated servers. The Franchisor is not responsible for any loss or damages caused by a breach of security through the Subfranchisor's computers, servers, or mobile devices.

(s) **Export Control**. Software, including technical data, is subject to U.S. export control laws, including the U.S. Export Administration Act and its associated regulations, and may be subject to export or import regulations in other countries. Specifically, the Software may not be exported or re-exported (a) into any U.S. embargoed countries or (b) to anyone on the U.S. Treasury Department's list of Specially Designated Nationals or the U.S. Department of Commerce Denied Person's List or Entity List. Subfranchisor may not use the Software in violation of this Agreement or in violation of United States law, including laws which prohibit, without limitation, the development, design, manufacture or production of nuclear, missiles, or chemical or biological weapons.

(t) **Controlling Law and Severability**. This Agreement will be governed by and construed in accordance with the laws of the State of Florida. If for any reason a court of competent jurisdiction finds any provision, or portion thereof, to be unenforceable, the remainder of this Agreement shall continue in full force and effect. Any claims arising under this Agreement shall be subject to and enforced in accordance with the provisions of the Subfranchise Agreement which relate to or govern the resolution of disputes arising thereunder, including, without limitation, those provisions related to arbitration, exclusive jurisdiction and venue, submission to jurisdiction and waiver of jury trial, which provisions are incorporated herein as though copied *in extenso.*

(u) **Complete Agreement; Amendments.** This Agreement and those provisions of the Subfranchise Agreement which are referenced and incorporated herein constitute the entire agreement between the parties with respect to the use of the Software licensed hereunder and supersede all prior or contemporaneous understandings regarding such subject matter. No amendment to or modification of this Agreement will be binding unless in writing and signed by both parties.

(v) **Counterparts**. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. The parties agree that scanned or electronic signatures shall have the same effect and validity, and may be relied upon in the same manner, as original signatures.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the day and year first above written.

SUBFRANCHISOR:

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

FRANCHISOR:

By: _____

Name: Adam D. Povlitz

Title: CEO & President

Software License Agreement

EXHIBIT E - LIST OF FRANCHISOR'S SUBFRANCHISES

LIST OF DOMESTIC SUBFRANCHISES

a) Operational Subfranchisors: Effective December 31, 2024.

Tempe, AZ	MLGN, LLC. d/b/a Anago of Phoenix 1225 South 48th Street, Suite #2 Tempe, AZ 85281 Matt Sole (408) 441-9700
San Jose, CA	TOFF, Inc., d/b/a Anago of Northern California (Bay Area) 1460 Koll Circle, Suite B San Jose, CA 95112 Matt Sole (408) 441-9700
San Jose, CA	TOFF, Inc., d/b/a Anago of Northern California (East Bay) 1460 Koll Circle, Suite B San Jose, CA 95112 Matt Sole (408) 441-9700
San Jose, CA	TOFF, Inc., d/b/a Anago of Northern California (Sacramento) 1460 Koll Circle, Suite B San Jose, CA 95112 Matt Sole (408) 441-9700
Fullerton, CA	DEEA, Inc., d/b/a/ Anago of Southern California 801 E. Chapman Ave., Suite #208 Fullerton, CA 92831 Deepak Sinha (714) 592-4444
Westminster, CO	ACDC, LLC., d/b/a/ Anago of Colorado 9101 North Harlan Street, Suite #310 Westminster, CO 80031 Alex & Dante Caravaggio (720) 694-8931
Bridgeport, CT	TSOB, Corp., d/b/a Anago of Southwest Connecticut 211 State Street, Suite 402 Bridgeport, CT 06604 Ted Bonanno (203) 993-6779
Clearwater, FL	TROM Corp, d/b/a Anago of Tampa 13191 56th Court North, Suite 107 Clearwater, FL 33760 Omar Fernandez/Raul Gonzalez (727) 535-8752

Fort Myers, FL	770R, LLC, d/b/a Anago of SW Florida 8961 Daniels Center Drive, Suite 403 Fort Myers, FL 33912 Ilan Rubinsztain (239) 206-2520
Jacksonville, FL	JAX04, Inc., d/b/a Anago of Jacksonville 7563 Phillips Hwy, Building 300 Suite 301 Jacksonville, FL 32256 Terry Mollica (904) 997-8822
Ocala, FL	MY89, LLC., d/b/a Anago of North Florida 5100 West Highway 40, Suite 700 Ocala, FL 34482 Mark Patterson (352) 356-4651
Orlando, FL	TROM II, Corp., d/b/a Anago of Orlando 4401 Vineland Road, Suite A-1 Orlando, FL 32811 Gustavo & Maria Contreras (407) 660-0055
Pompano Beach, FL	Estrellita, Inc., d/b/a Anago of South Florida 20 SW 27th Avenue, Suite #100 Pompano Beach, FL 33069 Juan Catoni (954) 580-0680
Doraville, GA	P320, LLC, d/b/a Anago of Atlanta 3990 Flowers Rd., Suite 500 Doraville, GA 30360 Paul Masters (770) 612-1750
Honolulu, HI	FRAN Corp., d/b/a Anago of Hawaii 2033 Kalani Street, Suite 100 Honolulu, HI 96819 Eddie Khan (808) 593-4477
Meridian, ID	TJJF, Inc., d/b/a Anago of Boise 114 E. Idaho Avenue, Suite 200 Meridian, ID 83642 Gwen & Michael Becknell (208) 203-2608
Glen Burnie, MD	MSJC, Inc., d/b/a Anago of Baltimore 1406 B Crain Hwy. SW, Suite 103 Glen Burnie, MD 21061 Mark & Susan Cashman (410) 760-6306

Landover, MD	Chex, Inc., d/b/a Anago of Washington DC 8400 Corporate Drive, Suite 260 Landover, MD 20785 Darren Williams (301) 429-0595
West Bloomfield, MI	RCMA, Inc., d/b/a Anago of Metro Detroit 6960 Orchard Lake Road, Suite 231 West Bloomfield, MI 48322 Mark Arduino (248) 865-7600
Edina, MN	NTGY, Inc., d/b/a Anago of the Minneapolis 7400 Metro Blvd., Suite 175 Edina, MN 55439 Susan Boonstra (952) 465-9173
Edina, MN	NTGY, Inc., d/b/a Anago of the Minneapolis (St Paul) 7400 Metro Blvd., Suite 175 Edina, MN 55439 Susan Boonstra (952) 465-9173
Omaha, NE	LBML, LLC., d/b/a Anago of Nebraska 5421 North 103rd St., Suite 402 Omaha, Nebraska 68134 Luper Akough (402) 509-7988
Las Vegas, NV	TLML, LLC., d/b/a Anago of Las Vegas 1050 E. Flamingo Road, Suite E225 Las Vegas, NV 89119 Tabrion Leverette (702) 832-5998
Springfield, NJ	WXRT, Inc., d/b/a Anago of Greater Newark 150 Morris Ave, Suite 102 Springfield, NJ 07081 Jonathan Dean (973) 315-4585
Melville, NY	CLNZ. LLC., d/b/a Anago of Long Island 270 Spagnoli Road, Suite #107 Melville, NY 11747 Greg Bavaro (631) 823-7400
White Plains, NY	SMJT, Corp., d/b/a Anago of the Hudson Valley 10 New King St., Suite 120 White Plains, NY 10604 Jonathan Thiessen (914) 312-2355

Charlotte, NC	PRUE, Inc., d/b/a Anago of Charlotte 1809 Cross Beam Drive, Suite E Charlotte, NC 28217 Jeffrey Prue (704) 585-8567
Raleigh, NC	BRNK, Inc., d/b/a Anago of the Triangle 9051 Strickland Road, Suite 101 Raleigh, NC 27615 Don & Cindy Brinkley (919) 469-6000
Broadview Heights, OH	JFS, Corp., d/b/a Anago of Cleveland 175 Ken Mar Industrial Pkwy Broadview Heights, OH 44147 Jeff Schaffer (440) 546-5700
Broadview Heights, OH	JFS, Corp., d/b/a Anago of Cleveland (Eastern Ohio) 175 Ken Mar Industrial Pkwy Broadview Heights, OH 44147 Jeff Schaffer (440) 546-5700
Broadview Heights, OH	JFS, Corp., d/b/a Anago of Cleveland (Toledo) 175 Ken Mar Industrial Pkwy Broadview Heights, OH 44147 Jeff Schaffer (440) 546-5700
Cincinnati, OH	ACDCIII, LLC., d/b/a Anago of Southern Ohio (Cincinnati) 6355 East Kemper Road, Suite 250 Cincinnati, OH 45241 Alex Caravaggio (513) 718-4841
Cincinnati, OH	ACDCIII, LLC., d/b/a Anago of Southern Ohio (Dayton) 6355 East Kemper Road, Suite 250 Cincinnati, OH 45241 Alex Caravaggio (513) 718-4841
Columbus, OH	ACDCIII, LLC., d/b/a Anago of Southern Ohio (Columbus) 5900 Roche Dr, Suite 250 Columbus, OH 43229 Alex Caravaggio (513) 718-4841
Oklahoma City, OK	UCG2, LLC., d/b/a Anago of Oklahoma City 6303 N Portland Ave, Suite 201 Oklahoma City, OK 73112 Eric Adame (405) 724-4433

Tulsa, OK	INCREASE, Inc., d/b/a Anago of Tulsa 4725 S. Memorial, Suite A Tulsa, Oklahoma 74145 Brett Drumm (918) 621-1400
Portland, OR	MHCE, LLC., d/b/a Anago of Portland 5319 SW Westgate Drive, Suite 213 Portland, OR 97221 Matt Hough (503) 208-3719
Bridgeville, PA	KDPA, Inc., d/b/a Anago of Western PA 300 Old Pond Road, Suite 202A Bridgeville, PA 15017 David Ross (412) 257-3060
Wayne, PA	NAVS, Inc., d/b/a Anago of Greater Philadelphia 983 Old Eagle School Road, Suite 614 Wayne, PA 19087 Andrew Navarro (610) 628-9788
Wayne, PA	AJSN, Inc., d/b/a Anago of South New Jersey 983 Old Eagle School Road, Suite 614 Wayne, PA 19087 Andrew Navarro (610) 628-9788
North Charleston, SC	IGOT, Inc, d/b/a Anago of Charleston 2154 North Center Street, Suite 305C North Charleston, SC 29406 Dory Ruyts (843) 225-4181
Nashville, TN	JWMW LLC, d/b/a Anago of Nashville 475 Metroplex Drive, Suite 214 Nashville, TN 37211 Jamie Weber (615) 315-8911
Austin, TX	AHJ5, LLC., d/b/a Anago of Austin 11754 Jollyville Rd, Suite #103 Austin, TX 78759 Aaron Grohs (512) 377-9991
Houston, TX	LLIB, Corp., d/b/a Anago of Houston 9555 W. Sam Houston Parkway South, Suite #355 Houston TX, 77099 Korli Kamara (713) 955-3951

San Antonio, TX	EB21 Inc., d/b/a Anago of San Antonio 23705 IH-10 Suite 300 San Antonio, TX 78257 Erik Buttlar (210) 664-0222
Plano, TX	PGCS Inc., d/b/a Anago of Dallas 1700 Alma Drive, Suite 290 Plano, TX 75075 Robert Piazza (214) 237-7462
Salt Lake City, UT	GDTH, LLC, d/b/a Anago of Utah 3195 S. Main Street #130 Salt Lake City, UT 84115 Dave Bonnemort (385) 743-2343
Virginia Beach, VA	NEAT, LLC., d/b/a Anago of Hampton Roads 582 Lynnhaven Parkway, Suite 201 Virginia Beach, VA 23452 Dru Dulaney (757) 909-0063

b) Subfranchisor Agreements Signed But Not Yet Operational.

c) Former Subfranchisors. The following are the names, last known home addresses and home telephone numbers of all franchisees that have been terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Subfranchise Rights 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:

Little Canada, MN	CCTC, LLC., d/b/a Anago of St. Paul 2590 Rice Street Little Canada, MN 55113 Shane Zindel (651) 493-1732
Las Vegas, NV	EDLB, LLC., d/b/a Anago of Las Vegas 1600 E Desert Inn Road, Suite 250 Las Vegas, NV 89169 Chris Cunius (724) 321-8825

Cincinnati, OH	CATA, Inc., d/b/a Anago of Greater Cincinnati 6355 East Kemper Road, Suite 250 Cincinnati, OH 45241 Curt Albertson (513) 332-0033
Columbus, OH	CEJA, Inc., d/b/a Anago of Greater Columbus 5900 Roche Drive, Suite 400 Columbus, OH 43229 Curt Albertson (614) 896-2795
Dayton, OH	TACA, Inc., d/b/a Anago of Dayton 6355 East Kemper Road, Suite 250 Cincinnati, OH 45241 Curt Albertson (937) 419-1360
Uniontown, OH	KAJS, Inc., d/b/a Anago of Eastern Ohio 3570 Executive Dr., Suite 204 Uniontown, OH 44685 Kenneth Speece (330) 433-9120
Santurce, P.R.	GCPR, Inc., d/b/a Anago of Puerto Rico Avenida Ponce de Leon 1510, Oficina 6B-2 Santurce, P.R. 00909 Gloria Columna (561) 723-8909

LIST OF FRANCHISOR'S INTERNATIONAL SUBFRANCHISES

a) Operational Subfranchisors: Effective December 31, 2024

Mississauga, ON Canada	RRGS, Inc., d/b/a Anago of South Greater Toronto 2624 Dunwin Drive, Unit 3 Mississauga, Ontario, L5L 3T5 Sumit Punchi (905) 656-4445
Winnipeg, MB Canada	AIRN, Inc. d/b/a Anago of Manitoba 238 St Mary's Rd. Winnipeg, Manitoba, R2H 1J3 Rafiq Punjani (844) 442-6246
Vancouver, BC Canada	ACBC Franchising, Inc., d/b/s Anago of Vancouver 260-22529 Lougheed Hwy, Unit 10353 Maple Ridge, British Columbia, V2X 0T5 Timothy Bourke (604) 336-6211

b) Subfranchisor Agreements Signed But Not Yet Operational.

None

c) Former Subfranchisors. The following are the names, last known home addresses and home telephone numbers of all franchisees that have been terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Subfranchise Rights 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:

None

LIST OF FRANCHISOR'S INTERNATIONAL SUBFRANCHISES

a) Operational Subfranchisors: Effective December 31, 2021

Winnipeg, MB Canada	AIRN, Inc. d/b/a Anago of Manitoba 238 St Mary's Rd. Winnipeg, Manitoba, R2H 1J3 Rafiq Punjani (844) 442-6246
Vancouver, BC Canada	ACBC Franchising, Inc., d/b/a Anago of Vancouver 260-22529 Lougheed Hwy, Unit 10353 Maple Ridge, British Columbia, V2X 0T5 Timothy Bourke (604) 336-6211
Mississauga, ON Canada	RRGS, Inc. d/b/a Anago of South Greater Toronto Area 2624 Dunwin Dr. Unit #3 Mississauga, Ontario, L5L 3T5 Sumit Punchhi (905) 565-4445

b) Subfranchisor Agreements Signed But Not Yet Operational.

None

c) Former Subfranchisors. The following are the names, last known home addresses and home telephone numbers of all franchisees that have been terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Subfranchise Rights 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:

None

EXHIBIT F - FINANCIAL STATEMENTS AND GUARANTY OF PERFORMANCE

FINANCIAL STATEMENTS

MILLER
CPA, PLLC

CONSENT OF ACCOUNTANT

Miller CPA, PLLC, consents to the use in the Franchise Disclosure Document issued by Anago Cleaning Systems, Inc. and Subsidiaries on April 1, 2025 as it may be amended, of our report dated March 17, 2025 relating to the financial statements of the Franchisor as of December 31, 2024, 2023 and 2022 and the years then ended.

Miller CPA, PLLC

Miller CPA, PLLC, P.O. Box 11793, Murfreesboro, TN 37129
scott@millerassure.com | *millerassure.com* | 615.796.4092

Anago Cleaning Systems, Inc. and Subsidiaries

Consolidated Financial Statements

With Independent Auditor's Report Thereon

FOR YEARS ENDED DECEMBER 31, 2024, 2023, and 2022

MILLER
CPA, PLLC

Anago Cleaning Systems, Inc. and Subsidiaries

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MILLER
CPA, PLLC

Independent Auditor's Report

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Anago Cleaning Systems, Inc. and Subsidiaries and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2024, 2023, and 2022, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Anago Cleaning Systems, Inc. and Subsidiaries and its subsidiaries as of December 31, 2024, 2023, and 2022, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Anago Cleaning Systems, Inc. and Subsidiaries, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Anago Cleaning Systems, Inc. and Subsidiaries' ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Miller CPA, PLLC
Murfreesboro, TN
March 17, 2025

ANAGO CLEANING SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024, 2023 and 2022

	2024	2023	2022
CURRENT ASSETS			
Cash and equivalents	$ 2,551,926	$ 2,013,241	$ 1,107,968
Accounts receivable, net	183,041	377,754	180,580
Investments	2,390,442	1,636,538	1,256,025
Current maturities of notes receivable	20,254	55,185	49,532
Deferred tax asset	65,045	-	82,115
Prepaid expenses and other current assets	3,556	-	32,850
Due from stockholder	-	130,000	-
Total current assets	5,214,264	4,212,718	2,709,070
PROPERTY AND EQUIPMENT, NET	247,146	262,953	266,214
OTHER ASSETS			
Account receivable, net	317,209	130,383	130,383
Intangible asset, net	29,644	41,911	54,178
Notes receivable, less current maturities	576,755	585,871	579,945
Deposit	3,876	3,876	3,876
Right-to-use asset	699,418	871,140	1,072,173
Total other assets	1,626,902	1,633,181	1,840,555
TOTAL ASSETS	$ 7,088,312	$ 6,108,852	$ 4,815,839
CURRENT LIABILITIES			
Current maturities of note payable	$ -	$ -	$ 29,137
Accounts payable and accrued expenses	278,505	177,713	49,833
Income tax liabilities	127,231	23,150	-
Deferred franchise fees	67,509	95,818	60,925
Current portion of contract liabilities	84,143	148,939	61,931
Deferred tax liability	-	49,347	-
Current portion of lease liability	271,497	207,358	201,297
Total current liabilities	828,885	702,325	403,123
LONG-TERM LIABILITIES			
Contract liabilities, less current portion	142,220	147,825	169,956
Lease liablity, less current portion	484,483	737,348	944,706
Total long-term liabilities	626,703	885,173	1,114,662
TOTAL LIABILITIES	1,455,588	1,587,498	1,517,785
STOCKHOLDERS' EQUITY			
Common stock	13,670	13,670	13,670
Additional paid in capital	687,713	687,713	687,713
Treasury stock	(316,484)	(316,484)	(316,484)
Retained earnings	5,247,825	4,136,455	2,913,155
Total stockholders' equity	5,632,724	4,521,354	3,298,054
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 7,088,312	$ 6,108,852	$ 4,815,839

See accompanying notes to consolidated financial statements and independent auditor's report.

ANAGO CLEANING SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023, and 2022

	2024	2023	2022
REVENUE			
Franchise sales	$ 777,457	$ 132,783	$ 204,835
Royalties	6,314,233	5,840,390	4,863,616
Franchise fees and other revenue	2,328,454	2,851,358	2,469,409
Total revenue	9,420,144	8,824,531	7,537,860
OPERATING EXPENSES	8,100,207	7,778,039	6,969,820
OPERATING INCOME	1,319,937	1,046,492	568,040
OTHER INCOME (EXPENSE)			
Dividend and interest income	117,555	33,958	41,014
Interest expense	(26,064)	(60,105)	(42,207)
Net income (loss) of EHLB, Inc. dba Anago of Las Vegas for the period Janaury 1, 2024 through November 1, 2024 (the date operations transitioned to the new owners)	(34,405)	317,735	-
Total other income (expense)	57,086	291,588	(1,193)
NET INCOME BEFORE COMPREHENSIVE INCOME AND PROVISION FOR INCOME TAXES	1,377,023	1,338,080	566,847
COMPREHENSIVE INCOME (LOSSES)			
Net realized gain (loss) on sale of investments	51,206	(56,946)	(222,845)
Unrealized gain (loss) on investments	179,589	290,550	(113,548)
COMPREHENSIVE INCOME BEFORE PROVISION FOR INCOME TAXES	1,607,818	1,571,684	230,454
PROVISION FOR INCOME TAXES	(496,448)	(348,384)	(57,613)
COMPREHENSIVE INCOME	$ 1,111,370	$ 1,223,300	$ 172,841

See accompanying notes to consolidated financial statements and independent auditor's report.

ANAGO CLEANING SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023, and 2022

	Common Stock	Additional Paid in Capital	Treasury Stock	Retained Earnings	Totals
Balance at December 31, 2021	$ 13,670	$ 687,713	$ (316,484)	$ 2,740,314	$ 3,125,213
Comprehensive income for the year ended December 31, 2022	-	-	-	172,841	172,841
Balance at December 31, 2022	13,670	687,713	(316,484)	2,913,155	3,298,054
Comprehensive income for the year ended December 31, 2023	-	-	-	1,223,300	1,223,300
Balance at December 31, 2023	13,670	687,713	(316,484)	4,136,455	4,521,354
Comprehensive income for the year ended December 31, 2024	-	-	-	1,111,370	1,111,370
Balance at December 31, 2024	$ 13,670	$ 687,713	$ (316,484)	$ 5,247,825	$ 5,632,724

See accompanying notes to consolidated financial statements and independent auditor's report.

ANAGO CLEANING SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023, and 2022

CASH FLOWS FROM OPERATING ACTIVITIES	2024	2023	2022
Comprehensive income	$ 1,111,370	$ 1,223,300	$ 172,841
Adjustments to reconcile comprehensive income to net cash provided by operating activities:			
Depreciation and amortization	51,161	56,148	38,290
Amortization of right-to-use asset	171,722	201,033	201,033
Unrealized (gain) loss on investments	(51,206)	(290,550)	113,548
Realized loss (gain) on investments	(179,589)	56,946	222,845
Decrease (increase) in operating assets:			
Accounts receivable, net	7,887	(197,174)	361,475
Deferred tax asset	(65,045)	82,115	(82,115)
Prepaid expenses and other current assets	(3,556)	32,850	(32,350)
Increase (decrease) in operating liabilities:			
Accounts payable and accrued expenses	100,792	127,880	(352,143)
Income tax liabilities	104,081	23,150	-
Contract liabilities	(70,401)	64,877	(7,174)
Deferred tax liability	(49,347)	49,347	(40,296)
Lease liablity	(188,726)	(201,297)	(20,441)
Net cash provided by operating activities	939,143	1,228,625	575,513
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property and equipment	(23,087)	(40,620)	(31,925)
Proceeds from sale of investments	906,270	1,612,025	1,223,813
Purchases of investments	(1,429,379)	(1,758,934)	(1,737,780)
Net change in notes receivable	44,047	(34,893)	38,820
Increase in master franchisee notes receivable	-	23,314	18,332
Net cash used in investing activities	(502,149)	(199,108)	(488,740)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease (increase) in due from stockholder	130,000	(130,000)	-
Increase (decrease) in deferred franchise fees	(28,309)	34,893	(18,332)
Principal payments of notes payable	-	(29,137)	(65,293)
Net cash provided by (used in) financing activities	101,691	(124,244)	(83,625)
Net increase in cash and equivalents	538,685	905,273	3,148
Cash and equivalents at beginning of year	2,013,241	1,107,968	1,104,820
Cash and equivalents at end of year	$ 2,551,926	$ 2,013,241	$ 1,107,968

See accompanying notes to consolidated financial statements and independent auditor's report.

ANAGO CLEANING SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024, 2023, and 2022

NOTE A – PRINCIPLES OF CONSOLIDATION, NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Anago Cleaning Systems, Inc., Anago Franchising, Inc., Anago Direct Marketing, Inc., APLR, Inc., CCTD, Inc. and PBTR, Inc., (the consolidated group referred to as the "Company").

In January 2023 the Company acquired EHLB, Inc. dba Anago of Las Vegas which is included in the consolidated financial statements during the year ended December 31, 2023. In November 2024, the Company sold the territory held by EHLB, Inc. dba Anago of Las Vegas.

The intercompany accounts of the Company have been eliminated.

Nature of Activities

Anago Cleaning Systems, Inc. and Subsidiaries is headquartered in Pompano Beach, Florida. The Company offers master franchises within specific territories to individuals interested in small business ownership within the given territory. The master franchises in turn have the rights to sell and service "unit franchisees" in the territorial market as determined by the master franchise agreements. These "unit franchisees" provide janitorial services through commercial contracts within the master franchise territory.

The Company holds certain master franchisees through temporary ownership due to the abandonment or returned master territories. The operations of these master franchisees are maintained with the full intent of finding an unrelated party for resale. During the year ended December 31, 2024, 2023, and 2022 the Company held ownership in EHLB, Inc., PBTR, Inc. and CCTD, Inc. In November 2024, the Company sold the territory held by EHLB, Inc.

APLR, Inc. has been established to hold certain contracts which are not in a current master territory. This entity operates as a master franchise.

The latest franchise disclosure document for Company had an issuance date of May 1, 2024. The Company anticipates issuance of the franchise disclosure document on April 1, 2025.

Estimates

Management used estimates and assumptions in preparing these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported revenue and expenses during the reporting period. Actual results could vary from the estimates used.

Accrual Basis

The consolidated financial statements of the Company have been prepared on the accrual basis.

Cash and Equivalents

For purposes of the consolidated statements of cash flows, the Company considers all unrestricted highly liquid investments with an initial maturity date of three months or less to be cash equivalents.

NOTE A - PRINCIPLES OF CONSOLIDATION, NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Agency Billing

The Company does maintain certain master franchisees (EHLB, Inc., PBTR, Inc., CCTD Inc. and APLR, Inc.). These entities acquire and sell contracts to franchisees throughout their territorial areas. These entities invoice and collect outstanding balances on these contracts on behalf of the franchisees which is considered "agency billings" or "contract sales". Agency billings collected are disbursed to the franchise on a monthly basis.

Accounts Receivable, Net

These entities act as a flow through for the agency billings and therefore is reported net on the consolidated statement of operations. Agency billing collections received prior to the services provided have been recorded as deferred revenue on the consolidated balance sheets. As of December 31, 2024, 2023, and 2022 deferred revenue totaled $-0-.

Accounts receivable, net are stated at the amount management expects to collect from the royalties and franchise fees. The Company does not charge interest or a finance charge on past due receivable balances. Accounts with balances greater than 30 days old are considered past due receivable accounts. Uncollectible receivable balances are charged-off through the allowance for doubtful accounts when management determines the account receivable will not be collected and all methods of collection have been exhausted. The Company estimates an allowance for doubtful accounts based on factors surrounding the credit risk of specific franchisees, historical trends and other information. Generally, the Company does not require collateral or other security to support accounts receivable. At December 31, 2024, 2023, and 2022 management has estimated the allowance for doubtful accounts to be $-0-.

Investments

The Company classifies its investments as available-for-sale. Securities classified as available-for-sale are carried on the financial statements as fair value. Realized and unrealized gain and losses determined using the first-in, first-out method, are included in revenue. Dividends on investments are recognized in revenue when declared.

Investments are reviewed annually for impairment by management. The Organization recognized no impairment charges during the years ended December 31, 2024, 2023, and 2022.

The Fair Value Measurement and Disclosures topic of the FASB Accounting Standards Codification estimates a fair value hierarchy that prioritizes the inputs to valuation technique used to measure fair value. This hierarchy consists of three levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Company uses appropriate valuation techniques based on available inputs to measure the fair value of investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs would be used only when Level 1 and Level 2 were not available.

Property and Equipment, Net

Property and equipment are reported at cost and include improvements that significantly add to utility or extend the useful life. Cost of maintenance and repairs are charged to expense when incurred. When depreciable assets are disposed of, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss is included in earnings for the period of disposal. Depreciation on office and cleaning equipment and vehicles are calculated principally by the straight-line method over a useful life of five to seven years. Leasehold improvements are depreciated over the life of the lease.

For income tax purposes the Company uses an accelerated method of depreciation.

NOTE A - PRINCIPLES OF CONSOLIDATION, NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible Asset, Net

The intangible asset, net consist of the trademark purchased in 2012. Management has estimated the useful live of the intangible asset acquired to be 10 years using the straight-line method of amortization.

Notes Receivable and Deferred Franchise Fees

Annually, management reviews the carrying value of these intangible assets to determine if there is any impairment. As of December 31, 2024, 2023, and 2022 management has determined that no impairment charge is necessary.

The Company has offered certain franchisees the right to finance any or all costs associated with acquiring the franchise, These are recorded within notes receivable on the consolidated balance sheets. The Company, in turn, incurs a liability for the unearned franchise fees posted as "deferred franchise fees" on the consolidated balance sheets. The Company recognizes the revenue for the deferred franchise fees when collected. As of December 31, 2024, 2023, and 2022, the notes receivable and deferred franchise fees totaled $46,724, $71,880, and $60,925, respectively.

Right to Use Asset and Lease Liability

The Company recognizes leases based on FASB Accounting Standards Codification ("ASC") Topic 842, Lease Accounting ("ASC 606"). FASB ASC topic 842 creates a lease liability for the present value of future minimum lease payments using the risk free interest rate upon the issuance of the lease agreement as well as the right to use asset for the use of the office space through maturity.

Advertising and Marketing

Total advertising costs included in operating expenses on the consolidated statements of operations for the years ended December 31, 2024, 2023, and 2022 totaled $918,747, $1,025,675, and $1,131,038, respectively.

Revenue Recognition

The Company recognizes revenue based on FASB Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606").

Franchise sales:

Franchise sales consist primarily of franchisee fees earned through the franchise agreements entered into by the Company. Under franchise agreements, the Company provides certain specific performance obligations: 1) master franchisee territory, 2) education and operations management, 3) on-going support and access to systems and 4) a franchise license which includes a license to sell Anago cleaning "unit franchisees" within the purchased territory. These services are highly interrelated and dependent upon the franchise license. Management of the Company has allocated the franchise sales revenue earned to the specific performance obligations. Management has estimated an allocation of the revenue based on the timing of the specific performance obligations to be provided over the life of the contract. The revenue for each specific performance obligation is allocated to each year of the contract based on services and value provided to the franchisee under the franchise contract.

Each franchise contract matures 10 years from the initial start-date. The franchise contracts renew after 10 years without further consideration.

Payments received in excess of revenue recognition under ASC 606 is recorded as a contract liability on the consolidated balance sheet until the revenue is recognized. Revenue earned in excess of payments received under ASC 606 is recorded as a contract asset on the consolidated balance sheet until the payments are received.

NOTE A - PRINCIPLES OF CONSOLIDATION, NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

As of December 31, 2024, 2023, and 2022 the contract liabilities totaled $226,363, $296,764, and $231,887, respectively.

Revenue Recognition

Royalties:

Royalties are calculated based on total contract sales by the master franchisee over the term of the franchise agreement. The royalty fees are collected monthly through a reduction in the franchisee payments for contract sales received. Royalties are recognized in the month the services were provided.

Franchise fees and other revenue:

Franchise fees consist of certain required fees based on the master franchise agreement and other services selected by the master franchise. These fees include administration support, insurance fees, telemarketing services, computer support and other miscellaneous type fees. These fees are recognized in the month the services were provided.

Income Taxes

The Company files a consolidated tax return and is classified by the internal revenue service as a C Corporation on the cash basis of accounting. Income taxes are provided for the tax effects of transactions reported in the consolidated financial statements and consist of taxes currently due or refundable plus deferred taxes. Deferred taxes are recognized for differences between the basis of assets and liabilities for financial statement and income tax purposes. The differences relate primarily to the use of the cash basis of accounting for tax reporting to the accrual basis of accounting for financial statement reporting and the net operating loss benefit for future years. The deferred tax assets or liability represents the future tax return consequences of these differences, which will either be deductible or taxable when the assets are recovered or the liability is settled. Management estimates the necessity of a valuation allowance against the deferred tax assets based on management's projection of future taxable income to realize the assets. As of December 31, 2024, 2023, and 2022 management has determined a valuation allowance is not necessary.

The Company evaluates all significant tax positions for the Company as required by accounting principles generally accepted in the United States of America. As of December 31, 2024, 2023, and 2022 the Company does not believe that it has taken any positions that would require the recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next year. It is the Company's policy to recognize any interest and penalties in operating expenses. The federal and state tax returns for the Company for 2024, 2023 and 2022, are subject to examination by the Internal Revenue Service ("IRS") and state authorities.

Cash Flow Information

Cash disbursements for interest during the years ended December 31, 2024, 2023, and 2022 totaled $26,064, $31,829, and $42,207, respectively. Cash disbursements for income taxes during the years ended December 31, 2024, 2023, and 2022 totaled $494,312, $215,857, and $180,024, respectively.

NOTE B – OPERATING INCOME ANALYSIS

A summary of the operating income is as follows:

	2024	2023	2022
Comprehensive income	$ 1,111,370	$ 1,223,300	$ 172,841
Interest expense	26,064	60,105	42,207
Income tax provision	496,448	348,384	57,613
Depreciation and amortization	51,161	56,148	38,290
Unrealized (gain) loss on investments	(179,589)	(290,550)	113,548
Realized (gain) loss on investments	(51,206)	56,946	222,845
Earnings before interest, income taxes, depreciation, amortization (EBITDA), unrealized gains or losses and realized gains or losses	$ 1,454,248	$ 1,454,333	$ 647,344

NOTE C – NOTES RECEIVABLE

The Company has a note receivable with a related entity by common ownership totaling $529,500 bearing an interest rate of 2.94%. The principal balance and accrued interest payment is due in May 2038. Therefore, the note receivable has been considered a long-term asset on the consolidated balance sheets. As of December 31, 2024, 2023, and 2022 the balance on the note receivable totaled $529,500, $529,500 and $529,500, respectively.

The Company entered into a note receivable with a master franchise bearing an interest rate of 2.00% requiring monthly payment of principal and interest totaling $2,194 through March 2023. The note receivable is not secured. The balance on the note receivable as of December 31, 2024, 2023, and 2022 was $21,738, $21,738, and $36,552, respectively.

The Company has a note receivable with a master franchise with a balance as of December 31, 2022 of $2,500. The note receivable is not secured and is due on demand. The note receivable was paid-off during 2023.

Notes receivable also as of December 31, 2024, 2023, and 2022 consist of franchise notes receivable for the initial purchases of the master franchisee territories totaling $46,724, $54,794, and $60,925, respectively.

NOTE D – INVESTMENTS

The Company's investments are recorded at the fair market value based on quoted prices in active markets using level 1 inputs on the fair value hierarchy chart. The Company's investments that are listed on the U.S. exchanges are valued based on readily available market quotations.

Stocks are investments that are valued based on quoted prices on the last trading date of the principal market on or before December 31, 2024, 2023, and 2022. They include investments that are directly held in publicly traded equities. As of December 31, 2024, 2023, and 2022 the fair market value of the stock investments totaled $1,601,902, $1,371,933, and $708,515, respectively. These funds have been invested in domestic stocks.

NOTE D – INVESTMENTS (CONTINUED)

Closed-in mutual funds are investments which invests funds through single public offerings. These funds are valued based on quote prices on the last trading date of the principal market on or before December 31, 2024, 2023, and 2022. As of December 31, 2024, 2023, and 2022 the fair market value of the closed-in mutual funds investments totaled $788,540, $264,605, and $547,510, respectively. These funds have been invested in domestic mutual funds.

During the years ended December 31, 2024, 2023, and 2022 realized gain (losses) on the sale of investments totaled $59,610, $(56,946) and $(222,84), respectively. Net unrealized gain (losses) recorded on the consolidated statements of operations during the years ended December 31, 2024, 2023, and 2022 totaled $179,589, $290,550, and $(113,548), respectively.

NOTE E – INTANGIBLE ASSET, NET

Intangible assets, net consist of a trademark with a cost of $184,000 and the related accumulated amortization as of December 31, 2024, 2023, and 2022 of $154,356, $142,089, and $129,822, respectively. During the years ended December 31, 2024, 2023, and 2022 amortization expense totaled $12,267, $12,267, and $12,267, respectively.

NOTE F – PROPERTY AND EQUIPMENT, NET

Property and equipment, net consist of the following as of December 31, 2024, 2023, and 2022:

	2024	2023	2022
Computers and equipment	$ 16,258	$ 13,781	$ 13,781
Furniture and fixtures	161,965	161,965	145,570
Leasehold improvements	298,754	278,144	253,919
Vehicles	33,997	33,997	33,997
Totals	510,974	487,887	447,267
Less: Accumulated amortization	(263,828)	(224,934)	(181,053)
Property and equipment, net	$ 247,146	$ 262,953	$ 266,214

For the years ended December 31, 2023, 2024, 2023, and 2022 depreciation expense totaled $38,894, $43,881, and $22,468, respectively.

NOTE G – LINE OF CREDIT

The Company has a line of credit agreement with a bank with borrowing limits up to $200,000 bearing an interest rate of 6.25% which matures in June 2025. The line of credit is collateralized by a majority of the assets of the Company. As of December 31, 2024, 2023, and 2022 the balance on the line of credit was $-0-.

NOTE H – NOTE PAYABLE

The note payable consist of a note payable with a bank bearing an interest rate of 5.50% requiring monthly payments of principal and interest totaling $2,194 through April 2023. The note payable is collateralized by a majority of the assets of the Company. As of December 31, 2022 the balance on the note payable was $29,137.

NOTE I – COMMON STOCK

As of December 31, 2024, 2023, and 2022 Anago Cleaning Systems, Inc. has 20,000,000 shares of no par value common stock authorized with 13,670,320 shares issued and 7,340,640 shares outstanding.

As of December 31, 2024, 2023, and 2022 Anago Franchising, Inc. has 7,500 shares of no par value common stock authorized issued and outstanding.

As of December 31, 2024, 2023, and 2022 APLR, Inc. has 100 shares of no par value common stock authorized with 100 shares issued and outstanding.

As of December 31, 2024, 2023, and 2022 Anago Direct Marking, Inc., PBTR, Inc. and CCTD, Inc. have 100 shares of no par value common stock authorized with 100 shares issued and outstanding.

As of December 31, 2023 EHLB, Inc. dba Anago of Las Vegas has 100 shares of no par value common stock authorized with 100 shares issued and outstanding.

NOTE J – TREASURY STOCK

Anago Cleaning Systems, Inc. entered into an agreement with stockholders to purchase back through treasury stock 6,329,680 shares of common stock for $316,484. As of both December 31, 2024, 2023, and 2022 treasury stock totaled $316,484. These shares have been reported as treasury stock on the consolidated balance sheets.

NOTE K – LEASE OBLIGATIONS

In May 2018 the Company entered into an operating lease agreement with a rental company for certain office space requiring monthly lease payments $19,384 maturing in April 2028.

The Company accounts for leases in accordance with FASB ASC 842 and has capitalized its operating lease described below resulting in a "right to use asset" and corresponding "lease liability" on the balance sheets. The valuation of the right to use asset and the corresponding "lease liability" is recorded at the present value using the risk free interest rate of 2.97%.

During the years ended December 31, 2024, 2023, and 2022 the components of the lease are as follows:

	2024	2023	2022
Operating lease costs			
Amortization of right to use asset	$ 171,722	$ 201,033	$ 201,033
Interest on lease liabilities	24,737	31,311	37,194
Total operating lease costs	$ 196,459	$ 232,344	$ 238,227

NOTE K – LEASE OBLIGATIONS (CONTINUED)

The future minimum lease payments related to the operating lease during the years ending December 31 are as follows:

December 31,	
2025	$ 232,608
2026	232,608
2027	232,608
2028	77,536
	775,360
Less: Imputted interest	(63,262)
Total	712,098
Less: Current portion of lease liability	(271,497)
Lease liablity less current portion	$ 440,601

NOTE L – INCOME TAXES

The provision for income taxes for the years ended December 31, 2024, 2023, and 2022 is $496,448, $348,384, and $57,613, respectively. This includes for the year ending December 31, 2024, 2023, and 2022 current provision totaling $479,939, $216,922 and $99,694, respectively, and deferred benefit (provision) totaling $(16,509), ($131,462), and $42,081, respectively.

For the year ended December 31, 2024, 2023, and 2022, the Company's effective income tax rate varied from statutory federal and state income tax rates principally due to non-deductible expenses and business meals and entertainment.

As of December 31, 2024, 2023, and 2022 the cumulative temporary differences includes a deferred tax assets (liability) associated with the tax returns which are filed based on the cash basis of accounting and the consolidated financial statements are reported based on the accrual basis of accounting and unrealized gain (loss) on investments totaled $65,045, $(49,347), and $82,115, respectively.

NOTE M – ROYALTIES

The Corporation receives approximately 5% of recurring cleaning contract sales. Royalties included in revenue for the years ending December 31, 2024, 2023, and 2022 totaled $6,614,233, $5,840,390, and $4,863,616, respectively.

NOTE N – SALE OF TERRITORY ASSETS OF EHLB, INC. DBA ANAGO OF LAS VEGAS

In November 2024 the Company sold the territory assets of EHLB, Inc. dba Anago of Las Vegas for proceeds of $400,000 with an estimated cost of the territory of $98,000 for a gain on sale of the territory assets of EHLB, Inc. dba Anago of Las Vegas of $302,000 which has been recorded as other income on the consolidated statement of operations. As EHLB, Inc. dba Anago of Las Vegas operations will not continue in future periods the revenue and expenses of the entity have been reclassed and reported with "other income and expenses". Net income (loss) for EHLB, Inc. dba Anago of Las Vegas for the years ended December 31, 2024 and 2023 totaling ($34,405) and $317,735, respectively, have been reclassed to other income (expenses) for comparison purposes and consideration of continual future operations of the Company.

NOTE O – CUSTOMER AND RISK CONCENTRATIONS

The Company grants credit, generally without collateral, to its clients. Management believes that its client and franchisee acceptance, billing and collection policies are adequate to minimize potential credit risk.

The Company may be subject in the future to credit risk to its cash and equivalents accounts, which are placed with high credit-quality financial institutions. The Federal Deposit Insurance Corporation ("FDIC") offers coverage up to $250,000 for substantially all depository accounts. As of December 31, 2024, 2023, and 2022 the Company had funds totaling $1,370,883, $1,381,558, and $660,503, respectively, in excess of the FDIC limit. The Company as of December 31, 2024, 2023, and 2022 has funds within an investment brokerage account totaling $329,552, $54,207, and $191,769, respectively, which is not insured through the FDIC program.

NOTE P – SUBSEQUENT EVENTS REVIEW

Subsequent events have been evaluated through March 17, 2025, which is the date the consolidated financial statements were available to be issued. There have been no adjustments to the consolidated financial statements to include any subsequent transactions or events.

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SECTION 11 – APPENDIX	
REASON CODES FOR CANCELLATIONS AND TRASNFERS	1
LIST OF AR AND AP REPORTS FROM IGAS	2
DEFINITION OF TERMS	1
TOTAL	**4**
GRAND TOTAL	**151**

ANAGOCLOUD HANDBOOK	
SUBJECT	**NUMBER OF PAGES**
SECTION 1 – INTRODUCTION TO ANAGOCLOUD	
LOGGING INTO ANAGOCLOUD.COM	1
NAVIGATING ANAGOCLOUD™	3
SEARCHING FOR RECORDS	1
TOTAL	**5**
SECTION 2 – FRANCHISE INQUIRIES AND SALES	
FRANCHISE INQUIRIES	11
FRANCHISE SALES	7
TOTAL	**18**
SECTION 3 – UPDATING FR FOR A INDEPENDENT CONTRACTOR	
TOTAL	**3**
SECTION 4 – REPORTS	
WEEKLY REPORTS – CLIENT SALES	2
MONTHLY REPORTS	2
QUARTERLY REPORTS	2

SALES REPORTS	2
REPORTS	7
TOTAL	**15**
SECTION 5 – CLIENT SALES AND TELEMARKETING	
CLIENT LEADS AND TELEMARKETING OVERVIEW	1
RECALL DATES AND RULES FOR ASSIGNMENT	2
NAVIGATING CLIENT SALES	13
MAKING CALLS IN ANAGOCLOUD™	3
SETTING A CLIENT APPOINTMENT	1
TOTAL	**20**
SECTION 6 – BID PROPOSAL PROCESS	
FLOW CHART	1
ANAGO CLEANSOURCE®	1
UPDATING CL SALES WITH BID INFORMATION	4
UPDATING CL SALES WITH “NO BID” INFORMATION	2
UPDATING CL SALES WITH “BID REJECTION” INFORMATION	1
TOTAL	**9**
SECTION 7 – SOLD CLIENT ACCOUNTS	
FLOW CHART	1
UPDATING CL SALES	1
NEWSTART CONTENT	1
CLEANCOM®/COMMUNICATION LOG BOOK	1
CALENDARIZED WORK ORDER	1
OFFERING THE ACCOUNT TO A FRANCHISE OWNER	1
WALKTHROUGH WITH FRANCHISEE	2
SAVING DOCUMENTS	1
ACTIVATING A CLIENT ACCOUNT	2
HANDLING CLIENT PAYMENTS	1
SENDING PAPERWORK TO AFI	1
EXAMPLES	20
TOTAL	**33**

SECTION 8 – SPECIALTY SERVICES	
FLOW CHART	1
WHAT IS A SPECIALTY SERVICE?	1
ASSIGNING A FRANCHISEE	1
UPDATING THE CLIENT RECORD	3
SENDING PAPERWORK TO AFI	1
EXAMPLES	3
TOTAL	8
SECTION 9 – CREDITS FOR CLIENT ACCOUNTS	
FLOW CHART	1
SCENARIOS FOR CREDITS	1
UPDATING CL & PRINTING PAPERWORK	1
SENDING PAPERWORK TO AFI	1
EXAMPLES	1
TOTAL	**5**
SECTION 10 – ADDENDUM TO CLIENT ACCOUNT	
FLOW CHART	1
CREATING ADDENDUM	1
UPDATING CL & PRINTING PAPERWORK	2
PRORATING INITIAL BUSINESS FOR DECREASE IN SERVICE	2
SENDING PAPERWORK TO AFI	1
EXAMPLES	3
TOTAL	**9**
SECTION 11 – CLIENT TRANSFER OF FRANCHISEE	
FLOW CHART	1
THE BASICS	1
PRINTING PAPERWORK	1
WALKTHROUGH WITH FRANCHISE OWNER	1
UPDATING CL	5
CREATING A DECLINE RECORD	2
SENDING PAPERWORK TO AFI	1
EXAMPLES	8

TOTAL	**20**
SECTION 12 – CLIENT CANCELLATION	
FLOW CHART	1
THE BASICS	1
NOTIFYING THE FRANCHISE OWNER	1
UPDATING CL	1
SENDING PAPERWORK TO AFI	1
EXAMPLES	1
TOTAL	**6**
GRAND TOTAL	**151**

ANAGO CLEANSOURCE® TRAINING MANUAL	
SUBJECT	**NUMBER OF PAGES**
USING CLEANSOURCE®	10
BID INFORMATION SHEET	33
CLEANSOURCE® PORTAL (“BACK END”)	9
SPECIALTY SERVICE(S)	4
COMPLETING THE INSPECTION REPORT	5
COMPLETING THE PERFORMANCE EVALUATION	4
TOTAL	**65**

UNIT FRANCHISE OPERATING MANUAL	
SUBJECT	**NUMBER OF PAGES**
CHAPTER 1 – INTRODUCTION TO THE MANUAL	
MANUAL ORGANIZATION	1
OWNERSHIP OF THE MANUAL	1
PURPOSE OF THIS MANUAL	1
IMPORTANCE OF CONFIDENTIALITY	1
ARTIFICIAL INTELLIGENCE (AI) POLICY	1
KEEPING THE MANUAL CURRENT	1
SUBMITTING SUGGESTIONS	1
DISCLAIMER	1
TOTAL	**8**

CHAPTER 2 – INTRODUCTION TO THE FRANCHISE SYSTEM	
WELCOME	1
A SUCCESSFUL ANAGO UNIT FRANCHISEE	1
HISTORY OF THE COMPANY	1
WHO TO CALL	1
TOTAL	**4**
CHAPTER 3 – PRE-OPENING PROCEDURES	
INTRODUCTION	4
LICENSES, PERMITS, AND TAXES	3
ORIENTATION	1
INITIAL INVENTORY AND SUPPLIES	2
BANK ACCOUNTS	2
INSURANCE COVERAGE	2
PRE-OPENING CHECKLIST	1
TOTAL	**15**
CHAPTER 4 – PERSONNEL	
INTRODUCTION	1
NON-JOINT EMPLOYER STATUS	1
EMPLOYMENT LAW BASICS	4
OSHA	2
PREPARING TO HIRE YOUR FIRST EMPLOYEE	1
JOB RESPONSIBILITIES AND IDEAL EMPLOYEE PROFILES	1
RECRUITING EMPLOYEES	2
JOB APPLICATIONS	1
INTERVIEWING JOB APPLICATIONS	5
BACKGROUND CHECKS ON JOB APPLICANTS	2
MISCELLANEOUS HIRING ISSUES	1
NEW EMPLOYEE PAPERWORK	1
ADDITIONAL STEPS IN HIRING PROCESS	1
UNIFORMS – DRESS CODE	2
RECOMMENDED FRANCHISEE EMPLOYEE TRAINING	8
PERSONNEL POLICIES	2

PAYING YOUR EMPLOYEES	2
EMPLOYEE MORALE / MOTIVATION	3
PERFORMANCE EVALUATIONS	1
EMPLOYEE DISCIPLINE	2
RESIGNATION / TERMINATION	3
SUMMARY OF GOOD EMPLOYEE MANAGEMENT PRACTICES	1
GETTING LEGAL HELP WITH EMPLOYMENT LAW ISSUES	1
TOTAL	**48**
CHAPTER 5 – POLICIES & PROCEDURES	
INTRODUCTION	1
ORIENTATION	2
START-UP AND OPERATION	7
FINANCIAL PROCEDURES	5
BUSINESS MANAGEMENT	4
SERVICE MANAGEMENT	6
RECOMMENDED OPERATING GUIDELINES	1
EPILOGUE	1
TOTAL	**27**
CHAPTER 6 – DAILY OPERATING PROCEDURES	
INTRODUCTION	1
DAYS / HOURS OF OPERATION	1
CUSTOMER SERVICE PROCEDURES	9
GENERAL CLEANING PROCEDURES	24
TEAM CLEANING	15
INVENTORY MANAGEMENT	4
TOTAL	**54**
CHAPTER 7 – FLOOR CARE	
INTRODUCTION	1
FLOOR CARE SAFETY	8
FLOOR CARE – RESILIENT	14
FLOOR CARE – CARPET	10
FLOOR CARE – STONE & FINISHED AGGREGATE	2

FLOOR CARE – MASONRY	2
FLOOR CARE STAIRS	1
TOTAL	**38**
CHAPTER 8 – SAFETY AND SECURITY	
INTRODUCTION	1
GENERAL SAFETY TIPS	1
SECURITY	8
PREVENTING ACCIDENTS AND INJURIES	1
REPORTING ACCIDENTS & CLAIM PROCESS	1
CRISIS MANAGEMENT POLICY	1
WORKER'S COMPENSATION ISSUES	1
TIPS FOR REDUCING YOUR WORKERS'COMPENSATION INSURANCE COSTS	1
WORKERS' COMPENSATION AUDITS	1
TEN MOST COMMON WORKPLACE INJURIES	1
FIRE SAFETY	1
ROBBERY / BUGLARY	1
FIRST AID	3
TOTAL	**22**
CHAPTER 9 – BIOHAZARDS	
INTRODUCTION	1
BLOODBORNE PATHOGENS	1
OSHA DEFINITIONS	2
INTENT OF THE EXPOSURE CONTROL PLAN	1
EXPOSURE DETERMINATION / ASSIGNMENT OF CATEGORIES TO EMPLOYEES	1
COMPLIANCE – UNIVERSAL PRECAUTIONS	1
COMPLIANCE – ENGINEERING CONTROLS	1
COMPLIANCE – WORK PRACTICE CONTROLS	1
COMPLIANCE PERSONAL PROTECTIVE QUIPMENT	1
GENERAL BUIHAZARD AREA SAFETY	2
GOLDEN RULE	1

HEPATITIS B VACCINATION, POST-EXPOSURE EVALUATION AND FOLLOW UP	1
LABELS AND SIGNS	1
RECORD KEEPING	1
TOTAL	**16**
CHAPTER 10 – FINANCIAL REPORTS	
ROYALTY PAYMENT	1
FINANCIAL STATEMENTS	1
INCOME SOURCES	1
EXPENSE AND OWNER ACCOUNTS	5
REQUIRED REPORTS	1
TAXES	2
HOW TO SUCCEED IN BUSINESS	1
BOOKKEEPING	1
PROFIT AND LOSS (P&L) STATEMENT	1
SAMPLE P&L STATEMENT	1
BUSINESS FINANCING	1
LOANS	1
KEY POINTS TO REMEMBER	1
FOR FURTHER INFORMATION	1
REVIEW	1
DOCUMENTATION	1
TOTAL	**22**
CHAPTER 11 – BIDDING & ESTIMATING	
INTRODUCTION	1
BASIC BID FACTORS	3
OTHER BID FACTORS	3
MEASURING SQUARE FOOTAGE	3
CLEANING WHAT HAS BEEN MEASURED	4
PRODUCTION RATES BY INDUSTRY TYPE	16
BIDDING FORMULAS	1
SMARTCLEAN^{SM} BIDDING	6

HANDLING CLIENT SALES APPOINTMENTS	1
BIDDING EXERCISES	6
MANAGING EXISTING BUSINESS	1
TOTAL	**45**
CHAPTER 12 – MANAGEMENT FORMS AND POLICIES	
EMPLOYEE RELATIONS	25
MANAGEMENT FORMS AND POLICIES	9
PROCEDURES	5
TOTAL	**39**
GRAND TOTAL	**338**

UNIT FRANCHISE OWNER'S GUIDE TO ANAGO PROTECTION+ DISINFECTION	
CLEANING VS. SANITIZING VS. DISINFECTING	1
HELPING YOUR CLIENTS	5
PROTECTING YOUR EMPLOYEES	1
PROPER CHEMICALS	1
PROCEDURES & PROTOCOLS	18
AREA CHECKLIST	1
RESOURCES AND LINKS	2
TOTAL	**29**

UNIT FRANCHISE OWNER'S GUIDE TO ELECTROSTATIC SPRAYING	
WHAT IS ELECTROSTATIC SPRAYING	5
TRAINING	10
PRICING – BIDDING	11
TIPS & TRICKS	4
TOTAL	**30**

EXHIBIT H - STATE SPECIFIC RIDERS

STATE ADDENDA AND AGREEMENT RIDERS

ADDITIONAL DISCLOSURES FOR THE FRANCHISE DISCLOSURE DOCUMENT OF ANAGO FRANCHISING, INC.

The following are additional disclosures for the Franchise Disclosure Document of **ANAGO FRANCHISING, INC.** required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

CALIFORNIA

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

2. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A FRANCHISE DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF FINANCIAL PROTECTION & INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR SUBFRANCHISE RIGHTS AGREEMENT.

3. OUR WEBSITE, www.anagocleaning.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT www.dfpi.ca.gov.

4. The following statement is added to the end of Item 3:

Neither we, our parent, predecessor or affiliate nor any person in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. Sections 78a et seq., suspending or expelling such persons from membership in that association or exchange.

5. The following paragraphs are added to the end of Item 17:

CALIFORNIA BUSINESS AND PROFESSIONS CODE SECTIONS 20000 THROUGH 20043 PROVIDE RIGHTS TO THE FRANCHISEE CONCERNING TERMINATION, TRANSFER OR NON-RENEWAL OF A FRANCHISE. IF THE FRANCHISE AGREEMENT CONTAINS A PROVISION THAT IS INCONSISTENT WITH THE LAW THE LAW WILL CONTROL.
THE SUBFRANCHISE RIGHTS AGREEMENT CONTAINS A COVENANT NOT TO COMPETE THAT EXTENDS BEYOND TERMINATION OF THE FRANCHISE. THIS PROVISION MAY NOT BE ENFORCEABLE UNDER

6. YOU ARE NOT OUR EMPLOYEE AND DO NOT HAVE RIGHTS TO RECEIVE ANY EMPLOYEE BENEFITS PROVIDED AT ANY TIME BY US OR OUR AFFILIATES INCLUDING PENSION, LIFE INSURANCE, HOSPITAL AND MEDICAL, DISABILITY, PROFIT SHARING, VACATION OR RETIREMENT BENEFITS.

7. THE ANTITRUST LAW SECTION OF THE OFFICE OF THE CALIFORNIA ATTORNEY GENERAL VIEWS MAXIMUM PRICE AGREEMENTS AS PER SE VIOLATIONS OF THE CARTWRIGHT ACT. AS LONG AS THIS REPRESENTS THE LAW OF THE STATE OF CALIFORNIA, WE WILL NOT INTERPRET THE FRANCHISE AGREEMENT AS PERMITTING OR REQUIRING MAXIMUM PRICE LIMITS.

8. You should review the Department of Financial Protection & Innovation's literature on janitorial franchises before purchasing this franchise:

a. http://www.dbo.ca.gov/Licensees/franchise_investment_law/pdf/Look_Before_You_Leap_Spanish.pdf
b. http://www.dbo.ca.gov/Licensees/franchise_investment_law/pdf/Look_Before_You_Leap_ENG.pdf

CALIFORNIA LAW.

The Subfranchise Rights Agreement requires binding arbitration. The arbitration will be conducted at a suitable location chosen by the arbitrator which is within a 50 mile radius of our then current principal place of business (currently Pompano Beach, Florida) with the costs being borne as provided in the Subfranchise Rights Agreement. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Subfranchise Rights Agreement restricting venue to a forum outside the State of California.

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

The Subfranchise Rights Agreement requires application of the laws of the State of Florida. This provision may not be enforceable under California law.

The Subfranchise Rights Agreement requires you to sign a general release of claims on renewal or transfer of the Subfranchise Rights Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and

Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

ILLINOIS

1. The "Summary" section of Item 17(v), entitled **Choice of forum**, is deleted in its entirety.

2. The "Summary" section of Item 17(w), entitled **Choice of law**, is deleted and replaced with the following:

   Except for U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the state of Illinois apply.

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

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

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

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

MINNESOTA

1. **Renewal, Termination, Transfer and Dispute Resolution**. The following is added to the end of the chart in Item 17:

   Minnesota law provides you with certain termination and non-renewal rights. Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) of the Subfranchise Rights Agreement and 180 days' notice for non-renewal of the Subfranchise Rights Agreement.

   Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J might prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or Subfranchise Rights Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. Those

provisions also provide that no condition, stipulations or provision in the Subfranchise Rights Agreement will in any way abrogate or reduce any of your rights under the Minnesota Franchises Law, including, if applicable, the right to submit matters to the jurisdiction of the courts of Minnesota.

Any release as a condition of renewal and/or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

Minn. Rule Part 2860.4400J might prohibit a franchisee from waiving rights to a jury trial; or waiving rights to any procedure, forum or remedies provided by the laws of the jurisdiction. However, we and you will enforce these provisions in our Subfranchise Rights Agreement to the extent the law allows.

NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHINGIN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptivepractices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for

registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such personfrom membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actionsaffecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer**":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**": You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice offorum**", and Item 17(w), titled "**Choice of law**":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York

VIRGINIA

1. The following language is added to the end of the "Summary" section of Item 17(e), entitled **Termination by franchisor without cause**:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Subfranchise Rights Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

WASHINGTON

The following paragraph is added at the end of Item 17:

If any of the provisions in this Franchise Disclosure Document or Subfranchise Rights Agreement are inconsistent with the relationship provisions of Revised Code of Washington Section 19.100.180 or any other requirements of the Washington Franchise Investment Protection Act (the "Act"), the provisions of the Act will prevail over the inconsistent terms of the Franchise Disclosure Document or Subfranchise Rights Agreement.

(Remainder of page intentionally blank)

THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC RIDERS TO THE SUBFRANCHISE RIGHTS AGREEMENT

RIDER TO THE ANAGO FRANCHISING, INC.
SUBFRANCHISE RIGHTS AGREEMENT
FOR USE IN ILLINOIS

THIS RIDER is made and entered into by and between **ANAGO FRANCHISING, INC.**, a Florida corporation with its principal business address at 20 SW 27th Ave. Suite 300, Pompano Beach, FL 33069 ("we," "us," or "our"), and _____, whose principal business address is _____ ("you" or "your").

1. **BACKGROUND**. We and you are parties to that certain Subfranchise Rights Agreement dated _____ (the "Subfranchise Rights Agreement"). This Rider is annexed to and forms part of the Subfranchise Rights Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Subfranchise Rights Agreement occurred in Illinois and the Master Franchise that you will operate under the Subfranchise Rights Agreement will be located in Illinois; and/or (b) you are domiciled in Illinois.

2. **JURISDICTION AND VENUE**. Section 13.4 of the Subfranchise Rights Agreement is deleted in its entirety.

3. **GOVERNING LAW**. Section 13.5 of the Subfranchise Rights Agreement is deleted and replaced with the following:

Section 13.5 Governing Law

All matters relating to arbitration will be governed by the United States Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other United States federal law, this Agreement, the master franchise, and all claims arising from the relationship between us and you will be governed by the laws of the State of Illinois without regard to its conflict of laws rules.

4. **WAIVER OF PUNITIVE DAMAGES CLAIMS; WAIVER OF JURY TRIAL**. The following language is added to the end of Sections 13.6 (Waiver of Punitive Damages Claims) and 13.7 (Waiver of Jury Trial) of the Subfranchise Rights Agreement:

HOWEVER, THIS SECTION SHALL NOT ACT AS A CONDITION, STIPULATION OR PROVISION PURPORTING TO BIND ANY PERSON ACQUIRING ANY FRANCHISE TO WAIVE COMPLIANCE WITH ANY PROVISION OF THE ILLINOIS FRANCHISE DISCLOSURE ACT AT SECTION 705/41 OR ILLINOIS REGULATIONS AT SECTION 200.609.

5. **LIMITATION OF ACTIONS; WAIVER OF CLASS ACTIONS**. Section 13.9 (Limitation of Actions) and Section 13.10 (Waiver of Class Actions) of the Subfranchise Rights Agreement are deleted and replaced with the following:

THE PARTIES AGREE THAT CLAIMS OF ANY OTHER PARTY OR PARTIES SHALL NOT BE JOINED WITH ANY CLAIMS ASSERTED IN ANY ACTION OR PROCEEDING BETWEEN YOU AND US. EXCEPT FOR CLAIMS ARISING FROM YOUR NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWE US OR OUR AFFILIATE, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU WILL BE BARRED UNLESS A JUDICIAL OR ARBITRATION PROCEEDING IS COMMENCED WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS. HOWEVER, NOTHING CONTAINED IN THIS SECTION SHALL CONSTITUTE A CONDITION, STIPULATION, OR PROVISION PURPORTING TO BIND ANY PERSON TO WAIVE COMPLIANCE WITH ANY PROVISION OF THE ILLINOIS FRANCHISE DISCLOSURE ACT OR ANY OTHER LAW OF THE STATE OF ILLINOIS, TO THE EXTENT APPLICABLE.

6. **ILLINOIS FRANCHISE DISCLOSURE ACT**. The following language is added as Section 16.18 of the Subfranchise Rights Agreement:

Section 16.18 ILLINOIS FRANCHISE DISCLOSURE ACT.

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

The parties have signed and delivered this Rider on the date first set forth above.

SUBFRANCHISOR:

By: _____ _____

Print Name: _____ _____

Title: _____ _____

INDIVIDUALLY: the undersigned agrees to abide by all restrictive covenants contained in this agreement

By: _____ _____

Print Name: _____ _____

FRANCHISOR:

ANAGO FRANCHISING, INC.

By: _____

Print Name: Adam D. Povlitz

Title: CEO & President

RIDER TO THE ANAGO FRANCHISING, INC.
SUBFRANCHISE RIGHTS AGREEMENT
FOR USE IN MINNESOTA

THIS RIDER is made and entered into by and between **ANAGO FRANCHISING, INC.**, a Florida corporation with its principal business address at 20 SW 27th Ave. Suite 300, Pompano Beach, FL 33069 ("we," "us," or "our"), and _____, whose principal business *address is _____ ("you" or "your").

1. **BACKGROUND**. We and you are parties to that certain Subfranchise Rights Agreement dated _____ (the "Subfranchise Rights Agreement"). This Rider is annexed to and forms part of the Subfranchise Rights Agreement. This Rider is being signed because (a) the Master Franchise that you will operate under the Subfranchise Rights Agreement will be located in Minnesota; and/or (b) and of the offering or sales activity relating to the Subfranchise Rights Agreement occurred in Minnesota.

2. **RELEASES.** The following is added to the end of Sections 7.1, 7.3 and 14.2 of the Subfranchise Rights Agreement:

> Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

3. **RENEWAL AND TERMINATION**. The following is added to the end of Articles 8 and 14 of the Subfranchise Rights Agreement:

> However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of this Agreement.

4. **INJUNCTIVE RELIEF; SPECIFIC PERFORMANCE**. Section 13.2 of the Subfranchise Rights Agreement is deleted and replaced with the following:

> L. **INJUNCTIVE RELIEF**. Nothing in this Agreement bars our right to seek specific performance of the provisions of this Agreement and injunctive relief against threatened conduct that will cause us, Our Proprietary Marks and/or the Subfranchise Business loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions (subject to our obligation to arbitrate the underlying claim if required by Section 13.1). You agree that we may seek such injunctive relief in addition to such further or other relief as may be available at law or in equity. You agree that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

5. **JURISDICTION AND VENUE**. Section 13.4 of the Subfranchise Rights Agreement is deleted and replaced with the following:

> 13.4 **JURISDICTION AND VENUE**. **SUBJECT TO SECTION 13.1 ABOVE AND THE PROVISIONS BELOW, YOU AND YOUR OWNERS 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 OF GENERAL JURISDICTION WHICH IS CLOSEST TO OUR THEN CURRENT PRINCIPAL PLACE OF BUSINESS (CURRENTLY POMPANO BEACH, FLORIDA), AND WE AND YOU (AND EACH OWNER) IRREVOCABLY CONSENT TO THE JURISDICTION OF THOSE COURTS AND WAIVE ANY OBJECTION TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS. NOTWITHSTANDING THE FOREGOING, MINN. STAT. SEC. 80C.21 AND MINN. RULE 2860.4400J PROHIBIT US, EXCEPT IN CERTAIN SPECIFIED CASES, FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA. NOTHING IN THIS AGREEMENT SHALL ABROGATE OR REDUCE ANY OF YOUR RIGHTS UNDER MINNESOTA STATUTES CHAPTER 80C OR YOUR RIGHT TO ANY PROCEDURE, FORUM OR REMEDIES THAT THE LAWS OF THE JURISDICTION PROVIDE.**

6. **GOVERNING LAW**. Section 13.5 of the Subfranchise Rights Agreement is deleted and replaced with the following:

> H. **GOVERNING LAW**. **ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE UNITED STATES FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER UNITED STATES FEDERAL LAW, THIS AGREEMENT, THE MASTER FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF THE STATE OF FLORIDA WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT (1) ANY STATE LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISE OWNER WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH, AND (2) NOTHING IN THIS AGREEMENT WILL ABROGATE OR REDUCE ANY OF YOUR RIGHTS UNDER MINNESOTA STATUTES CHAPTER 80C OR YOUR RIGHT TO ANY PROCEDURE, FORUM OR REMEDIES THAT THE LAWS OF THE JURISDICTION PROVIDE.**

7. **WAIVER OF PUNITIVE DAMAGES CLAIMS; WAIVER OF JURY TRIAL**. If and then only to the extent required by the Minnesota Franchises Law, Sections 13.6 and 13.7 of the Subfranchise Rights Agreement are deleted and replaced with the following:

> We and you acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400J. However, we and you agree to enforce the provision to the extent the law allows.

8. **WAIVER OF CLASS ACTIONS**. The following is added to the end of Section 13.10 of the Subfranchise Rights Agreement:

> **; PROVIDED, HOWEVER, THAT MINNESOTA LAW PROVIDES THAT NO ACTION MAY BE COMMENCED UNDER MINN. STAT. SEC. 80C.17 MORE THAN 3 YEARS AFTER THE CAUSE OF ACTION ACCRUES.**

[The remainder of this page is intentionally left blank.]

THE PARTIES HAVE SIGNED AND DELIVERED THIS RIDER ON THE DATE FIRST SET FORTH ABOVE.

SUBFRANCHISOR:

By: _____ _____

Print Name: _____ _____

Title: _____ _____

INDIVIDUALLY: the undersigned agrees to abide by all restrictive covenants contained in this agreement

By: _____ _____

Print Name: _____ _____

FRANCHISOR:

ANAGO FRANCHISING, INC.

By: _____

Print Name: Adam D. Povlitz

Title: CEO & President

RIDER TO THE ANAGO FRANCHISING, INC.
SUBFRANCHISE RIGHTS AGREEMENT
FOR THE USE IN NEW YORK

THIS RIDER is made and entered into by and between **ANAGO FRANCHISING, INC.**, a Florida corporation with its principal business address at 20 SW 27th Ave. Suite 300, Pompano Beach, FL 33069 ("we," "us," or "our"), and _____, whose principal business address is _____ ("you" or "your").

1. **BACKGROUND**. We and you are parties to that certain Subfranchise Rights Agreement dated _____ (the "Subfranchise Rights Agreement"). This Rider is annexed to and forms part of the Subfranchise Rights Agreement. This Rider is being signed because (a) you are domiciled in the State of New York and the Master Franchise that you will operate under the Subfranchise Rights Agreement will be located in New York; and/or (b) any of the offering or sales activity relating to the Subfranchise Rights Agreement occurred in New York.

2. **TRANSFER BY FRANCHISOR**. The following language is added to the end of Section 7.1 of the Subfranchise Rights Agreement:

> However, to the extent required by applicable law, no transfer will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

3. **RELEASES**. The following language is added to the end of Sections 7.1, 7.3 and 14.2 of the Subfranchise Rights Agreement:

> **NOTWITHSTANDING THE FOREGOING ALL RIGHTS ENJOYED BY YOU AND ANY CAUSES OF ACTION ARISING IN YOUR FAVOR FROM THE PROVISIONS OF ARTICLE 33 OF THE GENERAL BUSINESS LAW OF THE STATE OF NEW YORK AND THE REGULATIONS ISSUED THEREUNDER SHALL REMAIN IN FORCE TO THE EXTENT REQUIRED BY THE NON-WAIVER PROVISIONS OF GBL SECTIONS 687.4 AND 687.5, AS AMENDED.**

4. **JURISDICTION AND VENUE**. The following is added to the end of Section 13.4 of the Subfranchise Rights Agreement:

> **THIS SECTION SHALL NOT BE CONSIDERED A WAIVER OF ANY RIGHT CONFERRED UPON YOU BY THE PROVISIONS OF ARTICLE 33 OF THE NEW YORK STATE GENERAL BUSINESS LAW, AS AMENDED, AND THE REGULATIONS ISSUED THEREUNDER.**

5. **GOVERNING LAW**. The following statement is added to the end of Section 13.5 of the Subfranchise Rights Agreement:

> **THIS SECTION SHALL NOT BE CONSIDERED A WAIVER OF ANY RIGHT CONFERRED UPON YOU BY THE PROVISIONS OF ARTICLE**

33 OF THE NEW YORK STATE GENERAL BUSINESS LAW, AS AMENDED, AND THE REGULATIONS ISSUED THEREUNDER.

THE PARTIES HAVE SIGNED AND DELIVERED THIS RIDER ON THE DATE FIRST SET FORTH ABOVE.

SUBFRANCHISOR:

By: _____ _____

Print Name: _____ _____

Title: _____ _____

INDIVIDUALLY: the undersigned agrees to abide by all restrictive covenants contained in this agreement

By: _____ _____

Print Name: _____ _____

FRANCHISOR:

ANAGO FRANCHISING, INC.

By: _____

Print Name: Adam D. Povlitz

Title: CEO & President

RIDER TO THE ANAGO FRANCHISING, INC.
SUBFRANCHISE RIGHTS AGREEMENT
FOR USE IN WASHINGTON

THIS RIDER is made and entered into by and between **ANAGO FRANCHISING, INC.**, a Florida corporation with its principal business address at 20 SW 27th Ave. Suite 300, Pompano Beach, FL 33069 ("we," "us," or "our"), and _____, whose principal business address is _____ ("you" or "your").

1. **BACKGROUND**. We and you are parties to that certain Subfranchise Rights Agreement dated _____ (the "Subfranchise Rights Agreement"). This Rider is annexed to and forms part of the Subfranchise Rights Agreement. This Rider is being signed because (a) you are domiciled in Washington; and/or (b) the Master Franchise that you will operate under the Subfranchise Rights Agreement will be located or operated in Washington; and/or (c) any of the offering or sales activity relating to the Subfranchise Rights Agreement occurred in Washington.

2. **WASHINGTON LAW**. The following language is added as Section 16.18 of the Subfranchise Rights Agreement:

Section 16.18 WASHINGTON INVESTMENT PROTECTION ACT.

In recognition of the requirements of the Washington Franchise Investment Protection Act (the "Act") and the rules and regulations promulgated thereunder, the Subfranchise Rights Agreement shall be modified as follows:

The State of Washington has a statute, RCW 19.100.180, which might supersede this Agreement in your relationship with us, including the areas of termination and renewal of your franchise. There might also be court decisions which supersede this Agreement in your relationship with us, including termination and renewal of your franchise.

In any arbitration involving a franchise purchased in the State of Washington, the arbitration site shall be, but only if required by the Act (to the extent such requirement is not preempted by the Federal Arbitration Act), in the State of Washington, or in a place mutually agreed upon by the parties at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, to the extent required by the Act, the provisions of the Act, Chapter 19.100 RCW, shall prevail.

To the extent required by the Act, a release or waiver of rights executed by Franchisee shall not include rights under the Act, except when executed pursuant to a negotiated settlement after the Subfranchise Rights Agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims

under the Act, or rights or remedies under the Act, such as a right to a jury trial, might not be enforceable.

To the extent required by the Act, transfer fees are collectable to the extent that they reflect Franchisor's reasonable estimate or actual costs in effecting a transfer.

THE PARTIES HAVE SIGNED AND DELIVERED THIS RIDER ON THE DATE FIRST SET FORTH ABOVE.

SUBFRANCHISOR:

By: _____ _____

Print Name: _____ _____

Title: _____ _____

INDIVIDUALLY: the undersigned agrees to abide by all restrictive covenants contained in this agreement

By: _____ _____

Print Name: _____ _____

FRANCHISOR:

ANAGO FRANCHISING, INC.

By: _____

Print Name: Adam D. Povlitz

Title: CEO & President

NEW YORK REPRESENTATIONS PAGE

FRANCHISOR REPRESENTS THAT THIS FRANCHISE DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	Not Registered
Illinois	Pending
Indiana	Pending
Maryland	Not Registered
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Pending
Washington	Not Registered
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

FDD # _____

EXHIBIT I - ACKNOWLEDGMENT OF RECEIPT

This disclosure document summarizes certain provisions of the Subfranchise Rights Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Anago Franchising, 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, Anago Franchising, 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 Anago Franchising, 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 B.

The franchisor is Anago Franchising, Inc., 20 SW 27th Ave. Suite 300, Pompano Beach, FL 33069, Tel: 800.213.5857. The franchise seller(s) for this offering is:

Name	**Address**	**Phone**
Adam D. Povlitz	20 SW 27th Ave. Suite 300, Pompano Beach, FL 33069	800.213.5857
Adam Yazejian	20 SW 27th Ave. Suite 300, Pompano Beach, FL 33069	800.213.5857

Issuance Date: April 1, 2025

See Exhibit B for Anago Franchising, Inc.'s registered agents authorized to receive service of process.

I have received a disclosure document dated April 1, 2025, that included the following Exhibits:

A – Anago Subfranchise Rights Agreement
B – State Administrators/Agents for Service of Process
C – Deposit Agreement
D – NBDS License Agreement
E – List of Anago Subfranchisors
F – Financial Statements and guaranty of performance
G – Table of Contents for Anago Manuals
H – State Specific Riders
I - Acknowledgment 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 by mail or email to: Anago Franchising, Inc., 20 SW 27th Ave. Suite 300, Pompano Beach, FL 33069; email: adam@anagocleaning.com.

FDD # _____

EXHIBIT I – ACKNOWLEDGMENT OF RECEIPT

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If Anago Franchising, 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, Anago Franchising, 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 Anago Franchising, 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 B.

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G – Table of Contents for Anago Manuals
H – State Specific Riders
I - Acknowledgment 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 keep it for your records.