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STATE COVER PAGE

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

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

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

Please consider the following RISK FACTORS before you buy this franchise

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

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

3 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise A franchise broker or referral source represents us, not you We pay this person a fee for selling our franchise or referring you to us You should be sure to do your own investigation of this franchise

Effective Date April 20 ~~2019~~ 2020

FOR USE ONLY IN THE STATE OF CALIFORNIA

FRANCHISE DISCLOSURE DOCUMENT

Executive Group of Maintenance Companies, Inc
dba EGM Franchise System
A California Corporation
254 Sperry Ave #8
Patterson, CA 95363
Telephone# 209-892-3421
www egmfranchisesystem com

EGM Sub-Franchise has the right to own and operate a maintenance service company as an EGM Unit-Franchise In addition, selling EGM Unit-Franchises and to provide on-going support to ~~service such~~ Unit-Franchises in your designated territory The total investment necessary to begin operation of an EGM Franchise System Sub-Franchise is $135,675 00 This includes the Initial Franchise Fee of $70,000 00 that must be paid to EGM Franchise System

EGM Unit-Franchise has the right to own and operate maintenance service company The total investment necessary to begin operation of an EGM Franchise System Unit-Franchise is $25,000 00 This includes the Initial Franchise Fee of $17,000 00 that must be paid to the EGM or Sub-Franchisor ~~or affiliate~~

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English Read this disclosure document and all accompanying agreements carefully You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale **Note, however, that no governmental agency has verified the information contained in this document**

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

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

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

These Franchises have been registered under the Franchise Investment Law of the State of California Such registration does not constitute approval, recommendation, or endorsement by the Commissioner of Corporations nor a finding by the Commissioner that the information provided herein is true, complete and not misleading

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 disclosure document

REGISTRATION OF THIS FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND STATE ADMINISTRATORS LISTED ON EXHIBIT A.

Fiscal year for this Corporation ends on December 31st, and the registration will end 110 days thereafter, on April 20th

Issuance Date April 20, ~~2019~~ 2020

The Franchise Disclosure Document

The franchisor is Executive Group of Maintenance Companies, Inc. To simplify the language in this disclosure document, the words "we", "us", or "EGM" refer to Executive Group of Maintenance Companies, Inc. "You" means the person or entity who buys a Sub-Franchise or Unit Franchise. If you are a corporation, partnership, limited liability company or other business entity, "you" may also include your owners where indicated. To fully understand all of your and our rights and obligations to each other, you must carefully review the actual agreements you will sign. These agreements control if there is any dispute between you and us.

Item 1. The Franchisor, and any Parents, Predecessors, and Affiliates

~~Executive Group of Maintenance Companies Inc., dba~~ We are a California corporation, organized on October 25, 1988. We do business under the name "EGM Franchise System ~~with our~~" and under the name "EGM" and associated trademarks, service marks and logos. Our principal business address ~~as PO~~is P.O. Box 141, Patterson, CA 95363. Our agent for service of process is James Downing, 254 Sperry Avenue, #8, Patterson, CA 95363.

~~We have no parents, predecessors.~~

~~Executive Group of Maintenance Companies Inc., dba EGM Franchise System~~

We have no parents or predecessors. We began offering franchised businesses in California in 1988. We do not currently operate any Unit Franchises. T&J Services, an affiliated company, operates a Unit Franchise. We do not have any other lines of business and we do not offer franchises in any other lines of business.

In 1989 and 1990 EGM sold two Sub-Franchisor Agreements. These Agreements were later rescinded by the purchasers and at the present time EGM has no Sub-Franchisor Agreements in existence.

~~James Downing is EGM's agent for service of process with the principal business address at 254 Sperry Avenue #8, P.O. Box 141, Patterson, CA 95363~~

~~EGM is a Corporation in California, incorporated on October 25, 1988~~

~~EGM~~. We offer franchises under the ~~right~~EGM trademarks to ~~own and~~ operate a maintenance ~~janitorial~~ service ~~company~~companies relating to the maintenance, repair, ~~service~~services and improvement ~~of interior~~for the interiors and ~~exterior~~exteriors of commercial buildings and properties. A more complete listing of the types of services operating through

EGM is set forth in the attachment Exhibit "C"."

~~EGM has selected a~~We offer ~~two-step program with its~~ types of franchise ~~operations~~agreements

A) ~~A) A Sub-Franchisor~~Franchise Agreement,~~-~~ Under a Sub-Franchise Agreement, you may operate your own maintenance ~~a carpet cleaning janitorial service~~ company ~~under~~within your ~~EGM~~territory In addition, you may offer, sell and service Unit-~~Franchise~~Franchises within your territory ~~In addition, you as a Sub-Franchisor may also extend your business to the sale of Unit-Franchises and to the supporting servicing of such~~

B) Unit-Franchise Agreement- Under a Unit-~~Franchises in your designated territory~~ ~~B) A Unit~~-Franchise Agreement,~~-~~ you may ~~act as an independently owned and operated service~~own and operate your own maintenance company ~~in the type of service that you select, such as window washing service~~ within your territory

The general market for the franchise services is ~~for~~ commercial ~~accounts~~ business and properties The commercial market is always developing ~~The services or goods will be sold to the commercial market Some~~Maintenance services are ~~recurring year round, while others are seasonal~~ generally not seasonal although some of the services you may offer may be seasonal

Your competitors include similar maintenance service companies, large and small, throughout the selected franchise area

Item 2 Business Experience

~~Founder~~
Director and President – James H Downing

James Downing is President and the founding member of EGM and the franchise system and has been its President since inception in 1988 From 1971 to 1979 he served as President of a large janitorial maintenance corporation Thereafter from 1979 to 1983 he served as a real estate agent for Century 21 Realtors From 1984 to 1988 he was the President and General Manager of a large janitorial corporation operating in Stanislaus County, California

~~Co-Founder~~Director and Secretary/Treasurer – Tivie J Downing

Tivie Downing is Secretary and has been active in the financial planning of the EGM Franchise System since its inception in 1988 Her prior employment included services as a bookkeeper, with related services for Beneficial Financial Corporation from 1976 to 1984 From 1985 to present Tivie and Jim Downing owns and operates their own bookkeeping &

maintenance service company under the trade name "T&J Services" T&J Services is an EGM Unit-Franchise

Franchise Broker – Rodger Tyler

Rodger Tyler has been an owner and operator of an EGM Franchisee since April 3, 2000, in the Turlock area Prior to such activities, he was employed at Sears in the Automotive Dept Mr Tyler is an independent broker

Franchise Broker – Dennis Kendall

Dennis Kendall was an owner and operator of an EGM Franchisee in the early 1990's He left EGM for other opportunities Dennis is currently an owner and operator of an EGM Franchise He was employed at Covanta Energy as a Control room operator Mr Kendall is an independent broker

Franchise Broker – Kenneth E Yorks

Kenneth E Yorks has been an owner and operator of an EGM Franchisee since April 08, 2004 Prior to such activities, he was employed at Albertson's Market as the Meat Manager Mr Yorks is an independent broker

Item 3 Litigation

~~No litigation to report~~

~~Item 4 Bankruptcy~~

No litigation is required to be disclosed in this disclosure document Neither us nor any person listed in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U S C A 78a et seq , suspending or expelling such persons from membership in that association or exchange

Item 4 Bankruptcy

No bankruptcy information is required to be disclosed in this disclosure document

Item 5 Initial Fees

~~You~~

For a Sub-Franchise, you will pay an initial franchise fee of $70,000 00 ~~for a Sub-Franchisor Agreement under the EGM Franchise System~~ This fee covers the original ten-year term (Sub-Franchisor Agreement, paragraph 2 7~~)~~) The payment of this amount will be deferred until EGM has fulfilled its initial opening obligations and your Sub-Franchisor business is open Fees paid to EGM are non-refundable

~~You~~For a Unit Franchise, you will pay an initial franchise fee ~~as a Unit Franchise under the EGM Franchise System~~ of $17,000 00 to the Franchisor The payment of this amount will be deferred until EGM or the Sub-Franchisor has fulfilled its pre-opening obligations and your Franchise is open for business This covers the original six-year term Fees paid to EGM are non-refundable

Item 6 Other Fees

~~Item 6 Table~~

OTHER FEES - Sub-Franchisor

Type of fee	Amount	Due Date	Remarks
Service Fee on work done by Sub-Franchisor (*1)(*2)	10% of gross revenue	Payable weekly as received directly from EGM Billing Trust	Gross sales include all revenue excluding sales tax
Activation Fee	Variable	Upon activation	
~~Franchising~~Initial Franchise Fees Collected from Sub-Franchises	50% of all fees	Payable from escrow	
~~Service~~Franchise Fees collected from Sub-Franchises (*1)	50% of gross revenue from Franchises	Payable weekly as received directly from EGM Billing Trust (50% of the 10% Franchise Fee from Gross Revenue	
Transfer	$5,000 00 on voluntary transfer	Upon transfer	Family change of ownership excluded
Renewal	$1,000 00 for each renewal year	Upon renewal	Renewal beyond initial ten (10) year
Local Advertising (*3)	1% of gross revenue	Payable weekly as received Payable to Advertising account directly from EGM Billing Trust	Advertising controlled by Committee of Franchises & Sub-Franchisor
EGM Advertising	1% of gross revenue	Payable weekly as received Payable to Advertising account directly from EGM Billing Trust	Advertising controlled by Committee of Franchises & Sub-Franchisor
Billing	4% of gross revenue	Payable weekly as funds received directly from EGM Billing Trust	Centralized billing for all Franchises
State Renewal Filing Fee	$450 00	Payable One(1) time per year	For franchise renewal
Costs of Enforcement	All costs including attorney's fees	Upon Demand	You must reimburse us for all costs for enforcement if we prevail
Indemnification	All costs including attorney's fees	Upon Demand	You must defend lawsuits at your cost and hold us harmless against lawsuits arising from your operation of the franchised business

- Note (*1) A combined minimum monthly ~~service fee~~Service Fee and Franchise Fees collected from Sub-Franchise of $500 00 applies to the second year, $1,000 00 for the third year, $2,000 00 for the fourth year and $3,000 00 monthly thereafter
- Note (*2) No service fees are payable on service contracts held by you before joining EGM
- Note (*3) Advertising is administered by a committee of Franchises and Sub-Franchisor, see paragraph 11 16 of this Circular

OTHER FEES - Unit-Franchise

Type of fee	Amount	Due Date	Remarks
Service (*2)	10% of gross revenue	Payable weekly as received directly from EGM Billing Trust	Gross sales include all revenue excluding sales tax
Activation Fee on Service Contracts	Variable	Upon activation	
Renewal	$1,200 00 for each renewal year	Upon renewal	Renewal beyond initial six (6) years
Local Advertising	1% of gross revenue	Payable weekly as received Payable to Advertising account directly from EGM Billing Trust	Advertising controlled by Committee of Franchisees & Franchisor
EGM Advertising	1% of gross revenue	Payable weekly as received Payable to Advertising account directly from EGM Billing Trust	Advertising controlled by Committee of Franchisees & Franchisor
Billing	4% of gross revenue	Payable weekly as funds received directly from EGM Billing Trust	Centralized billing for all franchises
Costs of Enforcement	All costs including attorney's fees	Upon Demand	You must reimburse us for all costs of enforcement if we prevail
Indemnification	All costs including attorney's fees	Upon Demand	You must defend lawsuits at your cost and hold us harmless against lawsuits arising from your operation of the franchised business

- Note (*2) No service fees are payable on service contracts held before joining EGM Franchise System
- Note (*3) All fees are paid directly from Billing Trust

Item 7 Estimated Initial Investment

Item 7 Table

YOUR ESTIMATED INITIAL INVESTMENT - Sub-Franchisor

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial Sub-Franchise Fee	70,000 00	Cash	Upon establishing your business	EGM

Stationary, Office supplies, etc	3,000 00 to 3,500 00	Cash	Prior to opening	Various suppliers
Computer & Software	10,000 00 to 13,000 00	Cash	Prior to opening	Various suppliers
Office equipment and furniture (*1)	5,000 00 to 12,000 00	Cash	Prior to opening	Various suppliers
Real property lease (*2)	500 00 to 2,000 00	Cash	Signing of lease	Landlord
Advertising and promotional materials	1,000 00 to 2,000 00	Cash	Prior to opening	Various suppliers
Janitorial/Carpet supplies/equipment	10,000 00 to 20,000 00	Cash	Prior to opening	Various suppliers
Uniforms and special clothing	250 00 to 500 00	Cash	Prior to opening	Various suppliers
Insurance	500 00 to 1,000 00	Cash	Prior to opening	Insurance Agent
Legal and Accounting	250 00 to 1,000 00	Cash	Prior to opening	Attorney and Accountant
Estimated working capital (*3)	10,000 00	Cash	Prior to opening	Self
State Initial Filing Fee	675 00	Cash	Prior to opening	California Dept of ~~Corp~~Business Oversite
Estimated Total of costs and investment	102,175 00 to 135,675 00			

- NOTE (*1) These estimates are based upon the purchase of the ~~properties~~ equipment and furniture Your initial costs may be substantially reduced if the ~~properties are~~ equipment is leased, such as computers
- NOTE (*2) The actual lease cost and tenant improvements will vary depending upon the size of your office, the prevailing lease rates in the area, and whether or not tenant improvements are required
- NOTE (*3) The above projections and estimates of expenses are based upon the development of the franchise according to our initial business plan Since you operate as an independent company, you must use your own judgment as to the amount of working capital in light of its own circumstance
- Fee paid to EGM is non-refundable For all other expenses, see individual supplier for refund policy

YOUR ESTIMATED INITIAL INVESTMENT - Unit-Franchise

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial Franchisee Fee	17,000 00	Cash or 60/40 Plan (*5)	Upon starting franchise	EGM
Stationary, office supplies, computer, etc	500 00 to 1,500 00	Cash	Prior to opening	Various suppliers
Advertising and promotional materials	100 00 to 500 00	Cash	Prior to opening	Various suppliers
Uniform and special clothing	250 00 to 500 00	Cash	Prior to opening	Various suppliers
Insurance	500 00 to 1,000 00	Cash	Prior to opening	Insurance Agent
Legal and Accounting	150 00 to 500 00	Cash	Prior to opening	Various suppliers
Equipment and tools	500 00 to 1,000 00	Cash	Prior to opening	Various suppliers
Estimated working capital (*4)	3,000 00	Cash	Prior to opening	Self
Estimated Total of costs and capital	22,000 00 to 25,000 00			

- NOTE (*4) It is projected that you may be an existing ~~businessmen~~businessperson and ~~hold~~already own your own business equipment, office equipment and place of business You will be an independent

~~businessman~~businessperson, and you must make your own judgment as to the amount of working capital that is needed in light of your own circumstances
- Fee paid to EGM is non-refundable For all other expenses, see individual supplier for refund options
- NOTE (*5) See Item 10 for further details

Item 8 Restrictions on Sources of Products and Services

We will periodically publish a list of suggested sources of supplies and services or specifications for supplies and services for use You may suggest suppliers and if they meet the standards set forth in the operating manuals provided to you, such suppliers will be added to the published list We do not require you to purchase or lease any goods, services, supplies, fixtures, equipment or inventory related to your franchise business from us You may acquire goods and services such as promotional materials, accounting records, forms and reports from any source, which meets our standards and specifications for uniformity and purpose We may offer goods or supplies for sale and derive some income from such sales, but you are free to make your own purchase transactions

If a franchise uses a product not on our recommend list, they are required to send EGM the SMS Data sheet, specifications of the product and supplier's information EGM will review the alternative product and respond back to the franchise within a reasonable amount of time If accepted, the product/supplier will be added to the list

Item 9 Franchisee's Obligations

Item 9 Table

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 in this Disclosure Document

Sub-Franchisor

Obligation	Section in agreement	Disclosure document item
a Site selection and acquisition/lease	3 1	12
b Pre-opening purchase/lease	3 3	7
c Site development and other pre-opening requirements	3 3	7
d Initial and ongoing training	3 4 & 3 5	11
e Opening	3 4	11
f Fees	2 7 to 2 12	5, 6, 7
g Compliance with standards and policies/operating manual	5 2	11
h Trademarks and proprietary information	4 & 4 2	13
i Restrictions on products/services offered	5 1	16
j Warranty and customer service requirements	Not Applicable	
k Territorial development and sales quotas	4 5	12

l Ongoing product/service purchases	Not Applicable	
m Maintenance, appearance and remodeling requirements	Not Applicable	
n Insurance	7	7
o Advertising	2 11 & 2 12	11
p Indemnification	7	15
q Owner's participation/management/staffing	9 2	15
r Records and reports	8	6
s Inspections and audits	8	6
t Transfer	10	17
u Renewal	2 6	17
v Post-termination obligations	11 2	17
w Non-competition covenants	4 2	17
x Dispute resolution	14	17
y Other (describe)	Not applicable	

FRANCHISEE'S OBLIGATIONS
Unit-Franchise

Obligation	Section in agreement	Disclosure document item
a Site selection and acquisition/lease	2 2	12
b Pre-opening purchase/lease	3 2	7
c Site development and other pre-opening requirements	3 2	7
d Initial and ongoing training	3 3	11
e Opening	3 3	11
f Fees	2 7 to 2 11	5, 6, 7
g Compliance with standards and policies/operating manual	4 3	11
h Trademarks and proprietary information	4 2	13
i Restrictions on products/services offered	3 5	16
j Warranty and customer service requirements	Not Applicable	Not Applicable
k Territorial development and sales quotas	Not Applicable	12
l Ongoing product/service purchases	Not Applicable	Not Applicable
m Maintenance, appearance and remodeling requirements	Not Applicable	Not Applicable
n Insurance	7	15
o Advertising	2 9 & 2 10	11
p Indemnification	7	15
q Owner's participation/management/staffing	9 2	15
r Records and reports	8	6
s Inspections and audits	8	6
t Transfer	10	17
u Renewal	2 6	17
v Post-termination obligations	11 2	17
w Non-competition covenants	4 2	17
x Dispute resolution	14	17
y Other (describe)	Not Applicable	Not Applicable

~~Item~~ tem 10 Financing

~~Generally, EGM does~~ We do not offer direct or indirect financing~~. However,~~ for ~~current employees of EGM & persons wishing to purchase an EGM Unit Franchise, EGM does~~Sub-Franchisors We do offer financing for the initial Franchise Fee for Unit Franchises (See Exhibit F~~) EGM does not guarantee your note, lease or other obligations concerning~~)

SUMMARY OF FINANCING OFFERED

Item Financed	Source of Financing	Down Payment	Amount financed	Term (Yrs)	Interest Rate	Monthly Payment	Prepay Penalty	Security Required	Liability upon default	Loss of Legal Right on Default
Initial Fee (See Item 5)	EGM	$500 00	$16 500 0 0	Depends	0%	25% of your monthly receipts	None	None	None	None

Notes If you choose to finance the Initial Franchise Fee for a Unit Franchise, EGM will deduct 25% of your ~~franchise operations~~ receipts from the Billing Trust until the full amount of $16,500 00 has been deducted You are free to pay off this amount at any time without penalty

Item 11 Franchisor's Assistance, Advertising, Computer System and Training

Except as listed below, EGM is not required to provide you with any assistance

After written agreement for purchase of your franchise and BEFORE YOU OPEN FOR BUSINESS, EGM will

~~1~~ PRE-OPENING OBLIGATIONS

Sub-Franchisor

Under the Sub-Franchisor Agreement, EGM and the ~~prospective Franchise~~Sub-Franchisor will mutually select and determine the ~~non-exclusive territory~~Territory for the contract ~~The Franchise's business~~It is estimated that it will take a week or two for Sub-Franchisor to open its own maintenance company It may ~~require four (4) weeks or longer~~be several months before ~~it can be opened to~~ Sub-Franchisor will be able to sell Unit Franchises because of the ~~public~~ need to be registered with the State EGM will provide you with aid and assistance in the location and establishment of your principal office and the delivery of business records forms and furniture as may be needed (Sub-Franchisor Agreement paragraph 3 3)

~~EGM~~We generally ~~does~~do not own ~~the premise and~~/your premises or ~~leases~~lease to the ~~franchise~~franchises The principal office is selected by mutual agreement Normally the space is in an industrial or commercial area, rent/lease must be equitable Franchise should obtain a site within 6 months of opening, a 1-year lease with a 5 term rollover ~~option If it is not agreed upon, the franchise has 6 more months~~ options EGM only provides the names of approved suppliers EGM does not provide written specifications of items EGM does not deliver or install items

EGM will assist you in sales of Unit-Franchise Agreements (Sub-Franchisor Agreement paragraph 3 5)

We will provide you with Territory Manuals detailing your suggested business operation under the EGM Franchise System (Sub-Franchisor Agreement paragraph 5 1.)

We will provide you with EGM Franchise System Manuals of "EGM Franchise System

Guidelines" regarding operations of all franchises under the franchise system (Sub-Franchisor Agreement paragraph 5 1 and 4 3)

We provide training in the processes and procedures used in the EGM Franchise System We do not provide training in how to perform the maintenance, janitorial and other services offered through the EGM System EGM may refer you to third party vendors who offer training and certifications in various fields (Sub-Franchisor Agreement paragraph 3 6)

TRAINING PROGRAM - Sub-Franchisor

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Operation of Franchise System	2		EGM Corp Office
Advertising	1		EGM Corp Office
Account Generation	1		EGM Corp Office
Billing	1		EGM Corp Office
EGM Franchise System Software	2		EGM Corp Office
Bookkeeping	2		EGM Corp Office
Franchise System Management	1		EGM Corp Office
Unit Franchise Generation	2		EGM Corp Office
Training for Operation of Unit Franchise	6		EGM Corp Office

All training is conducted by James Downing and Tivie Downing who have over 30 years' of experience in operating a maintenance franchise business EGM does not provide training for maintenance, cleaning and other services offered by EGM Franchises EGM can provide you with the names of outside vendors who provide training and certifications in these areas

Unit Franchise

Under the Unit-Franchise Agreement, EGM and ~~a prospective Unit-Franchisee~~you will mutually determine the type of service business to be conducted and the non-exclusive area for such service business before the Unit-Franchise Agreement is signed Typically, a Unit-Franchisee opens the new business within one (1) week after signing a Unit-Franchise Agreement

~~2 Under the Sub-Franchisor Agreement, Join with you in mutual selection of your designated territory (Sub-Franchisor Agreement paragraph 3 3) The typical length of time to open business after signing the franchise agreement is 30 days Delays would be from not~~

~~having proper insurance coverage, local licenses or State License to sell franchises Under the Unit-Franchise Agreement,~~ We will Recommend and assist the Unit -Franchisee in the delivery of business records, office forms, employee uniforms, office furniture and equipment as may be needed (Franchisee Agreement, paragraph 3 2)

~~3 Under the Sub-Franchisor Agreement, Assist~~Attached hereto as Exhibit "F" is a Table of Contents of the Franchise Operating Manual provided to participants of the EGM Franchise System

~~you in sales of Unit-Franchise Agreements (Sub-Franchisor Agreement paragraph 3 5)~~

~~Provide~~**TRAINING PROGRAM - Unit-Franchise**

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Operation of Franchise System	75		EGM Corp Office
Advertising	75		EGM Corp Office
Account Generation	1		EGM Corp Office
Billing	75		EGM Corp Office
EGM System Software	1		EGM Corp Office
Bookkeeping	1		EGM Corp Office
Franchise System Management	75		EGM Corp Office

All training is conducted by James Downing and Tivie Downing who have over 30 years' experience in the operation of a maintenance company EGM does not provide training for maintenance, cleaning and other services offered by EGM Franchises EGM can provide you with the names of outside vendors who provide training and certifications in these areas

POST OPENING OBLIGATIONS

Sub-Franchisor

We permit ~~you with Territory Manuals detailing your suggested business operation under the EGM Franchise System (Sub-Franchisor Agreement paragraph 5 1,)~~

~~Provide you with EGM Franchise System Manuals of "EGM Franchise System Guidelines" regarding operations of all franchises under the franchise system (Sub-Franchisor Agreement paragraph 5 1 and 4 3)~~

~~Permit~~ you to use the EGM Franchise System name and EGM Trademarks in the operation of your business (Sub-Franchisor Agreement paragraph 2 1)

~~Under the Unit-Franchise~~We will provide you with changes in EGM Franchise System Manuals and Guidelines to meet changing business conditions and governmental regulations as

they arise (Sub-Franchisor Agreement, ~~Attached hereto is a Table of Contents of the~~ paragraph 5 1 and 4 3)

We will provide the Sub-Franchisor with EGM Franchise ~~Operating Manual provided to participants~~System Manuals for operation of the EGM Franchise System Guidelines on the EGM Website (Unit-Franchise Agreement, paragraph 5 1 and 4 3)

~~(Exhibit F)~~

~~Permit~~We will provide advice and consultation services to you These will include telephone consultation and advice in accordance with Operating Manual delivered to you, as such Operating Manuals may be amended from time to time If you request any advice or consultation service which requires us to make any of our staff present at the Franchised Business, we will charge to provide such service at the per diem cost set forth in the then-current Operating Manuals plus expenses (Sub-Franchisor Agreement- paragraph 3 9)

We will provide periodic individual and group advice, consultation and assistance, rendered by personal visit or telephone, or by newsletters or bulletins made available from time to time to all of our franchisees, as we may deem necessary or appropriate (Sub-Franchisor Agreement- paragraph 3 9)

We will make available to you from time to time advertising materials we prepare for use by our franchisees generally You may use such materials in any local advertising You will pay for all associated costs (Sub-Franchisor Agreement- paragraph 3 9)

We will make available to you from time to time all improvements and additions to the Franchise System to the same extent and in the same manner as they are made available to EGM franchisees generally (Franchise Agreement- Paragraph 3 9)

Unit Franchise

We will provide the Unit-Franchise with EGM Franchise System Manuals for operation of the EGM Franchise System Guidelines on the EGM Website (Unit-Franchise Agreement, paragraph 5 1 and 4 3)

We permit you to use the EGM Franchise System name and EGM Trademarks for the operation of your business (Unit-Franchise -Agreement, paragraph 2 0)

~~4 Under the Sub-Franchisor Agreement, EGM will join with you to establish an advertising program A local advertising program is established for the benefits of Franchises in a local area, such as Modesto area or San Jose area~~

~~Under the Unit-Franchise Agreement, A local advertising program is established for the~~

~~benefits of Franchisees in a local area, such as Modesto area or San Jose area.~~

~~A regional advertising program is established as EGM.~~ We will provide advice and consultation services to you. These will include telephone consultation and advice in accordance with Operating Manual delivered to you, as such Operating Manuals may be amended from time to time. If you request any advice or consultation service which requires us to make any of our staff present at the Franchised Business, we will charge to provide such service at the per diem cost set forth in the then-current Operating Manuals plus expenses. (Unit-Franchise Agreement- paragraph 3.6.)

We will provide periodic individual and group advice, consultation and assistance, rendered by personal visit or telephone, or by newsletters or bulletins made available from time to time to all of our franchisees, as we may deem necessary or appropriate. (Unit-Franchise Agreement- paragraph 3.6.)

We will make available to you from time to time advertising materials we prepare for use by our franchisees generally. You may use such materials in any local advertising. You will pay for all associated costs. (Unit Franchise Agreement- paragraph 3.6.)

We will make available to you from time to time all improvements and additions to the Franchise System ~~advertising for regional advertising throughout Northern California. Once your franchise service begins, you~~ to the same extent and in the same manner as they are made available to EGM franchisees generally. (Franchise Agreement- Paragraph 3.6.)

ADVERTISING AND MARKETING

Local Advertising Fund

Both Sub-Franchisors and Unit Franchises must participate in ~~the advertising program (a~~ Local Advertising Fund). Local Advertising Funds benefit Sub-Franchisors and Unit Franchisees in relatively small geographical area such as the Modesto or San Jose metropolitan area. Sub-Franchisors and Unit Franchisees must contribute one percent (1%) of their gross revenues to the Local Advertising Fund. (Sub-Franchisor Agreement, paragraphs 2.10, Unit ~~Sub-Franchisor Agreement, paragraph 2.11 & 2.12 and Unit-~~Franchise Agreement, paragraph 2.9~~, for Regional Advertising and~~.)

A committee will determine how the Local Advertising~~)~~ Funds are to be spent. The Sub-Franchisors will select at least one (1) member to the Regional Advertising Committee annually or more frequently as may be necessary and EGM will appoint two (2) members to the Regional Advertising Committee. All advertising fees (see Item 8 of this Circular) are held in an

independent fund separate from other funds of EGM The committee members by majority decision will determine the nature and type of advertising to be undertaken for the benefit of the Franchises and the Franchise System EGM receives no payment from the advertising funds The advertising funds are used to promote the EGM Franchise System locally and regionally and are not used to sell additional franchises by EGM As of the close of fiscal year 2019, the Local Advertising Funds were spent thirty-five percent for yellow page/advertising, six percent for promotional to franchises, thirty-seven percent for office, such as postage, printing and phone, seven percent for computer/software/video, and fifteen percent membership/subscription Annual statements of how the funds are expended are available to all franchisees upon request

~~5~~ Systemwide Advertising Fund

Both Sub-Franchisors and Unit Franchises must also participate in a Systemwide Advertising Fund System Wide Advertising Funds benefit the entire EGM franchise system Sub-Franchisors and Unit Franchisees must contribute one percent (1%) of their gross revenues to the Systemwide Advertising Fund (Sub-Franchisor Agreement, paragraphs 2 11, Unit Franchise Agreement, paragraph 2 9, Unit Franchise Agreement, paragraph 2 10)

A committee will determine how the Systemwide Advertising Funds are to be spent The Sub-Franchisors will select at least one (1) member to the Regional Advertising Committee annually or more frequently as may be necessary and EGM will appoint two (2) members to the Regional Advertising Committee All advertising fees (see Item 8 of this Circular) are held in an independent fund separate from other funds of EGM The committee members by majority decision will determine the nature and type of advertising to be undertaken for the benefit of the Franchises and the Franchise System EGM receives no payment from the advertising funds The advertising funds are used to promote the EGM Franchise System locally and regionally and are not used to sell additional franchises by EGM

~~EGM will maintain an account billing service for all of their Sub-Franchisors and Unit-Franchisees With the use of the computer software under the EGM NETWORK INFORMATION all Franchise billings to clients and customers will be administered and funds will be disbursed weekly as funds are received EGM will retain four per cent (4%) of the funds so collected to cover the costs of administering the account billing service, disbursed directly from the EGM billing account weekly Franchise is required to have access to the Internet (Sub-Franchisor Agreement, paragraph 6 1 and Unit-Franchise Agreement, paragraph 8 0)~~

~~6 Provide the Sub-Franchisor with changes in EGM Franchise System Manuals and Guidelines to meet changing business conditions and governmental regulations as they arise~~

~~(Sub-Franchisor Agreement paragraph 5 1 and 4 3)~~

~~Provide the Unit-Franchise with EGM Franchise System Manuals for operation of the EGM Franchise System Guidelines on the EGM Website (Unit-Franchise Agreement, paragraph 5 1 and 4 3)~~

~~7 Provide training in the processes and procedures used in the EGM Franchise System EGM does not provide training in how to perform the janitorial and other services offered through the EGM System EGM may refer you to third party vendors who offer training and certifications in various fields (Sub-Franchisor Agreement paragraph 3 6)~~

~~Provide Unit-Franchise with training and instruction on a person-to-person basis at EGM office for ninety (90) days after business has commenced or as you may request (Unit-Franchise Agreement, paragraph 3 3)~~

The advertising funds are administered by EGM's accounting personnel at the direction of the Advertising Committee Annual financial statements of the advertising funds are available to any Franchise upon request During the latest fiscal year ending December 31, ~~2018~~ 2019, the Advertising Committee received funds for regional and local advertising The regional advertising funds were spent ~~twenty-five~~ two percent for the website/Computer/Software, ~~thirty-eight~~ fifty-six percent for Tele/Fax Marketing, ~~twenty-nine~~ thirty-two percent for franchise promotional, ~~two~~ three percent for office/postage/delivery, and ~~six~~ seven percent for bank service charge ~~The local advertising funds were spent twenty-two percent for yellow page/advertising, five percent for promotional to franchises, thirty-seven percent for office, such as postage, printing and phone, thirty percent for computer/software/video, and six percent membership/subscription~~

Your contribution to local advertising and regional advertising is described in item 6 of this Disclosure Document under the heading "Advertising Fees and Expenses" The Advertising Committee is governed generally by the Franchise Manual, but acts independently in the determination of the type and nature of advertising and the allocation of funds to be expended for types of advertising You may develop advertising material for your own use at your own costs EGM must approve the advertising material that you plan to use individually

~~Company~~We do not have any company owned franchises ~~do contribute to the Local and Regional Advertising funds~~

~~_____~~ At the present time EGM has issued no Sub-Franchisor Agreements

Computer Equipment and Billing System

Sub-Franchisees and Unit Franchisees must have a computer and access to the internet for the operation of their franchise business You will have access to the EGM Network and software at no additional cost EGM recommends that you use accounting software such as Quikbooks for the financial accounting for your business but it is not required

EGM will maintain an account billing service for all of their Sub-Franchisors and Unit-Franchisees With the use of the computer software under the EGM NETWORK INFORMATION all Franchise billings to clients and customers will be administered and funds will be disbursed weekly as funds are received EGM will retain four per cent (4%) of the funds so collected to cover the costs of administering the account billing service, disbursed directly from the EGM billing account weekly ~~Item 11 Table~~

~~**TRAINING PROGRAM - Sub-Franchisor**~~

~~Subject~~	~~Hours of Classroom Training~~	~~Hours of On-The-Job Training~~	~~Location~~
~~Related Services~~	~~10 *We are not training on the services~~		~~In the field~~
~~Franchise Manual~~	~~4~~		~~EGM Office~~

~~**TRAINING PROGRAM - Unit-Franchise**~~

~~Subject~~	~~Hours of Classroom Training~~	~~Hours of On-The-Job Training~~	~~Location~~
~~Related Janitorial~~	~~4 *We are not training on th services~~		~~At location~~
~~Franchise Manual~~	~~4~~		~~EGM Office~~

(Sub-Franchisor Agreement, paragraph 6 1 and Unit-Franchise Agreement, paragraph 8 0)

Item 12 Territory

Sub-Franchisor Under the Sub-Franchisor Agreement, you will receive ~~a non-~~an exclusive territory based upon geographic and population criteria which we mutually agree upon You must have your principal business office within your territory ~~You~~We will not ~~receive an exclusive~~sell other Sub-Franchises or Unit Franchises within your territory ~~You may face competition from other franchises, from outlets that we own, or from other channel of distribution or competitive brands that we control~~

You maintain your rights under the Sub-Franchisor Agreement for the entire ten (10) year term There is no gross volume quota required of you for the first year We ask that you sell and

establish five (5) new Unit-Franchises each year

During the second and succeeding years there is a minimum monthly service fee of $500 00 monthly for the second year, $1,000 00 monthly for the third year, $2,000 00 monthly for the fourth year and $3,000 00 monthly thereafter (Sub-Franchisor Agreement paragraph 2 8)

Unit Franchise As a Unit-Franchise you will receive a general designated territory for your business operations, but it is not an exclusive territory You will not receive an exclusive territory You may face competition from other franchises, from outlets that we own, or from other channel of distribution or competitive brands that we control We may establish other franchises within such territory There is no minimum sales or gross volume quota required of you

Item 13 Trademarks

The EGM Trademark appears on the cover of this Disclosure Document We grant to you the right to operate your service business under the name EGM Franchise System You may also use any other trademark, service mark, or symbol that we currently use or may use in the future By trademark we mean trade name, trademark, service marks, commercial symbols and logos, which are used to identify your business We ask that you operate your business under the commercial symbol "EACH EGM FRANCHISE COMPANY IS INDEPENDENTLY OWNED AND OPERATED" The EGM ~~trademark has been~~service mark was registered ~~within~~ the ~~U S Patent and Trademark Office We~~State of California on December 6, 1987 We also hold the common law right to use the EGM Service Mark in California~~, which was registered on December 6, 1987~~

We do not have a federal registration for our principal trademark Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses

You must follow our rules when you use our trademark You cannot use the name or trademark as part of a corporate name or with modifying words, designs or symbols, except for those in which we license you You may not use the EGM Franchise System name in connection with a sale of any unauthorized product or service, or in any manner not authorized in writing by EGM

There are no agreements limiting our right to use, or license to use, the EGM trademark You must notify us immediately if you learn of any infringement or challenge to our trademark EGM has a direct obligation to you to protect any and all rights held under the EGM trademark and the EGM Franchise System of franchising

EGM does not know of any infringing use that could materially affect your use of the EGM

trademark

Item 14 Patents, Copyrights, and Proprietary Information

~~There are trademarks and copyrights that are material to the franchise operation. The registered Service Mark is an essential part of the franchise system.~~

You do not receive the right to use an item covered by a patent or copyright, but you can use the proprietary information contained in our operating manuals. The operating manuals are described in Item 11. Although we have not filed an application for a copyright registration for the operating manuals, we claim a copyright and the information is proprietary. Item 11 describes limitations on the use of this manual by you and your employees. You must promptly tell us when you learn about unauthorized use of this proprietary information. We are not obligated to take any action but will respond to this information as we think appropriate.

We permit you to use other trade secret information. This information may include customer lists, pricing information, product catalogs, sources of products, policy manuals, sales promotion aids, business forms, accounting procedures, marketing reports, distribution systems, informational bulletins and inventory systems. You must also maintain the confidentiality of this information.

Item 15 Obligation to Participate in the Actual Operation of the Franchise Business

If you are an individual you are required to actively and personally participate in the management and operation of your franchise business, under the Sub-Franchisor Agreement and the Unit-Franchise Agreement. If you operate as a partnership or as a corporation, each partner or shareholder holding fifteen percent (15%) or more of the voting control of your partnership or corporation must actively participate.

You are responsible for your own business debts and obligations and you must hold EGM harmless from your responsibilities.

Item 16 Restrictions on What the Franchisee May Sell

EGM requires you as a purchaser of a Sub-Franchise to actively conduct a ~~carpet cleaning janitorial~~maintenance business in your mutually selected territory. You are free to select the sources of goods and supplies used in performing the janitorial services as outlined in ~~paragraph~~Item 8 of this Disclosure Document.

After signing the EGM Sub-Franchisor Agreement, you may sell Unit-Franchises in your territory to provide related ~~janitorial~~maintenance services~~, which we commonly call Unit-Franchise~~

Agreement As you proceed with the sale of Unit-Franchises and operate in that fashion, you must follow the guidelines set forth in the operating manuals, which we use for all Franchises

EGM requires you as a purchaser of a Unit-Franchise Agreement to provide the type of related janitorial service, which you have chosen in your territory You are not permitted to provide other maintenance services, which are outside of the type that you have selected

The related maintenance services applicable to the EGM Franchise System are shown on Exhibit C of this Disclosure Document

Item 17 Renewal, Termination, Transfer, and Dispute Resolution

Item 17 Table

THE FRANCHISE RELATIONSHIP

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

Sub-Franchisor

Provision	Section in franchise or other agreement	Summary
a Length of the franchise term	2 6	10 year term
b Renewal or extension of the term	2 6	10 year term
c Requirements for franchisee to renew or extend	2 6	Written notice to EGM and a renewal payment
d Termination by franchisee	Not Applicable	Termination by You at any time or on mutual agreement
e Termination by EGM without cause	11 1	EGM may not terminate without cause
f Termination by EGM with cause	11 1	EGM may terminate for material or incurable breach
g "Cause" defined – curable defaults	11 1 3	Defaults of money obligations may be cured
h "Cause" defined – non-curable defaults	11 0	Material breaches or destruction of franchise relationship
i Franchisee's obligations on termination/non-renewal	11 2	Return all manuals and EGM property Assign all Sub-Franchise contracts held Assign all customer contracts originating as a franchise Make a final accounting Cease business under EGM Franchise System
j Assignment of contract by EGM	Not Applicable	No restrictions on assignment by EGM
k "Transfer" by franchisee – defined	10 2	Includes transfer of contract or assets or ownership changes
l EGM approval of transfer by franchisee	10 3	EGM has the right to approve all transfers, but will not reasonably withhold approval
m Conditions for EGM approval of transfer	10 3	Transfer fee paid, new franchisee agreement signed
n EGM's right of first refusal to acquire franchisee's business	Not Applicable	
o EGM's option to purchase franchisee's business	Not Applicable	
p Death or disability of franchisee	10 4	Transfer to Family permitted

w Choice of law	14	California Law applies EGM does not conduct business outside the state

NOTE The California Franchise Relations Act, Business and Professional code, section 20,000 through 20,043 provide certain rights to Franchisees, including (1) limitations on a Franchisor's ability to terminate a Franchise except for good cause, (2) restrictions on a Franchisor's ability to deny renewal of a Franchise, (3) circumstances under which a Franchisor may be required to purchase certain inventory of a Franchisee when the Franchisee is terminated or not renewed in violation of the Statute, and (4) provisions relating to arbitration To the extent that provisions of the Franchise Agreement are inconsistent with the terms of the California Franchise Relations Act, the Act will control

NOTE The Franchise Agreement provides for termination upon bankruptcy These provisions may not be enforceable under Federal Bankruptcy Law (11 U S C A , SEC 101 et seq)

Item 18 Public Figures

EGM does not use any public figures to promote its franchise system

Item 19 Financial Performance Representations

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document Financial performance information that differs from that included in Item 19 may be given only if (1) a franchisor provides the actual records of an existing outlet you are considering buying, or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances

We do not make any representations about a franchise's future financial performance or the past financial performance of company-owned or franchised outlets We also do not authorize our employees or representatives to make any such representations either orally or in writing If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet If you receive any other financial performance information or projections of your future income, you should report it to the franchisor management by contacting EGM Franchise System, PO Box 141, Patterson, CA 95363, 209-892-3421, the Federal Trade Commission, and the appropriate state regulatory agencies

Item 20 Outlets and Franchisee Information

Table No 1

System wide Outlet Summary
For Years ~~2016 – 2018~~ 2017 to 2019 – Sub-Franchise

	~~Year~~	~~Outlets at the Start of the Year~~	~~Outlets at the End of the Year~~	~~Net Change~~
Franchised	~~2016~~ 2017	0	0	0
	~~2017~~ 2018	0	0	0
	~~2018~~ 2019	0	0	0
Company-Owned	~~2016~~ 2017	0	0	0
	~~2017~~ 2018	0	0	0
	~~2018~~ 2019	0	0	0
Total Outlets	~~2016~~ 2017	0	0	0
	~~2017~~ 2018	0	0	0
	~~2018~~ 2019	0	0	0

For Years ~~2016 to 2018~~ 2017 to 2019 - Unit-Franchise

~~OLD~~ - Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	~~2016~~	33	32	1
	~~2017~~	32	30	2
	~~2018~~	30	29	1
Company-Owned	~~2016~~	0	0	0
	~~2017~~	0	0	0
	~~2018~~	0	0	0
Total Outlets	~~2016~~	33	32	1
	~~2017~~	32	30	2
	~~2018~~	30	29	1

NEW - Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2017	32	30	2
	2018	30	29	1
	2019	29	16	13
Company-Owned	2017	0	0	0
	2018	0	0	0
	2019	0	0	0
Total Outlets	2017	32	30	2
	2018	30	29	1
	2019	29	16	13

Table No 2

Transfers of Outlets from Franchisees to New Owners
For years ~~2016 to 2018~~ 2017 to 2019 – Sub-Franchise

State	Year	Number of Transfers
CA	~~2016~~ 2017	0
	~~2017~~ 2018	0
	~~2018~~ 2019	0
Total	~~2016~~ 2017	0
	~~2017~~ 2018	0
	~~2018~~ 2019	0

For years ~~2016 to 2018~~ 2017 to 2019 – Unit-Franchise

State	Year	Number of Transfers
CA	~~2016~~ 2017	0

	~~2017~~ 2018	0
	~~2018~~ 2019	0
Total	~~2016~~ 2017	0
	~~2017~~ 2018	0
	~~2018~~ 2019	0

Table No 3

Status of Franchised Outlets
For years ~~2016 to 2018~~ 2017 to 2019 – Sub-Franchise

State	Year	Outlets at Start of Year	Outlets Opened	Termina-Tions	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions - Other Reasons	Outlets at End of the Year
CA	~~2016~~ 2017	0	0	0	0	0	0	0
	~~2017~~ 2018	0	0	0	0	0	0	0
	~~2018~~ 2019	0	0	0	0	0	0	0
Total	~~2016~~ 2017	0	0	0	0	0	0	0
	~~2017~~ 2018	0	0	0	0	0	0	0
	~~2018~~ 2019	0	0	0	0	0	0	0

For years ~~2016 to 2018~~ 2017 to 2019 - Unit-Franchise

~~OLD~~ State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions - Other Reasons	Outlets at End of the Year
CA	~~2016~~	~~33~~	~~2~~	~~0~~	~~1~~	~~0~~	~~0~~	~~32~~
	~~2017~~	~~32~~	~~0~~	~~0~~	~~2~~	~~0~~	~~0~~	~~30~~
	~~2018~~	~~30~~	~~0~~	~~0~~	~~1~~	~~0~~	~~0~~	~~29~~
Total	~~2016~~	~~33~~	~~2~~	~~0~~	~~1~~	~~0~~	~~0~~	~~32~~
	~~2017~~	~~32~~	~~0~~	~~0~~	~~2~~	~~0~~	~~0~~	~~30~~
	~~2018~~	~~32~~	~~0~~	~~0~~	~~1~~	~~0~~	~~0~~	~~29~~

NEW State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions - Other Reasons	Outlets at End of the Year
CA	2017	32	0	0	2	0	0	30
	2018	30	0	0	1	0	0	29
	2019	29	0	0	13	0	0	16
Total	2017	32	0	0	2	0	0	30
	2018	30	0	0	1	0	0	29
	2019	29	0	0	13	0	0	16

Table No 4

Status of Company-Owned Outlets
For years ~~2016 to 2018~~ 2017 to 2019 – Sub-Franchise

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
CA	~~2016~~ 2017	0	0	0	0	0	0
	~~2017~~ 2018	0	0	0	0	0	0
	~~2018~~ 2019	0	0	0	0	0	0

Totals	~~2016~~ 2017	0	0	0	0	0	0
	~~2017~~ 2018	0	0	0	0	0	0
	~~2018~~ 2019	0	0	0	0	0	0

For years ~~2016 to 2018~~ 2017 to 2019 - Unit-Franchise

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
CA	~~2016~~ 2017	0	0	0	0	0	0
	~~2017~~ 2018	0	0	0	0	0	0
	~~2018~~ 2019	0	0	0	0	0	0
Totals	~~2016~~ 2017	0	0	0	0	0	0
	~~2017~~ 2018	0	0	0	0	0	0
	~~2018~~ 2019	0	0	0	0	0	0

Table No 5

Projected Openings As Of December 31, ~~2018~~ 2019 -Sub-Franchise

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
CA	0	0	0
Total	0	0	0

Projected Openings As Of December 31, 2018 2019 – Unit-Franchise

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
CA	0	2	0
Total	0	2	0

NOTE EGM has had no Sub-Franchisor Contracts in existence for the three years All Unit-Franchise Contracts have direct relationship to EGM

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

CURRENT FRANCHISEES	SERVICE
T&J Services Tivie Jayenne Downing P O Box 141 Patterson, CA 95363	Supplies, Modesto (209) 892-3421
Top Line Cleaning Susan Denice Yakutis 5118 East Avenue Turlock, CA 95380	Janitorial, Atwater (209)632-1986
Sunset Cleaning Service Jorge & Rosa Rocha 1842 El Dorado Ct Atwater, CA 95301	Janitorial, Modesto (209)358-7230
Commercial Cleaning Service Antonio & Zelia Correia 1159 5th Street	Janitorial, Livingston, CA (209)394-8904

Livingston, CA 95334

~~Antonio's Landscape Maintenance~~
~~Antonio Gomez — Gardening~~
~~1312 Victoria Drive — (209) 523-0154~~
~~Modesto, CA 95351~~

Romero's Janitorial
Catalina Romero, — Janitorial, Ripon
228 S Walnut Ave #5 — (209)599-3933
Ripon, CA 95366

Mr T's Maintenance
Roger Tyler — Handyman
2520 Yale Ct — (209)667-5424
Turlock, CA 95380

Banuelos Janitorial
Aurora Banuelos — Janitorial, Oakdale, CA
447 S Stockton #5 — (209)599-4613
Ripon, Ca 95366

~~All Valley Cleaning~~
~~Maria Machado — Janitorial, Turlock, CA~~
~~7775 Klint Drive — (209)667-9219~~
~~Hilmar, Ca 95324~~

~~Aquirre Janitorial Service~~
~~Maria Aquirre & Monica Lara — Janitorial, Tracy~~
~~4305 San Marino — (209)614-6457~~
~~Salida, CA 95368~~

~~Avila's Cleaning~~
~~Jose & Maria Avila — Janitorial~~
~~PO Box 933 — (209)634-8437~~
~~Hilmar, CA 95324~~

Elena's Janitorial — Janitorial, Ripon, CA
Elena and Karim Tellez — (209)599-9317
PO Box 252
Ripon, CA 95366

Yorks Maintenance — Handyman, Tracy, CA
Ken, Linda, Jeff Yorks — (209)835-9667
1560 Meadow Lark Lane
Tracy, CA 95376

~~Busy Bee Commercial Cleaning — Janitorial, Hilmar, CA~~
~~Annabelle Davis — (209)669-8461~~
~~18749 Geer Ave~~
~~Hilmar, CA 95324~~

~~AAA Maintenance — Handyman, Ripon, CA~~
~~Proplock, Inc — (209)599-7891~~
~~2291 W March Lane #A101~~
~~Stockton, CA 95207~~

Super Clean Sweeping
Eddie and Sandy Taylor
5025 E Zeering Rd
Denair, CA 95316

Parkinglot Sweeping/Windows, Turlock, CA
(209)667-8694

~~Espino Maintenance~~
~~Henry and P Lynn Espino~~
~~1576 Olive Ave #O~~
~~Livingston, CA 95334~~

~~Janitorial, Livingston, CA~~
~~(209)394-7824~~

Silvia's Janitorial
Jose Sanchez and Alicia Madrigal
405 Chamise Dr
Modesto, CA 95354

Janitorial, Modesto, CA
(209)735-8353

~~A Plus Carpet Cleaning~~
~~Dennis and Jody Bettencourt~~
~~24051 Swenson Rd~~
~~Hilmar, CA 95324~~

~~Carpet Cleaning, Turlock, CA~~
~~(209)669-6270~~

~~Lucatero Window Cleaning~~
~~Pedro and Maria Lucatero~~
~~216 Eagle Ct~~
~~Modesto, CA 95350~~

~~Day Porter Service, Modesto, CA~~
~~(209)622-6792~~

~~Gomez & Gomez~~
~~Paulo Gomez and Jose Jesus Gomez~~
~~1334 W 4th St~~
~~Ripon, CA 95366~~

~~Janitorial, Stockton, CA~~
~~(209)818-8657~~

~~DL Services~~
~~Darla Laurell~~
~~1509 Panthers Lane~~
~~Modesto, CA 95355~~

~~Day Porter Service, Modesto, CA~~
~~(209)769-6221~~

~~J&K Janitorial Cleaning Services~~
~~Maximino & Maria R Lucatero~~
~~216 Eagle Ct~~
~~Modesto, CA 95350~~

~~Janitorial, Modesto, CA~~
~~630-430-9490~~

J's Maintenance
Jeff Yorks
1498 Kimball Place
Manteca, CA 95336

Handyman/Pressure Wash, Manteca, CA
209-823-1910

~~Soria Landscaping~~
~~Ana and Roberto Soria~~
~~525 Comstock Ct~~
~~Modesto, CA 95351~~

~~Gardening, Modesto, CA~~
~~209-622-9121~~

Deborah Ashlock Services
Deborah Ashlock
PO Box 312
Patterson, CA 95363

Janitorial, Patterson, CA
209-573-5393

Kendall Services
Dennis & Brenda Kendall
1581 Quince Way

Carpet Cleaning
209-683-1422

Atwater, CA 95301

JMK Services
James M Kendall
1581 Quince Way
Atwater, CA 95301

Day Porter, Merced
209-761-6136

C&K Services
Clinton & Katrina Holmes
3367 Stacey Ct
Atwater, CA 95301

Gardening, Merced
209-765-3636

In some instances, current and former franchises sign provisions restricting their ability to speak openly about their experience with EGM You may wish to speak with current and former franchises, but be aware that not all such franchises will be able to communicate with you

Item 21 Financial Statements

Attached hereto is audited financial statement for the current year ending December 31, ~~2018~~ 2019 as Exhibit "D".

~~OLD~~

Balance Sheet	2018		2017		2016	
Cash	~~30,984~~		~~40,923~~		~~39,201~~	
Accounts Receivable	~~5,589~~		~~6,080~~		~~4,987~~	
Prepaid Taxes						
Prepaid Expenses	~~2,338~~		~~2,230~~		~~3,471~~	
Total Current Assets	~~38,911~~		~~49,233~~		~~47,659~~	
Furniture, Office Equipment, Vehicle and Leasehold Improvements	~~5,246~~		~~44,323~~		~~44,323~~	
Accumulated depreciation		~~5,246~~		~~39,601~~		~~38,124~~
Net Property and Equipment			~~4,722~~		~~6,199~~	
Deposit	~~485~~		~~485~~		~~485~~	
Total Assets	~~39,396~~		~~54,440~~		~~54,343~~	
Accounts payable		~~310~~		~~5,174~~		~~1,387~~
Payroll liabilities				~~294~~		~~0~~
Franchise deposits		~~2,405~~		~~3,598~~		~~1,489~~
Loan due to T&J Services		~~2,072~~		~~2,000~~		~~2,000~~
Loan due to Jim and Tivie Downing		~~15,402~~		~~5,000~~		~~0~~
Total Liabilities		~~20,189~~		~~16,066~~		~~4,876~~
Capital Stock		~~15,000~~		~~15,000~~		~~15,000~~
Retained Earnings		~~4,207~~		~~23,374~~		~~34,467~~
Total Liabilities and Stockholders Equity		~~39,396~~		~~54,440~~		~~54,343~~

NEW

Balance Sheet	2019		2018		2017	
Cash	42,589		30,984		40,923	
Accounts Receivable	6,482		5,589		6,080	
Other Receivable	320					
Prepaid Taxes						
Prepaid Expenses	2,695		2,338		2,230	

Total Current Assets	52,571		38,911		49,233	
Furniture, Office Equipment, Vehicle and Leasehold Improvements	5,246		5,246		44,323	
Accumulated depreciation		5,246		5,246		39,601
Net Property and Equipment					4,722	
Deposit	485		485		485	
Total Assets			39,396		54,440	
Accounts payable		463		310		5,174
Payroll liabilities						294
Franchise deposits		16,180		2,405		3,598
Contract Liability		1,300				
Loan due to T&J Services		2,115		2,072		2,000
Loan due to Jim and Tivie Downing		45,750		15,402		5,000
Total Liabilities				20,189		16,066
Capital Stock		15,000		15,000		15,000
Retained Earnings	28,237			4,207		23,374
Total Liabilities and Stockholders Equity		52,571		39,396		54,440

~~OLD~~

Income & Expense Statement	~~2018~~		~~2017~~		~~2016~~	
Income						
Service and Franchise income	~~104,858~~		~~102,542~~		~~106,134~~	
Total Income		~~104,858.~~		~~102,542.~~		~~106,134.~~
Expenses						
Rent		~~6,720.~~		~~6,690.~~		~~6,600.~~
Salaries		~~42,796.~~		~~42,003~~		~~31,680~~
Advertising		~~12,768.~~		~~13,050~~		~~13,799~~
Subcontractors						
Health and medical		~~928.~~		~~582.~~		~~11,107~~
Utilities and phone		~~8,624~~		~~12,870~~		~~12,543~~
Accounting and legal fees		~~29,858.~~		~~19,309~~		~~8,375~~
Insurance		~~3,605.~~		~~3,834.~~		~~5,844~~
Auto		~~2,314.~~		~~2,969.~~		~~2,219~~
Office		~~2,754~~		~~2,257~~		~~2,225~~
Meals		~~2,389.~~		~~2,871.~~		~~2,409~~
Miscellaneous		~~358.~~		~~357.~~		~~532~~
Marketing expense						~~4150~~
Depreciation		~~1,067.~~		~~1,477.~~		~~1,524~~
Payroll tax		~~3,306~~		~~3,040.~~		~~3,066~~
Repairs and maintenance						~~181~~
Franchise expense						
Commissions						
Licenses and permits		~~1,028.~~		~~525.~~		
Bank charge						
Dues and subscriptions		~~680.~~		~~680.~~		~~680~~
Donations						
Interest expense		~~474.~~		~~78.~~		
Bad debt				~~243.~~		
Loss on disposal of equipment		~~3,555.~~				
Total Expenses	~~123,224~~			~~112,757.~~		~~107,459.~~
Provisions for taxes		~~800.~~		~~800.~~		~~800.~~
Net Loss		~~19,166.~~	~~11,093~~		~~2,125~~	

NEW

Income & Expense Statement	2019		2018		2017	
Income						
Service and Franchise income	88,669		104,858		102,542	
Total Income		**88,669.**		**104,858.**		**102,542.**

Expenses						
Rent		6,840.		6,720.		6,690
Salaries		43,334.		42,796		42,003.
Advertising		11,254.		12,768		13,050
~~Subcontractors~~						
Health and medical				928.		582.
Utilities and phone		3,010		8,624		12,870
Accounting and legal fees		14,743.		29,858		19,309
Insurance		3,916		3,605.		3,834.
Auto		279		2,314.		2,969.
Office		1,021		2,754		2,257
Meals		2,502		2,389		2,871
Miscellaneous		382		358.		357.
Marketing expense						
Depreciation				1,067		1,477.
Payroll tax		3,278.		3,306.		3,040.
Repairs and maintenance		525.				
Franchise expense						
Commissions						
Licenses and permits		528.		1,028.		525.
Bank charge						
Dues and subscriptions		710		680		680
Donations						
Interest expense		391		474.		78.
Bad debt						243
Loss on disposal of equipment				3,555.		
EDD Settlement expense		25,000.				
Total Expenses	**118,513**		**123,224**			**112,757.**
Provisions for taxes		800		800.		800.
Net Loss	29,844			19,166	11,093	

~~OLD~~

Statement of Cash Flow	2018		2017		2016	
Net Income/Loss		19,166		11,093		2,125
Adjustments to reconcile net income to net cash provided by operating activities						
Depreciation	1067		1,477		1,524	
Accounts receivable	490			1,093	1,964	
Prepaid expenses		108	1,241		1,396	
Deposits					780	
Accounts payable		4,864	3,787			970
Franchise deposits		1,193	2,109		2,911	
Income tax payable						
Loss on disposal of equipment	3,555					
Payroll liabilities		294	294			
Net cash provided by operating activities		20,513		3,278		
Cash flows from financing/investing activities						
Purchase of property and equipment						
Payments on due to stockholder						
Cash distribution to stockholder						
Proceeds from sale of equipment	100					
Cash Provided by Investing Activities	100					
Loan proceeds from related party	10,474		5,000			
Net cash provided by financing Activities	10,474		5,000		2,000	
Net increase/decrease in cash and cash equivalents		9,939	1,722		1,658	
Cash and cash equivalent at beginning of year	40,923		39,201		37,543	
Cash and cash equivalent at end of year	30,984		40,923		39,201	
Cash paid during the year for Income Taxes	800		800		800	

Cash paid during the year for interest expense			20			39

NEW

Statement of Cash Flow	2019		2018		2017	
Net Income/Loss	29,844			19,166		11,093
	Increase to Cash	Decrease to Cash				
Adjustments to reconcile net income to net cash provided by operating activities						
Depreciation			1067		1,477	
Accounts receivable		894	490			1,093
Increase in other receivable		320				
Prepaid expenses		357		108	1,241	
Deposits						
Accounts payable	154			4,864	3,787	
Franchise deposits	13,775			1,193	2,109	
Decrease in contract liability		1,300				
Income tax payable						
Loss on disposal of equipment			3,555			
Payroll liabilities				294	294	
Net cash provided by operating activities	18,786			20,513		3,278
Cash flows from financing/investing activities						
Purchase of property and equipment						
Payments on due to stockholder						
Cash distribution to stockholder						
Proceeds from sale of equipment			100			
Cash Provided by Investing Activities			100			
Loan proceeds from related party			10,474		5,000	
Net cash provided by financing Activities	30,391		10,474		5,000	
Net increase/decrease in cash and cash equivalents	11,605			9,939	1,722	
Cash and cash equivalent at beginning of year	30,984		40,923		39,201	
Cash and cash equivalent at end of year	42,589		30,984		40,923	
Cash paid during the year for Income Taxes	800		800		800	
Cash paid during the year for interest expense	00				20	

Item 22 Contracts

EGM attaches hereto copy of the Sub-Franchisor Agreement, Exhibit "A", which is being offered to you EGM attaches hereto copy of the Unit-Franchise Agreement, Exhibit "B", which is being offered to you EGM also attaches hereto a list of the types of related janitorial services, Exhibit "C", that are authorized and projected to be sold and issued under the EGM Franchise System of Franchising

Item 23 Receipts

RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the Sub-Franchisor Agreement and the Unit-Franchise Agreement and other information, in plain language Read this disclosure document and all agreements carefully

If EGM offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale

If EGM 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 State of California, Department of Business Oversite, 1515 K Street #200, Sacramento, California, 95814-4052

EGM authorizes James Downing of P O Box 141, Patterson, California, to receive service of process for EGM

Issuance Date of April 20, ~~2019~~ 2020

I received a disclosure document, dated _____, Numbered #_____ that included the following Exhibits

1 Franchise Disclosure Document
2 Sub-Franchisor Agreement
3 Unit-Franchise Agreement
4 List of Related Services
5 EGM Franchise Manual Index
6 60/40 Program
7 Financial Statement

Prospective Franchise Company Name_____ Date_____

I agree to return the Disclosure Document with all Exhibits, after the 14 calendar-days, in the same good condition I received it in Please do not mark on papers

Signature _____ Print Name _____

Signature _____ Print Name _____

Documents given out by _____ (EGM representative)

Documents to be returned on or after date _____ (Min of 14 Calendar-Days)

BY SIGNING BELOW, I AGREE THAT I HAVE HAD THE ABOVE MENTIONED DOCUMENTS FOR AT LEAST 14 FULL CALENDAR DAYS on Date_____, 20_____

Signature _____ Print name _____

Signature _____ Print Name _____

Training of the below listed persons to be trained is included in the EGM Franchise If the EGM training is not completed with the designated persons during the specified time scheduled for training, and it is fully or partly due to the fault of the Franchise, it will be the responsibility of the new EGM Franchise to pay for any additional training required at a later time

List 2 Persons designated to receive the EGM training, if different than above

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RECEIVED
DEPT OF BUSINESS OVERSIGHT
SAN FRANCISCO
202[illegible]

EGM FRANCHISE SYSTEM

SUB-FRANCHISOR AGREEMENT
(Dirty pages)

EGM FRANCHISE SYSTEM
SUB-FRANCHISOR AGREEMENT

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EGM FRANCHISE SYSTEM

SUB-FRANCHISOR AGREEMENT

This Sub-Franchisor Agreement is executed on _____,

by and between Executive Groups of Maintenance Companies, Inc , a California corporation, herein referred to as EGM or as Master Franchisor, with principal office at P O Box 141, Patterson, California, and _____, herein referred to as Sub-Franchisor

RECITALS

A ~~The purpose of this agreement is to expand the EGM Franchise System of franchising by the granting of a non-exclusive area franchise for the conduct of janitorial services within the designated territory and to sell and service EGM Franchise System Unit-Franchises throughout the territory described in This Agreement~~The parties acknowledge that through the expenditure of time, skill, effort and money Executive Group of Maintenance Companies, Inc , a California corporation, hereinafter referred to as "EGM", has developed and owns a unique and distinctive franchise system for the promotion of independently owned and operated service companies that maintain, repair, service and improve the interior and exterior of commercial properties and sell supplies related to those services

~~———~~B EGM is the ~~licensee~~owner of certain service marks, trade names, trademarks~~, service marks~~ and other commercial symbols, including the ~~name Executive Group of Maintenance Companies, Inc , the~~ names EGM Franchise System, EGM SYSTEM, and ~~EGM System and the trademark EGM EGM had developed a franchise system for the promotion and assistance of independently owned and operated~~ service

companiesmark that maintain, repair, service and improve interior and exterior commercial properties and that sell various supplies and products related to such service are used in connection with the EGM Franchise System This franchise system includes the common promotion of the "EGM Trademarks" It is designed to enable such service companiesfranchisees to compete more effectively in the property service and related industry industries

C EGM has developed a business philosophy and system for the development of service to residential and commercial customers that can deliver quality service at a fair price in order to create consumer confidence and preference for the EGM Franchise Franchisees System

D EGM has also devised guidelines, systems and techniques which are designed to assist independent EGM Sub-Franchisors in the development of the EGM Franchise System within the designated territories that are related to the full coverage ofmaintenance, janitorial and Related Services The EGM Franchise System includes, but is not limited to, Sub-Franchisor Agreements and Unit-Franchise Agreements Also included are franchise manuals, business referral systems, franchise sales programs, franchise training programs, standardized accounting systems, and other systems, forms, plans and programs for the benefit of all members of the EGM Franchise SystemEGM Franchisees

E EGM has also developed a local area sub-franchising program under which the Sub-Franchisors are authorized to sell and service Unit-Franchises within their Territory

F EGM as Master Franchisor grants to its Sub-Franchisor a non-exclusive

~~Territory~~ Sub-Franchise with an exclusive Territory to offer the sale of Unit Franchises within the territory to offer all services approved by EGM

~~1 For providing carpet cleaning janitorial services to commercial properties, and~~

~~2 To sell and service support EGM Unit Franchises for related service within the designated Territory~~

NOW THEREFORE in consideration of, and reliance upon the foregoing recitals and for other valuable consideration, the delivery, receipt and sufficiency of which are hereby acknowledged, and in accordance with all of the terms, conditions, covenants, warranties and representations contained in this agreement, the parties agree as follows

~~DEFINITION~~DEFINITIONS

1 0 EGM Franchise System Definitions

For purposes of this franchise agreement and any schedules, exhibits, and addendums thereto, the following words and phrases shall have the following meaning

1 1 The Agreement or This Agreement refers to this EGM Sub-Franchisor Agreement executed by the parties

1 2 "Principal Owners" includes every person having an ownership interest in the Sub-Franchise If the Sub-Franchise is a proprietorship, then the sole proprietor thereof If the Sub-Franchise is a corporation, then each shareholder who owns directly or indirectly 15% or more of the voting stock of the corporation

1 3 "Management" includes every person who is an officer, director, manager or executive of the Sub-Franchise or any other person who legally or in fact has a power or authority to direct the operations of the business

1 4 "Approved Location" refers to that location within the Territory that is approved

by- EGM as the location from which the Sub-Franchisor will conduct the home office of the Territory business

1 5 "EGM Franchise System Guidelines" refers to those manuals that provide the operation requirements regarding the operation of the EGM Franchise System of franchising Compliance with such guidelines is mandatory The manuals are and shall remain the property of EGM

1 6 "EGM Trademarks" refers to those selected trademarks, service-marks, trade names, logos, slogans and other commercial symbols owned by EGM that are being franchised to the Sub-Franchise under This Agreement and that includes, but are not limited to, the trade name "EGM" using the words alone or distinctive type or in conjunction with other words

1 7 "EGM Franchise System" refers to those business concepts, management systems, and franchise programs provided under This Agreement, including, but not limited to, the non-exclusive rights to use and promote EGM Trademarks, copyrights, trade secrets, unpatented ideas, sales and management techniques, and other business systems, all as more particularly described in the EGM Company Guidelines and the Territory Manuals

1 8 "Territory Business" refers to the operation of the franchise business within the Territory, including ~~the active conduct of a carpet/tile/pressure wash cleaning janitorial~~ maintenance ~~service and the~~ all activities ~~involving~~involved in the offer, sale and servicing ~~of EGM~~ Unit-Franchises offering all of the services approved by EGM within the Territory

1 9 "Territory Manuals" are those manuals that provide guidelines and operating requirements regarding the operation and management of the business of the Territory The Sub-Franchisor's compliance is mandatory The manuals are and shall remain the

property of EGM

1 10 "Territory" refers to that geographical area in which the Sub-Franchise is authorized to conduct a ~~carpet cleaning janitorial~~maintenance service business and to sell and service EGM Unit-Franchises directly

1 11 "Gross Revenues" of the Franchise/Sub-Franchisor refers to and includes all monies and other properties received by or on behalf of the Sub-Franchise for sales and services, as determined in accordance with generally accepted accounting ~~principals~~principles as determined on an accrual basis Sales tax shall not be included in gross revenues

1 12 "Sub-Franchisor" refers to that person, partnership, corporation or other legal entity that executes this Sub-Franchisor Agreement to sell an EGM Unit-Franchise to a Unit-Franchisee within the Territory

1 13 "Unit-Franchisee" refers to that person, partnership, corporation or other legal entity that purchases an EGM Unit-Franchise from Sub-Franchisor within the Territory

1 14 "Unit-Franchise Agreement" refers to the EGM Franchise System Unit-Franchise Agreement that Sub-Franchisor is authorized to offer and sell to prospective EGM Unit-Franchisees

1 15 "Transfer" refers to any sale, assignment, transfer, conveyance, pledge, hypothecation, or other disposition of This Agreement or any interest in This Agreement If Sub-Franchisor is a partnership or corporation, Transfer means a change in one or more transactions in which there is a cumulative change directly or indirectly of 25% of the ownership thereof by the beneficial owners

GRANT OF FRANCHISE

2 1 Grant of Franchise EGM hereby grants to Sub-Franchisor and Sub-Franchisor

hereby accepts from EGM a franchise to use the EGM Franchise System, the EGM Trademarks and related franchise programs for the operation of an EGM Territorial Business Sub-Franchisor will operate the Territorial Business from the following Approved Location _____

2 2 ~~The grant of franchise is made in essentially two elements~~Under the terms of This Agreement, Sub-Franchisor is authorized to offer, sell and service Unit Franchises within the Territory Sub-Franchisor is also authorized to operate its own Franchise Business offering all services approved by EGM within the Territory

~~2 2 1 Carpet Cleaning Janitorial Service The first element is the grant to operate and run a carpet cleaning janitorial service business within the Territory under the EGM Franchise System The Sub-Franchisor may operate the business as a solely owned business or in conjunction with others as a partnership or a corporation The Sub-Franchisor must at all times maintain at least a fifty (50%) percent Principal Owners relationship to the carpet cleaning janitorial service business~~

~~2 2 2 Sub-Franchising The second element is the right and license to Franchise others to the EGM Franchise System for Related Services to janitorial and maintenance work for commercial properties~~

2 3 Territory The Territory of this franchise will consist of the geographic area described on Schedule A attached to This Agreement The Territory is ~~non-exclusive and~~exclusive and EGM will not enter into any agreements with any other Sub-Franchisors or Unit Franchises within the Territory The Territory will be selected based upon geographic and population criteria to be mutually agreed upon

2 4 Limitation on Business Operations ~~The~~ Sub-Franchisor shall not operate any business under the EGM Trademark and trade name except in the Territory Sub-

Franchisor shall not operate any other business and will not engage in any other activity from the Approved Location

2 5 Control of Business Sub-Franchisor shall have full authority and responsibility for hiring and firing of its employees, agents and any other persons hired to perform its functions The Sub-Franchisor will have full authority to regulate the working conditions of employees and terms of contracts with agents Sub-Franchisor shall comply with all state and federal regulations, including, but not limited to, those concerning employment The conduct of the Sub-Franchisor's business will be determined by its own judgment, subject only to the provisions of

This ~~Sub-Franchisor~~ Agreement, including the EGM Franchise System Guidelines and the Territory Manuals, as may be adopted and/or revised from time to time EGM reserves the right to approve in advance the form, content and general appearance of any literature, sign, contract, forms or other material or thing on which the EGM Trademark is used EGM agrees not to withhold its approval unreasonably

2 6 Term of Franchise The term of the franchise will start upon execution hereof The initial term will continue for ten (10) years, unless sooner terminated as provided in This Agreement This Agreement may be renewed by the Sub-Franchisor for an additional term not to exceed ten (10) years upon written notice to EGM and the payment of $1,000 00 per year for each year so renewed Upon expiration of This Agreement all rights and interests of the franchise granted hereunder will revert to EGM

PURCHASE OF FRANCHISE AND FEES

2 7 Initial Fee The Sub-Franchisor will pay an initial Franchise fee to EGM of $70,000 00 to be put in escrow The funds are to be disbursed to EGM as each initial

obligation to the Sub-Franchisor is completed

~~Alternatively, and at the request of an individual who desires to become a Principal Owner of a franchise, the Master Franchisor will agree to join such individual in the formation of a corporation, which will become the Sub-Franchisor. Upon such formation, the Master Franchisor will waive the initial fee and contribute to the initial capital of the newly formed corporation a Sub-Franchisor Agreement for stock with the individual contributing money or property of a comparative value for stock. The individual then being a Principal Owner will become the Chief Executive Officer of the newly formed corporate Sub-Franchise and will become active in management.~~

~~All fees run through the EGM Billing Trust.~~

~~2.8. Other Fees From Carpet Cleaning Janitorial~~ maintenance ~~Services.~~

~~The first element is the grant to operate and run a carpet cleaning janitorial service business within the Territory under the EGM Franchise System. The Sub-Franchisor may operate the business as a solely owned business or in conjunction with others as a partnership or a corporation. The Sub-Franchisor must at all times maintain at least a fifty(50%) percent Principal Owners relationship to the carpet cleaning janitorial service business.~~

~~In addition to the initial franchise fee, revenues from their carpet cleaning, janitorial services and ten percent (10%) related services performed by their unit-franchises, on which The Sub-Franchisor shall pay to EGM a monthly franchisee fee equal to the following. Distributed Weekly as Funds Are Received, Directly From EGM Billing Trust.~~

~~10% monthly for~~2.8 Franchise Fees. Sub-Franchisor shall pay EGM franchise fees monthly as follows.

A. For the first year after the execution of This Agreement, ten percent (10%) of all

gross revenues from all services performed directly by Sub-Franchisor on services contracts obtained by the Sub-Franchisor under the EGM Franchise System and fifty percent (50%%) of the ten percent (10%%) Franchise Fee ~~from the services performed~~paid by ~~the~~ Unit-Franchisees

B For the second year after the execution of This Agreement ten percent (10%%) of all gross revenues from all services performed by the Sub-Franchisor and fifty percent (50%%) of the 10% Franchise Fee from the services performed by the Unit-Franchisees, under the EGM Franchise System or $500 00 monthly, whichever is greater~~, determined monthly, for the second year~~

C For the third year after the execution of This Agreement ten percent (10%%) of all gross revenues from all services performed by the Sub-Franchisor and fifty percent (50%%) of the 10% Franchise Fee from the services performed by the Unit-Franchisees, under the EGM Franchise System or $1,000 00 monthly, whichever is greater~~, determined monthly, for the third year~~

D For the fourth year after the execution of This Agreement ten percent (10%%) of all gross revenues from all services performed by the Sub-Franchisor and fifty percent (50%%) of the 10% Franchise Fee from the services performed by the Unit-Franchisees, under the EGM Franchise System or $2,000 00 monthly, whichever is greater~~, determined monthly, for the fourth year~~

E For the fifth year after the execution of This Agreement and every year thereafter ten percent (10%%) of all gross revenues from all services performed by the Sub-Franchisor and fifty percent (50%%) of the 10% Franchise Fee from the services performed by the Unit-Franchisees, under the EGM Franchise System or $3,000 00 monthly, whichever is greater~~, determined monthly, for the remaining years of the original franchise~~

~~agreement~~

~~Activation Fee -- Paid Upon Activating Contract~~

No franchise fees are payable based upon the gross revenue of the Sub-Franchisor from service contracts acquired and held prior to becoming a member of the EGM Franchise System

In addition to the initial franchise fee specified above, the Sub-Franchise will pay to the Master-Franchisor a monthly fee equal to ten percent (10%) of all Gross Revenues of the Sub-Franchise received from new customer service contracts obtained under the EGM Franchise System No fees are payable upon customer service contracts acquired and held by the Sub-Franchise before it became a member of the EGM Franchise System All monthly franchise fees are due and payable weekly as funds are received Paid directly from the Billing Trust Activation Fee - paid upon activating new service contract

Service fees for an extended term of this Agreement shall be mutually agreed upon

Sale of Franchise - goes into escrow and funds are disbursed from escrow

2 9 Other Fees ~~From Sub-Franchising The second element is the right and license to Franchise to others the EGM Franchise System for Related Services to janitorial and maintenance work for commercial properties~~ from Sub-Franchising In addition to the initial franchise fee specified above, the Sub-Franchisor shall pay to EGM each time a unit-franchise is sold a fee of 50% of all sums received from Unit-Franchisees (All funds and fees go through Escrow), including, but not limited to, initial fees, transfer fees, renewal fees but not including any funds for local advertising, national advertising or account billing and collecting fund

2 10 Local Advertising Fund EGM has established a local advertising fund designated to promote the goodwill and beneficial use associated with the EGM Franchise

System Sub-Franchisor shall contribute one ~~(1%)~~ percent (1%) of the its Franchisees gross revenues as defined in paragraph 1 11 above from its service business (Paragraph 2 2 1) to the ~~advertising fund monthly~~Local Advertising Fund Such contribution shall be paid weekly as funds are received directly from Billing Trust The fund will be used exclusively for the advertising and promotion of the EGM Trademark and EGM Franchise System The ~~advertising fund~~Local Advertising Fund will be administered by three (3) members, one of whom is appointed by EGM, one of whom is appointed by the Sub-Franchisor and one of whom is appointed by the Unit-Franchisees in Sub-Franchisor's Territory The three members shall jointly administer an account for the advertising fund operations The funds shall be used for advertising in the Sub-Franchisor's designated Territory or elsewhere as the three members shall determine The three members shall submit at least annually a report ~~of~~detailing the ~~application~~use of the ~~advertising fund~~Local Advertising Fund to all interested parties

2 11 EGM Franchise System Advertising Fund

EGM Franchise System Advertising Fund EGM has established an EGM Franchise System Advertising Fund designated to promote the goodwill and beneficial use associated with the EGM Trademarks Sub-Franchisor and Unit-Franchisees shall contribute one percent (1%) of their Gross Revenues as defined in paragraph 1 11 above to the EGM Franchise System Advertising Fund ~~monthly Disbursed directly~~ Contributions shall be paid from the ~~EGM~~ Billing Trust to the ~~advertising fund~~System Advertising Fund Such contributions shall be paid weekly as funds are received The EGM Franchise System Advertising Fund will be used exclusively for the advertising and promotion of the EGM Trademarks and EGM Franchise System for the collective benefit

of all members of the EGM Franchise System The ~~advertising fund~~EGM Franchise

Advertising Fund will be administered by at least three (3) members, two of whom are appointed by EGM and one of whom is appointed by each Sub-Franchisor The members shall jointly administer an account for the EGM Franchise System Advertising Fund operations The funds shall be used for advertising the EGM Franchise System as the members shall determine The members shall submit at least annually a report of detailing the ~~application~~use of the EGM Franchise System Advertising Fund to all interested parties

SERVICES TO FRANCHISE

3 1 Grant of Franchise and Trademarks Initially and during the term of this Sub-Franchisor Agreement EGM shall permit Sub-Franchisor to use the EGM trade name and other EGM Trademarks in the operation of the business conducted by Sub-Franchisor within its Territory, which includes the Sub-Franchisor's right to franchise other persons to use the EGM Trademark and trade name in the Territory The EGM Trademark has been registered in favor of EGM with the ~~U S Patent and Trademark Office, as well as with various state agencies~~State of California

3 2 Franchise of System EGM hereby grants to the Sub-~~Franchise~~Franchisor a license and right to use the EGM Franchise System~~, which includes (1) the right to operate as a carpet cleaning janitorial service business,~~ and ~~(2) the right to sub-franchise other Related Services~~sell Unit Franchises within the ~~franchise~~ Territory

3 3 EGM additionally agrees to recommend and aid and assist the Sub-Franchise as the Sub-Franchisor may request as to the following

3 3 1 EGM will recommend and aid the Sub-Franchisor in locating an office site or suitable premises acceptable to the EGM Franchise System, including site location, building position

3 3 2 EGM will recommend and- aid the Sub-Franchisor in research with the local

planning departments and building departments as to building code requirements and restrictions for the conduct of a ~~carpet janitorial service~~ maintenance company under the EGM Franchise System within the Territory

3 3 3 When a new office building is to be constructed or an existing office building is to be remodeled, EGM will submit basic plans to the architect or engineer and will aid the Sub-Franchisor in the supervision of contractors in such matters as basic planning, lighting, color coordination, exterior and interior material coordinating and designs of the offices

3 3 4 EGM will submit basic plans and designs for the exterior sign for the business premises

3 3 5 EGM will recommend and aid the Sub-Franchisor in the arrangements for the delivery of office equipment and furnishings to Sub-Franchisor's office

3 3 6 EGM will recommend and aid the Sub-Franchisor regarding necessary business forms, brochures, business cards, ~~stationary~~stationery and office supplies and employee uniforms

3 3 7 EGM will recommend and arrange for deliver of supplies from various vendors to be sold and used under the EGM Franchise System

3 3 8 EGM will recommend and aid the Sub-Franchisor in supervising the decoration of the new or remodeled office, including color coordination and wall coverings

3 3 9 EGM will recommend and assist Sub-Franchisor in obtaining state and local permits and licenses and determining the fees and deposits where required

3 3 10 EGM will recommend and aid Sub-Franchisor in evaluating and obtaining telephone service, including use of long distance and special telephone service

FRANCHISE TRAINING

3 4 EGM will provide initial training for the Sub-Franchisor for the operation under

the EGM Franchise System at corporate location, including

3 4 1 Instruction in classroom for maintenance services

3 4 2 Instruction on merchandising, writing and selling contracts under the EGM Franchise System

3 4 3 Instructions in customer relations and complaints

3 4 4 Instructions in bookkeeping system suitable for the franchise operation

3 4 5 Instructions on employee relations and record keeping

3 4 6 When the Sub-Franchisor's office is open for business, EGM will, through its' staff, provide a representative to work ~~full time~~ for two weeks with the Sub-Franchisor Such training shall put into actual operation the classroom and on the job training previously received for the actual operation and daily conduct of business

3 4 7 EGM will furnish such additional in-office (at the corporate office) training as may be necessary for the next 30 days and as requested by Sub-Franchisor, to establish the Sub-Franchisor as an independent ~~carpet cleaning janitorial and~~ maintenance company in the Territory

3 5 EGM will provide training and instruction to the Sub-Franchisor in its activities as a Sub-Franchisor under this agreement at corporate location, including

3 5 1 Instruction and operation of a franchise system under EGM

3 5 2 Preparation and supervision of documents suitable for Sub-Franchisor's business relationship with Unit-Franchisees

3 5 3 EGM will furnish such additional training as may be necessary for the next 30 days and as requested by Sub-Franchisor to establish the Sub-Franchisor as an independent sub-franchising business in the Territory

~~3 6 Training of Others In addition to the maintenance training~~

provided to the Sub-Franchisor as stated herein, EGM will provide training in the processes and procedures used in the EGM Franchise System EGM does not provide training in how to perform the maintenance, janitorial and other services offered through the EGM System EGM may refer you to third party vendors who offer training and certifications in various fields

3 7 Territory Manuals EGM will provide to Sub-Franchisor Territory Manuals detailing Sub-Franchisor's operation as ~~a carpet cleaning janitorial service~~ maintenance company and also detailing Sub-Franchisor's sales and servicing as a Sub-Franchisor of EGM, including the use of EGM Trademarks and other rules and regulations that are mandatory in the operation of the EGM Franchise System

3 8 Supplies and Services EGM will periodically publish lists of suggested sources of supplies and services or specifications for supplies and services directly connected with the use of the EGM Franchise System The Sub-Franchisor and the Unit-Franchisees may purchase supplies from a suggested source or from any other supplier who has satisfied EGM that it can meet the standards and specifications required Whenever the EGM Trademark is visibly used upon any of the supplies or services, the use of the trademark must first be approved by EGM

3 9 Following the opening of the Sub-Franchise, EGM will provide Sub-Franchisor with the following

a) Advice and consultation services These will include telephone consultation and advice in accordance with the EGM Territory Manuals delivered to you, as such Territory Manuals may be amended from time to time If Sub-Franchisor requests any advice or consultation service which requires EGM to make any of its staff present at the Franchised Business, EGM may charge to provide such service at the

per diem cost set forth in the then-current Territory Manuals plus expenses

(b) EGM will provide periodic individual and group advice, consultation and assistance, rendered by personal visit or telephone, or by newsletters or bulletins made available from time to time to all Sub- Franchisors, as EGM may deem necessary or appropriate

(c) EGM will make available to Sub-Franchisor from time to time advertising materials it prepares for use by EGM franchisees generally. You may use such materials in any local advertising. You will pay for all associated costs.

(d) EGM will make available to you from time to time all improvements and additions to the EGM Franchise System to the same extent and in the same manner as they are made available to EGM franchisees generally.

OBLIGATIONS OF SUB-FRANCHISOR

4.0 Use of Name. ~~The~~ Sub-Franchisor ~~will~~must conduct business in its Territory only under the trade name set forth in This Agreement. Sub-Franchisor ~~Agreement. Sub-Franchisor will use no other~~may conduct business within its Territory using its own name in conjunction with the EGM Trademarks in connection with its operations ~~conducted from the location specified herein without prior written consent of~~provided that such name is approved by EGM. Without written consent of EGM, Sub-Franchisor will conduct no other type of business under the EGM Franchise System~~, except the carpet cleaning janitorial maintenance service and for the sale and servicing of EGM Unit Franchises within the Territory~~.

4.1 Fictitious Name. Sub-Franchisor will file and keep current a fictitious name certificate or other comparable instrument with respect to Sub-Franchisor's business name in the county in which Sub-Franchisor's authorized place of business is located and at such

other places as may be required by law

4 2 Proprietary Rights Sub-Franchisor will not at any time do or cause to be done any act or thing contesting or in any way impairing or tending to impair the right, title and interest in and to the EGM Franchise System and the EGM Trademark

4 2 1 Sub-Franchisor understands that EGM has the right to grant other franchises in and to the EGM Franchise System under any terms and conditions as EGM deems advisable from time to time, subject, however, to the Sub-Franchisor's ~~non-~~exclusive Territory rights provided in This ~~Sub-Franchisor~~ Agreement

4 2 2 Nothing contained in This ~~Sub-Franchisor~~ Agreement will be construed as vesting in Sub-Franchisor any right, title or interest in the goodwill now or hereafter associated with the EGM Franchise System and EGM Trademark, which goodwill is exclusive property of EGM Upon expiration or termination of this agreement, no monetary amount will be payable to Sub-Franchisor for any goodwill associated with Sub-Franchisor's activity

4 3 Quality Control To assure quality control of the business conducted under the EGM Franchise System, Sub-Franchisor agrees to operate its business in compliance with the EGM standards in accordance with the EGM Franchise System Guidelines and the Territory Manuals and to allow EGM to conduct periodic quality control inspections of business operations of the Sub-Franchise and all of its Unit-Franchisees within the Territory

4 3 1 Sub-Franchisor agrees to cause ~~its~~ its trucks, other vehicles, store signs and shop signs to conform to the standards and specifications of the EGM Franchise System Guidelines

4 3 2 Sub-Franchisor acknowledges and agrees that it is its responsibility to enforce

not engage in any practice that would tend to give preference to or show commercial favoritism towards any one or more of its Unit-Franchises over any other Unit-Franchise

5 2 Territory Manuals Sub-Franchisor will operate its Territorial Business in strict compliance with the standards and specifications of the Territory Manuals Sub-Franchisor agrees to supervise its employees, sales persons, agents and associates to assure their compliance with these standards and specifications in all things relating to the Territory Business Sub-Franchisor acknowledges that EGM has the right to make reasonable changes in Territory Manuals to comply with current standards and business needs EGM will notify Sub-Franchisor in writing as to changes in the manuals

5 2 1 Sub-Franchisor agrees to maintain uniformed services to its Unit-Franchises and maintain the same quality of service to its Unit-Franchises as set forth in the Territory Manuals and as EGM may require from time to time of its other EGM Sub-Franchisors that are selling and servicing Unit-Franchise Agreements EGM agrees that subject to local variations and conditions it will be reasonably consistent in the standards and quality of services that they require from its Sub-Franchisors

ACCOUNTING RECORDS AND REPORTS

6 0 EGM reserves the right to establish a uniform list of accounts and/or uniform bookkeeping system for all EGM Sub-Franchisor and EGM Unit-Franchisees Sub-Franchisor will maintain full and complete records of its business in accordance with the Territory Manuals and will submit to EGM such information and accounting data as EGM may reasonably request At EGM's request, Sub-Franchisor will provide to EGM ~~an annual audit report certified~~its accounting records relating to ~~be true~~the franchised business including, but not limited to, profit and ~~correct as to Sub-Franchisor's operations~~loss statements, invoices, bank statements and ~~financial status~~receipts Such records shall be

provided within ten (10) days of a written request from EGM

6 1 Sub-Franchisor agrees that EGM will maintain an Account Billing Fund (EGM Billing Trust) for all its Sub-Franchisors and Unit-Franchisees All Sub-Franchisors' and Unit-Franchisees' billings to clients and customers shall be administered through the fund and disbursed weekly as funds are received EGM shall retain 4% of the funds so collected to cover the cost of administering the account billing fund

INSURANCE AND INDEMNITY

7 0 Sub-Franchisor will assume sole and entire responsibility and indemnify and save harmless EGM from any and all claim, liability, responsibility and damage or any cost or expense by reason of any loss of life or injury or claimed injuries to person or property that may be sustained in connection with the operation of Sub-Franchisor's business Sub-Franchisor further agrees to maintain and keep in force for the mutual benefit of EGM and Sub-Franchisor all such forms of insurance, including, but not limited to, public liability insurance against claim for personal injury, death, or property damage, with limits not less than $1,000,000 00 for each occurrence and $100,000 00 for property damage, also product liability insurance, Worker's Compensation Insurance, and general liability insurance All such policies shall name EGM as an additional insured party covering liability of all kinds, and Sub-Franchisor shall cause to be furnished to EGM a copy of such policy and any and all endorsements thereon and Sub-Franchisor will pay promptly all premiums on such policies as and when the same become due and payable

~~END OF YEAR ONLY AUDITED~~

FINANCIAL STATEMENTS AND RECORDS

8 0 No service or supplies of any kind shall be sold or delivered by Sub-Franchisor or its Unit Franchisees without the issuance of an invoice The Sub-Franchisor shall, with

respect to business done by it, keep on its premises true and accurate records, accounts, books and data which will accurately reflect all particulars relating to sales of service and supplies EGM, through its agents or representatives, may examine and audit such records, accounts and books at all

reasonable times In the event that EGM shall ask for an audit to be made and the gross revenue shown by the Sub-Franchisor's statement for the period involved shall be found to be understated by more than one (1%) per cent, the Sub-Franchisor shall pay to EGM the cost of such audit and all amounts then due to EGM Sub-Franchisor will comply with all federal, state, county, municipal and other governmental agencies and contractor licensing laws pertaining directly or indirectly to the Sub-Franchisor's business Sub-Franchisor will pay for all licenses, permits, bonds and deposits made to or required by any governmental agency in connection with Sub-Franchisor's business Sub-Franchisor will pay promptly when due all taxes, accounts, liabilities and indebtedness of any kind incurred by Sub-Franchisor in the conduct of its business

INDEPENDENT PARTIES

9 0 Independent Relationship Nothing in this This Agreement ~~does not constitute the~~shall be construed as making Sub-Franchisor ~~as~~ an agent or legal representative of EGM for any purpose whatsoever, it being understood that Sub-Franchisor is to act as an independent contractor and is not authorized to make any contract, agreement, warranty or representation on behalf of EGM, or to create any obligation, expressed or implied, on behalf of EGM, except as may be expressly authorized by The Agreement

9 1 Standards of Quality Sub-Franchisor understands and acknowledges the importance of high and uniformed standards of quality, appearance, workmanship and service to maintain the value of the EGM Trademark For this reason, Sub-Franchisor

acknowledges the necessity of operating the business within its Territory in compliance with the EGM Company Guidelines and the district manuals, and represents that Sub-Franchisor has the present capacity to meet those standards

9 2 Active Involvement Sub-Franchisor represents that one or more of its Principal Owner as hereinbefore defined will actively and personally participate in the management and operation of the franchise business on a regular basis

9 3 No Other Representations No representations, promises, guarantees or warranties of any kind have been made by EGM to induce Sub-Franchisor to execute This Agreement, except as specifically set forth in the franchise disclosure documents that have been delivered to Sub-Franchisor Sub-Franchisor acknowledges that neither EGM nor any other person has guaranteed or warranted that Sub-Franchisor will succeed in the operation of the franchise business, or has provided any sales or income projections of any kind

9 4 Trade Secrets Sub-Franchisor acknowledges that EGM is the sole and exclusive owner of the System and all Trade Secrets, which include, without limitation, all customer lists and contacts, pricing information, market studies financial and business plans, delivery and systems, tools, procedures and other information developed by it from time to time and used in the operation of the System and that are valuable and secret in the sense that they are not known to the general public and have independent economic value Sub-Franchisor and the guarantors of this Agreement agree not to contest the validity of EGM's exclusive ownership of and rights to the Trade Secrets Sub-Franchisor shall never, at any time during the term of this Agreement and for so long thereafter as the Trade Secrets are competitively sensitive and not known to the general public (a) disclose, compromise, or communicate all or any part of such Trade Secrets to any person or entity, except as authorized in writing by EGM, or (b) permit or cooperate in any unauthorized

reproduction of all or any part of such Trade Secrets Sub-Franchisor shall take all reasonable precautions to prevent your Unit Franchisees, employees, officers, directors, members, partners, agents, representatives and others from doing any act or engaging in any activity which would violate this Paragraph 9 4

TRANSFER OF FRANCHISE

10 0 Transfer by Sub-Franchisor EGM's sale of this Sub-Franchise Agreement is made in reliance upon the representations and financial responsibility of the Sub-Franchisor and its Principal Owners Any Transfer of This Agreement, either in whole or in part, voluntarily or involuntarily, or by operation of law, will be subject to written approval by EGM, which approval will not be unreasonably withheld Any Transfer shall be for the balance of the term pursuant to Sub-Franchisor Agreement The following conditions for such Transfer are necessary in order to assure that any change in the Sub-Franchisor will not in any way jeopardize the high standards of the EGM Franchise System, its Trademark and its goodwill If the rights under this franchise agreement are held by a partnership or corporation, then the Transfer or Transfers of ownership interest representing a cumulative aggregate of twenty-five percent (25%) or more of the securities, capital, profits or assets of the Sub-Franchisor will be deemed a Transfer Sub-Franchisor agrees to obtain the written consent of its Principal Owners and to abide by the terms of this paragraph

10 1 Transfer Fee Upon any application for a Transfer of This Agreement, the Sub-Franchisor shall deposit with EGM a transfer fee of $5,000 00 The deposit will be refunded if the Transfer is not approved by EGM

10 2 Family Transfer If the Sub-Franchise is a sole ~~proprietor~~proprietorship, the rights under this franchise may be transferred or assigned to his son or daughter, providing that such transferee has satisfactorily completed the service training as conducted by EGM,

10 4 1 Any Trustee, Guardian, Conservator, Executor or Administrator for the account and benefit of a Principal Owner

10 4 2 Any corporation, partnership, association or company, if the beneficial ownership of the business entity immediately following the Transfer is in the same proportion as the beneficial ownership immediately prior to the Transfer, provided, however, that no such Transfer will relieve the original party of any of its obligations under This Agreement

TERMINATION OF FRANCHISE

11 0 Termination in General This agreement may be terminated upon mutual written consent of the parties hereto Otherwise This Agreement may not be terminated except as provided in This Agreement

11 1 Termination ~~By~~by EGM for Cause Upon occurrence of a material default by Sub-Franchisor under This Agreement, including, but not limited to, the defaults described below, EGM may terminate This Agreement

11 1 1 If Sub- Franchisor misuses the EGM Trademark or the EGM Franchise System or in any manner materially impairs the goodwill associated therewith, or EGM's rights thereto; or if the Sub-Franchisor uses in its business operations any names, marks, systems, logos or symbols not authorized by EGM in writing prior to such use

11 1 2 If Sub-Franchisor or a Principal Owner thereof has any interest, direct or indirect, in the ownership or operation of any business that operates like, looks like, competes with, copies or imitates any aspect of the EGM Franchise System

11 1 3 If Sub-Franchisor fails to make any payments when due under This Agreement

11 1 4 If Sub-Franchisor attempts to ~~effect~~affect any Transfer of its rights hereunder other than in accordance with This Agreement

11 1 5 If Sub-Franchisor makes or has made any misrepresentation to EGM connection with the obtaining of This Agreement or in conducting the business licensed hereunder

11 1 6 If Sub-Franchisor defaults in the performance of any other material obligation under This Agreement or under the EGM Franchise System Company Guidelines, or the Territory Manuals, including, but not limited to, any failure to enforce any EGM Franchise Agreement to which Sub-Franchisor is a party

11 1 7 If Sub-Franchisor ceases business operations in its Territory without written consent of EGM for any reason for a period of more than thirty (30) days

11 1 8 If Sub-Franchisor shall be adjudged bankrupt or becomes insolvent or if a receiver, whether permanent or temporary, of Sub-Franchisor's properties shall be appointed by any Court of competent jurisdiction, or if Sub-Franchisor shall make a general assignment for the benefit of its creditors

11 1 9 If Sub-Franchisor, whether an individual or a Principal Owner, is convicted of any felony or any other crime involving moral turpitude, or if Sub-Franchisor is found to be liable for any violation of any trade practice, consumer protection or other law relating to the operation of its business Upon the occurrence of any event of default, EGM may, without prejudice to any other rights or remedies contained in this Agreement or provided by law, terminate this agreement Such termination shall be effective thirty (30) days after written notice is given to Sub-Franchisor of any of the events set forth above, provided such default has not been cured within such thirty (30) day period

11 2 Procedure After Termination Upon termination of This Agreement for any

binding upon the parties hereto and their heirs, successors, representatives, assigns and transferees, except as may be otherwise restricted herein EGM reserves the right to assign This Agreement or any rights hereunder without the consent of the Sub-Franchisor, so long as the Sub-Franchisor is provided all services hereunder

14 4 Waiver Waiver of any default or breach of This Agreement will not be interpreted as a waiver of any subsequent breach No waiver of any provision of This Agreement will be effective unless in writing and signed by the party to be charged with the waiver

14 5 Integration of This Agreement This Agreement sets forth the entire agreement of the parties and all prior written or oral agreements of the parties are merged within This Agreement and no modification or change will be binding unless set forth in writing and signed by the party to be charged However, nothing in this agreement is intended to disclaim any representations made in the Franchise Disclosure Document

14 6 Attorney's Fees and Costs In any legal action or proceeding arising out of this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and costs

IN WITNESS WHEREOF, the undersigned have executed This Agreement on

_____, 20_____

SUB-FRANCHISOR/PRINCIPAL OWNERS

Name _____
Address _____
_____

By _____
Name _____
Title _____

By _____
Type name _____
Title _____

EXECUTIVE GROUP OF MAINTENANCE COMPANIES, INC
dba EGM Franchise System
PO BOX 141
PATTERSON, CA 95363

By _____
James Downing, President

RECEIVED
DEPT OF BUSINESS ECONOMIC
SAN FRANCISCO
2023 FEB 1

EGM FRANCHISE SYSTEM

UNIT-FRANCHISE AGREEMENT
(Dirty pages)

3 3 Franchise Training as Janitorial

3 4 Territory Manuals

3 5 Supplies and Services

OBLIGATIONS OF UNIT-FRANCHISE

4 0 Use of Name

4 1 Fictitious Name

4 2 Proprietary Rights

4 3 Quality Control

UNIT-FRANCHISE OPERATING REQUIREMENTS

5 0 EGM Franchise System Guidelines

5 1 Territory Manuals

6 0 Accounting Records and Reports

7 0 Insurance and Indemnity

8 0 Financial Statements and Records

9 0 Independent Relationship

9 1 Standards of Quality

9 2 Active Involvement

9 3 No Other Representations

9 4 Trade Secrets

TRANSFER OF UNIT-FRANCHISE

10 0 Transfer by Franchisee

10 1 Transfer Fee

EGM Franchise System

UNIT-FRANCHISE AGREEMENT

This Unit-Franchise Agreement is executed by _____

_____, herein referred to as "Sub-Franchisor"

with approved location of _____

_____ and

_____,

herein referred to as "Unit-Franchise" for operation of business as a

_____

and services relating thereto

RECITALS

A The ~~purpose of This Agreement is to expand~~parties acknowledge that through the ~~EGM Franchise System of franchising by the granting of a franchise for the operation of a business as ancillary to a carpet cleaning janitorial~~expenditure of time, skill, effort and ~~maintenance business operated by Sub-Franchisor in a designated Territory.~~

~~B.~~ money Executive Group of Maintenance Companies, Inc., ~~herein~~a California corporation, hereinafter referred to as ~~"EGM" is the owner of certain trade names, trademarks, service marks and other commercial symbols, including the names EGM Franchise System and EGM SYSTEM, and the EGM Trademark. EGM had~~"EGM", has developed a~~and owns a unique and distinctive~~ franchise system for the promotion ~~and assistance~~ of independently owned and operated service companies that maintain, repair, service and improve the interior and exterior of commercial properties and ~~that~~

sell ~~various~~ supplies ~~and products~~ related to ~~such~~ those services

B EGM is the owner of certain service marks, trade names, trademarks and other commercial symbols, including the names EGM Franchise System, EGM SYSTEM, and the EGM service~~-~~ mark that are used in connection with the EGM Franchise System This franchise system includes the common promotion of the EGM Trademarks It is designed to enable ~~such service companies~~franchisees to compete more effectively in the property service and related ~~industry~~industries

C EGM has developed a business philosophy and system for the development of service to commercial customers that can deliver quality service at a fair price in order to create consumer confidence and preference for ~~the~~ EGM ~~Franchise System~~Franchisees

D EGM has also devised guidelines, systems and techniques which are designed to assist independent EGM Sub-Franchisors in the development of their businesses and the EGM Franchise System within ~~the~~their designated territories ~~that are related to the full coverage of janitorial and Related Services~~ The EGM Franchise System includes, but is not limited to, Standard Master Franchisor-Unit-Franchise Agreements and Standard Sub-Franchisor-Unit-Franchise Agreements ~~Also included are~~, franchise manuals, business referral systems, franchise sales programs, franchise training programs, standardized accounting systems, and other systems, forms, plans and programs for the benefit of all members of the EGM Franchise System

E ~~EGM has granted to the Sub-Franchisor a non-exclusive Territory for providing carpet cleaning janitorial services to commercial properties~~

F ~~—~~EGM has also developed a local area sub-franchising program under which the Sub-Franchisors are authorized to sell and service Unit-Franchises within

their Territory

~~G~~ F Sub-Franchisor desires to grant to ~~its~~ Unit-Franchisee a Unit-Franchise and right to sell and provide services that are related to providing full coverage and service to commercial properties within the designated Territory under the EGM Franchise System

NOW THEREFORE in consideration of, and reliance upon the foregoing recitals and for other valuable consideration, the delivery, receipt and sufficiency of which are hereby acknowledged, and in accordance with all of the terms, conditions, covenants, warranties and representations contained in ~~This~~this Agreement, the parties agree as follows

~~DEFINITION~~

DEFINITIONS

1 0 EGM Franchise System Definitions For purposes of this franchise agreement and any schedules, exhibits, and addendums thereto, the following words and phrases shall have the following meaning

1 1 "The Agreement" or "This Agreement" refers to this EGM Unit-Franchise Agreement executed by the parties

1 2 "Principal Owners" includes every person having an ownership interest in the Unit-Franchise If the Unit-Franchise is a proprietorship, then the sole proprietor thereof If the Unit-Franchise is a partnership, then each general partner thereof If the Unit-Franchise is a corporation, then each shareholder who owns directly or indirectly 15% or more of the voting stock of the corporation

Franchisor

1 9 "Territory Manuals" are those manuals that provide guidelines and operating requirements regarding the operation and management of the business of the Territory The 'Unit-Franchisees'- compliance is mandatory The manuals are and shall remain the property of EGM

1 10 "Territory" refers to that geographical area in which the Unit-Franchise is authorized to conduct a Related Service business

1 11 "Gross Revenues" of the Unit-Franchise refers to and includes all monies and other properties received by or on behalf of the Unit-Franchise for sales and services, as determined in accordance with generally accepted accounting ~~principals~~principles as determined on an accrual basis Sales tax shall not be included in Gross Revenues

1 12 "Sub-Franchisor" refers to that person, partnership, corporation or other legal entity that sells an EGM Unit-Franchise to a Unit-Franchisee within the Territory

1 13 "Unit-Franchisee" refers to that person, partnership, corporation or other legal entity that purchases an EGM Unit-Franchise from Sub-Franchisor within the Territory

1 14 "Unit-Franchise Agreement" refers to the standard form EGM Unit-Franchise Agreement that Sub-Franchisor is authorized to offer and sell to prospective EGM Unit-Franchisees

1 15 "Transfer" refers to any sale, assignment, transfer, conveyance, pledge, hypothecation, or other disposition of this agreement or any interest in This Agreement If Unit-Franchise is a partnership or corporation, Transfer means a change in one or more transactions in which there is a cumulative change directly or indirectly of 25% of

the ownership thereof by the beneficial owners

GRANT OF FRANCHISE

2 0 Grant of Franchise Sub-Franchisor hereby grants to Unit-Franchisee a non-exclusive Unit-Franchise to use the EGM Franchise System, the EGM Trademarks and related franchise programs for the operation of a related service business within the Territory as specified herein

2 1 Non-Exclusive Franchise This grant of Unit-Franchise is non-exclusive Sub-Franchisor reserves the right to sell and grant Unit-Franchises to other Unit-Franchisees for performance of related services within the Territory, which are similar or partially similar to an existing Unit-Franchise

2 2 Territory ~~This grant of franchise is all-inclusive within Sub-Franchisors' designated Territory~~ The Unit-Franchisee may sell and perform the specific Related Services contracts anywhere within the Territory, ~~not withstanding~~notwithstanding that there may be

other Unit-Franchisees performing similar or partially similar services within the same territory

2 3 Distribution of Referrals ——_It is the intention of the Sub-Franchisor to administer a referral system within the Territory in an equitable manner so that all Unit-Franchises in good standing will be referred a fair share of calls and inquiries received for the Related Services specified in This Agreement ~~Likewise, inquiries for related service work and contracts known to a Unit-Franchise, which are then being performed by another Unit-Franchise under the EGM Franchise System will be referred to the Sub-Franchisor for equitable administration and referral~~ Likewise, Unit Franchisee shall refer customers, who request additional services not provided by Unit Franchisee, either to

EGM or other Unit Franchisees who do provide the service

2 4 Limitation ~~O~~non Business Operations The Unit-Franchisee shall not operate any business under the EGM trademarks except in the Territory and for the business and Related Services licensed under this Agreement During the term of this Agreement Unit-Franchisee shall not operate any business with competes with, directly or indirectly, ~~to~~ the EGM Franchise System Unit-Franchisee may provide services to residential customers outside of the EGM franchise system, but shall not use the EGM trademarks in any manner when performing such services Unit-Franchisee may own or operate other businesses which are not competitive with the EGM Franchise System

2 5 Control ~~O~~fof Business Unit-Franchisee shall have complete responsibility for and control over the business licensed under this Agreement and the day to day operation thereof Unit-Franchisee shall control the means by which it conducts its business and is solely responsible for its outcomes Unit-Franchisee will set the prices it charges to customers for the new customers it generates From time to time, Sub-Franchisor shall offer Unit-Franchisee accounts generated from other sources Unit-Franchisee is not obligated to accept those accounts Unit-Franchisee will determine the days and times that work will be performed as agreed with customer If Unit-Franchisee chooses to hire employees to assist in performance of its work, Unit-Franchisee is solely responsible for the hiring, training and ~~firing~~managing of said employees as well as compliance with all federal and state employment ~~legal requirements~~ laws and regulations Unit-Franchisee shall supply all of its own equipment and cleaning supplies necessary for completion of the franchised business Unit-Franchisee must comply with the EGM Franchise System Guidelines and the Territory Manuals, as may be adopted and/or revised from time to time Sub-Franchisor reserves

the right to approve in advance the form, content and general appearance of any literature, sign, contract, form or other material or thing on which the EGM trademark is used Sub-Franchisor agrees not to withhold its approval unreasonably

2 6 Term ~~Of~~of Franchise The term of the Unit-Franchise will start upon execution hereof and continue for six (6) years The initial term will continue for an additional term not to exceed four (4) years upon written notice to Sub-Franchisor and the payment of $1,200 00 per year for each year so renewed Upon expiration of This Agreement all rights and interests of the Unit-franchise granted hereunder will revert to Sub-Franchisor

PURCHASE OF FRANCHISE AND FEES

2 7 Initial Fee The Unit-Franchisee shall pay an initial franchise fee to Sub-Franchisor of ~~-~~$17,000 00 to be put in escrow The funds ~~are disbursed as each initial obligation~~shall not be distributed to EGM until EGM has completed all of its obligations related to the opening of the Unit-~~Franchise is completed~~ Franchise's business

2 8 Other Fees In addition to the initial franchise fee specified above, the Unit-Franchisee will pay to the Sub-Franchisor a monthly fee equal to ten (10%) percent of all Gross Revenues of the Unit-Franchisee received from new customer service contracts obtained ~~under~~through the EGM Franchise System No fees are payable upon customer service contracts acquired and held by the Unit-Franchise before it became a member of the EGM Franchise System All monthly franchise fees are due and payable weekly as funds are received and shall be paid directly from the Billing Trust ~~Activation Fee - paid upon activating new service contract~~ as set forth below When EGM refers a new customer service contract to Unit Franchisee, Unit Franchisee shall pay EGM an Activation Fee equivalent to one month of the fees paid by the customer The Activation

Fee shall be paid from the Billing Trust

2 9 Local Advertising Fund ——_EGM has established a Local Advertising Fund designated to promote the goodwill and beneficial use associated with the EGM Franchise System Sub-Franchisor and Unit-Franchisees shall contribute one (1%) percent of their Gross Revenues as defined in paragraph 1 11 above to the Local Advertising Fund monthly Such contribution shall be paid weekly as funds are received-Paid and paid directly from the Billing Trust The fund will be used exclusively for the advertising and promotion of the EGM Trademark and EGM Franchise System for the collective benefit of all members of the EGM Franchise System The Local Advertising Fund will be administered by three (3) members, one of whom is appointed by EGM, one of whom is appointed by the Sub-Franchisor and one of whom is appointed collectively by the Unit-Franchisees The three members shall independently administer an account for the Local Advertising Fund operations The funds shall be used for advertising in the Sub-Franchisor's designated Territory or elsewhere, as the three members shall determine- in their sole discretion The three members shall submit at least annually a report ofdetailing the applicationuse of the Advertising Fund to all interested parties

2 10 EGM Franchise System Advertising Fund EGM has established an EGM Franchise System Advertising Fund designated to promote the goodwill and beneficial use associated with the EGM Trademark Sub-Franchisor and Unit-Franchisees shall contribute one (1%) percent of their Gross Revenues as defined in paragraph 1 11 above to the EGM Franchise System Advertising Fund monthly DisbursedContributions shall be paid directly from the EGM Billing Trust to the Advertising Fund Such contributions shall be paid weekly as funds are received The EGM Franchise System Advertising Fund will be used exclusively for the advertising and promotion of the EGM Trademark and EGM Franchise System for the collective benefit of all members of the

EGM Franchise System The Advertising Fund will be administered by at least three (3) members, two of whom are appointed by EGM and one of who is appointed by ~~each~~the Sub-~~Franchisor~~Franchisors The members shall independently administer an account for the EGM Franchise System Advertising Fund operations The funds shall be used for advertising the EGM Franchise System, as the members shall determine The members shall submit at least annually a report ~~of~~detailing the ~~application~~use of the EGM Franchise System Advertising Fund to all interested parties

2 11 ~~Account billing fund~~ Billing Trust The Unit-Franchisee is obliged to bill all of its clients and customers through the ~~account billing fund~~Billing Trust maintained by the EGM Master Franchisor~~, funds~~ Funds collected from the clients and customers ~~will~~shall be ~~disbursed by~~deposited into the Billing Trust account EGM ~~Master Franchisor, weekly as~~ shall keep the funds received in the Billing Trust Account separate and apart from EGM's operational accounts The Unit-Franchisee will be charged four percent (4%) of the funds received for handling of the billing and collecting of the accounts ~~disbursed directly from the EGM BILLING TRUST~~ EGM shall make distributions from the Billing Trust account on a weekly basis to Unit Franchisee, to the Local and Systemwide Advertising funds and to Sub-Franchisor and EGM as set forth in this Agreement

SERVICES TO UNIT-FRANCHISEE

3 0 Grant of Franchise and Trademarks Initially and during the term of This Agreement Sub-Franchisor shall permit Unit-Franchise to use the EGM Franchise System and the EGM Trademarks in the operation of the business conducted by Unit-Franchisee within the Territory The EGM Trademark has been registered in favor of EGM with the ~~U S Patent and Trademark office, as well as with various state agencies~~ State of California Sub-Franchisor holds the right to grant use of the Trademark in the Territory

3 1 Franchise ~~Of~~of System Sub-Franchisor hereby grants to the Unit-Franchise a license and right to use the EGM Franchise System, which includes the right to operate as a related service to the business conducted by Sub-Franchisor within the franchise Territory

3 2 Sub-Franchisor additionally agrees to aid and assist with the Unit-Franchise as the Unit-Franchisee may request as to the following

3 2 1 Sub-Franchisor will recommend and aid the Unit-Franchise in arranging for necessary business forms, stationary, brochures, business cards, office supplies and employee uniforms

3 2 2 Sub-Franchisor will recommend and aid the Unit-Franchise in arranging for delivery of supplies from various vendors to be sold and used under the EGM Franchise System

3 2 3 Sub-Franchisor will aid Unit-Franchisee in evaluating and obtaining telephone service~~, including use of long distance and special telephone service~~.

UNIT-FRANCHISEE TRAINING

3 3 EGM does not provide training in how to perform the ~~janitorial and other~~ maintenance, janitorial and other services offered through the EGM System EGM may refer you to third party vendors who offer training and certifications in various fields Sub-Franchisor will provide training in the processes and procedures used in the EGM Franchise System including

~~services offered through the EGM System EGM may refer you to third party vendors who offer training and certifications in various fields Sub-Franchisor will provide training in the processes and procedures used in the EGM Franchise System including~~

3 3 1 Instruction on merchandising, writing and selling contracts under the EGM Franchise System

3 3 2 Instructions in customer relations and handling complaints

3 3 3 Instructions in bookkeeping system suitable for the franchise operation

3 3 4 Instructions on employee relations and record keeping

3 4 Territory Manuals Sub-Franchisor will provide to Unit-Franchisee Territory Manuals detailing Unit-Franchisee's operation as a related service business, including the use of EGM Trademarks and other rules and regulations that are mandatory in the operation of the EGM Franchise System

3 5 Supplies and Services EGM will periodically publish lists of suggested sources of supplies, uniforms and services or specifications for supplies, uniforms and services directly connected with the use of the EGM Franchise System The Sub-Franchisors and the Unit-Franchisees may purchase supplies from a suggested source or from any other supplier who has satisfied EGM that it can meet the standards and specifications required Whenever the EGM Trademark is visibly used upon any of the supplies, uniforms or services, the use of the Trademark must first be approved by EGM

3 6 Following the opening of the Unit Franchise, Sub-Franchisor will provide Unit Franchisee with the following

a) Advice and consultation services These will include telephone consultation and advice in accordance with the EGM Territory Manuals delivered to you, as such Territory Manuals may be amended from time to time If Unit Franchisee requests any advice or consultation service which requires Sub-Franchisor to make any of its staff present at the Franchised Business, Sub-Franchisor may charge to provide such service at the per diem cost set forth in

the then-current Territory Manuals plus expenses

(b) Sub-Franchisor will provide periodic individual and group advice, consultation and assistance, rendered by personal visit or telephone, or by newsletters or bulletins made available from time to time to all Unit Franchises, as Sub-Franchisor may deem necessary or appropriate

(c) Sub-Franchisor will make available to Unit Franchisee from time to time advertising materials it prepares for use by EGM franchisees generally You may use such materials in any local advertising You will pay for all associated costs

(d) Sub-Franchisor will make available to you from time to time all improvements and additions to the EGM Franchise System to the same extent and in the same manner as they are made available to EGM franchisees generally

OBLIGATIONS OF UNIT-FRANCHISEE

4 0 Use ~~Of~~of Name ~~The~~ Unit-Franchisee ~~will conduct~~ must use the EGM Trademark in connection with the operation of its business ~~in its~~within the Territory ~~only under the trade name set forth in this agreement~~. Unit-Franchisee ~~will use no~~may conduct business within its Territory using its own name in conjunction with the EGM Trademarks, provided that such name is approved by Sub-Franchisor Unit-Franchisee will not use any other name in connection with its operations ~~conducted from the location specified herein~~ without the prior written consent of Sub-Franchisor Without written consent of Sub-Franchisor, Unit-Franchisee will conduct no other type of business under the EGM trade name, except the related service services specified in This Agreement

4 3 2 Unit-Franchisee agrees to include conspicuously the required slogan "EACH EGM FRANCHISE IS INDEPENDENTLY OWNED AND OPERATED" on approved signs, and on all business cards, stationary, estimate forms, contracts, receipts and similar materials that identify the Unit-Franchisee

UNIT-FRANCHISEE OPERATING REQUIREMENTS

5 0_ EGM Franchise System Guidelines Unit-Franchisee agrees to adopt and adhere to the EGM Franchise System Guidelines as stated herein and as changed from time to time to conform to local laws and business practice

5 1 Territory Manuals Unit-Franchisee will operate its territorial business in strict compliance with the standards and specifications of the Territory Manuals Unit-Franchisee agrees to supervise its employees, sales persons, agents and associates to assure their compliance with these standards and specifications in all things relating to the business Unit-Franchisee acknowledges that EGM has the right to make reasonable changes in Territory Manuals to comply with current standards and business needs EGM will notify Unit-Franchisee in writing, email or Post to EGM Website as to changes in the manuals

5 1 1 EGM agrees that subject to local variations and conditions it will be reasonably consistent in the standards and quality of services that they require from its Sub-Franchisors and Unit-Franchisees

ACCOUNTING RECORDS AND REPORTS

6 0 EGM reserves the right to establish a uniform list of accounts and/or uniform bookkeeping system for all EGM Sub-Franchisors and EGM Unit-Franchisees Unit-Franchisee will maintain full and complete records of its business in accordance with the Territory Manuals and will submit to EGM and Sub-Franchisor such information

and accounting data as EGM and Sub-Franchisor may reasonably request ~~Unit-Franchisee will provide to EGM an annual audit report certified to be true and correct as to Unit-Franchisee's operations and financial status~~At Sub-Franchisor's request, Unit-Franchisee shall provide to it accounting records relating to the franchised business, including, but not limited to, profit and loss statements, invoices, bank statements and receipts Such records shall be provided within ten (10) days of a written request from Sub-Franchisor

INSURANCE AND INDEMNITY

7 0 Unit-Franchisee will assume sole and entire responsibility and indemnify and save harmless EGM and Sub-Franchisor from any and all claim, liability, responsibility and damage or any cost or expense by reason of any loss of life or injury or claimed injuries to person or property that may be sustained in connection with the operation of Unit-Franchisee's business Unit-Franchisee further agrees to maintain and keep in force for the mutual benefit of EGM and Sub-Franchisor all such forms of insurance, including, but not limited to, public liability insurance against claim for personal injury, death, or property damage, product liability insurance, worker's compensation insurance, general liability and insurance with limits not less than $1,000,000 00 for each person and $100,000 00 for property damage All such policies shall name EGM and Sub-Franchisor as additional insured parties covering liability of all kinds, and Unit-Franchisee shall cause to be furnished to EGM and Sub-Franchisor a copy of such policy and any and all endorsements thereon and Unit-Franchisee will pay promptly all premiums on such policies as and when the same become due and payable

FINANCIAL STATEMENTS AND RECORDS

8 0 No service or supplies of any kind shall be sold or delivered without the issuance of an invoice The Unit-Franchise shall, with respect to business done by it,

keep on its premises true and accurate records, accounts, books and data which will accurately reflect all particulars relating to sales of service and supplies Sub-Franchisor, through its agents or representatives, may examine and audit such records, accounts and books at all reasonable times In the event that Sub-Franchisor shall ask for an audit to be made and the gross revenue shown by the Unit-Franchisee's statement for the period involved shall be found to be understated by more than one (1%) per cent, the Unit-Franchisee shall pay to Sub-Franchisor the cost of such audit and all amounts then due to Sub-Franchisor Unit-Franchisee will comply with all federal, state, county, municipal and other governmental agencies and contractor licensing laws pertaining directly or indirectly to the Unit-Franchisee's business Unit-Franchisee will pay for all licenses, permits, bonds and deposits made to or required by any governmental agency in connection with Unit-Franchisee's business Unit-Franchisee will pay promptly when due all taxes, accounts, liabilities and indebtedness of any kind incurred by Unit-Franchisee in the conduct of its business

INDEPENDENT PARTIES

9 0 Independent Relationship In all dealing with third parties, including, without limitation, employees, suppliers and customers, you shall disclose in a manner acceptable to Sub-Franchisor that you are an independent entity licensed by Sub-Franchisor Nothing in this Agreement is intended by the parties to create a fiduciary relationship between ~~them~~Unit Franchisee and EGM and/or Sub-Franchisor, or to make Unit-Franchisee an agent, legal representative, subsidiary, joint venture, partner, employee or servant of EGM and/or Sub-Franchisor for any purpose whatsoever, It is understood and agreed that Unit-Franchisee is an independent contractor and is in no way authorized to make any contract, warranty or representation, or to create any obligation on behalf of EGM and/or Sub-Franchisor

9 1 Standards of Quality Unit-Franchisee understands and acknowledges the importance of high and uniform standards of quality, appearance, workmanship and service to maintain the value of the EGM Trademark For this reason, Unit-Franchisee acknowledges the necessity of operating the business within its Territory in compliance with the EGM Franchise System Guidelines and the Territory Manuals, and represents that Unit-Franchisee has the present capacity to meet those standards

9 2 Active Involvement Unit-Franchise represents that one or more of its Principal Owners as hereinbefore defined will actively and personally participate in the management and operation of the franchise business on a regular basis

9 3 No Other Representations No representations, promises, guarantees or warranties of any kind have been made by EGM or Sub-Franchisor to induce Unit-Franchisee to execute This Agreement, except as specifically set forth in the franchise disclosure documents that have been delivered to Unit-Franchisee Unit-Franchisee acknowledges that neither EGM, Sub-Franchisor nor any other person has guaranteed or warranted that Unit-Franchisee will succeed in the operation of the franchise business, or has provided any sales or income projections of any kind to Unit-Franchisee

9 4 Trade Secrets Unit-Franchisee acknowledges that EGM and Sub-Franchisor are the sole and exclusive owner of the System and all Trade Secrets, which include, without limitation, all customer lists and contacts, pricing information, market studies, financial and business plans, delivery and systems, tools, procedures and other information developed by it from time to time and used in the operation of the System and that are valuable and secret in the sense that they are not known to the general public and have independent economic value Unit-Franchisee and the guarantors of this Agreement agree not to contest the validity of EGM's and Sub-Franchisor's exclusive ownership of and rights to the Trade Secrets Unit-Franchisee shall never, at any time

during the term of this Agreement and for so long thereafter as the Trade Secrets are competitively sensitive and not known to the general public (a) disclose, compromise, or communicate all or any part of such Trade Secrets to any person or entity, except as authorized in writing by EGM or Sub-Franchisor, or (b) permit or cooperate in any unauthorized reproduction of all or any part of such Trade Secrets Unit-Franchisee shall take all reasonable precautions to prevent your employees, officers, directors, members, partners, agents, representatives and others from doing any act or engaging in any activity which would violate this Paragraph 9 4

TRANSFER OF UNIT-FRANCHISE

10 0 Transfer by Franchisee Unit-Franchisee's sale of this Unit-Franchise Agreement is made in reliance upon the representations and financial responsibility of the Unit-Franchisee and its Principal Owners Any Transfer of This Agreement, either in whole or in part, voluntarily or involuntarily, or by operation of law, will be subject to written approval by Sub-Franchisor, which approval will not be unreasonably withheld The following conditions for such Transfer are necessary in order to assure that any change in the Unit-Franchise will not in any way jeopardize the high standards of the EGM Franchise System, its Trademark and its goodwill If the rights under This Agreement are held by a partnership or corporation, then the Transfer or Transfers of ownership interest representing accumulative aggregate of twenty-five (25%) per cent or more of the securities, capital, profits or assets of the Sub-Franchisee will be deemed a Transfer Unit-Franchisee agrees to obtain the written consent of its Principal Owners and to abide by the terms of this paragraph

10 1 Transfer Fee Upon any application for a Transfer of this Agreement, the Unit-Franchisee shall deposit with Sub-Franchisor a transfer fee of $2,400 00 The

deposit will be refunded if the Transfer is not approved by Sub-Franchisor and EGM The new Unit-Franchisee must complete the EGM office training and field support training

10 2 Family Transfer If the Unit-Franchise is a sole ~~proprietor~~proprietorship, the rights under this franchise may be transferred or assigned to his son or daughter without payment of a transfer fee Upon the death of the Sole Proprietor/Unit-Franchisee, the franchise may be transferred by his estate without payment of a transfer fee The proposed transferee shall establish, to the Sub-Franchisor's satisfaction, the ability to continue the related service business

10 3 Voluntary Transfer Should the Transferee at any time during the term of This Agreement decide to sell its franchise, or the business authorized by This Agreement, the Unit-Franchisee shall give to Sub-Franchisor at least thirty (30) days written notice of its intent to sell and shall provide to Sub-Franchisor such documentation as may be required for Sub-Franchisor to investigate the proposed purchaser If after the investigation Sub-Franchisor, in its sole judgment, determines that the proposed purchaser is acceptable as a Unit-Franchisee, it will notify Unit-Franchisee and purchaser of its approval At that time the proposed purchaser will be given the opportunity to enter into a Unit-Franchise Agreement with Sub-Franchisor for the operation of the Unit-Franchisee's business within its Territory and for the balance of Unit-Franchisee' s term The form of the Unit-Franchise Agreement will be such Unit-Franchise Agreement then being used by Sub-Franchisor under the EGM Franchise System Sub-Franchisor will not arbitrarily withhold its approval of any proposed purchaser If the proposed purchaser is not approved by Sub-Franchisor, or if approved does not enter into a new Unit-Franchise Agreement with Sub-Franchisor, the Unit-Franchisee shall, within fifteen (15) days after receipt of notice thereof, notify Sub-

Franchisor whether it intends to continue its business operation or relinquish its rights and franchise granted under This Agreement If the Unit-Franchisee fails to notify Sub-Franchisor within the fifteen (15) day time limit, the Unit-Franchise will be deemed to have completely relinquished all of his rights under This Agreement

10 4 Change Without Transfer As used in this paragraph, a Transfer will not include a change or Transfer to

10 4 1 Any Trustee, Guardian, Conservator, Executor or Administrator for the account and benefit of a Principal Owner

10 4 2 Any corporation, partnership, association or company, if the beneficial ownership of the business entity immediately following the Transfer is in the same proportion as the beneficial ownership immediately prior to the Transfer, provided, however, that no such Transfer will relieve the original party of any of its obligations under This Agreement

TERMINATION OF UNIT-FRANCHISE

11 0 Termination in General This Agreement may be terminated upon mutual written consent of the parties hereto Otherwise, This Agreement may not be terminated except as provided in This Agreement

11 1 Termination ~~For~~for Cause Upon occurrence of a material default by Unit-Franchisee under This Agreement, including, but not limited to, the defaults described below, Sub-Franchisor may terminate This Agreement

11 1 1 If Unit-Franchise misuses the EGM Trademark or the EGM Franchise System or in any manner materially impairs the goodwill associated therewith, or Sub-Franchisor's rights thereto, or if the Unit-Franchise uses in its business operations any names, marks, systems, logos or symbols not authorized by Sub-Franchisor in writing

prior to such use

11 1 2 If Unit-Franchisee or a Principal Owner thereof has any interest, direct or indirect, in the ownership or operation of any business that operates like, looks like, competes with, copies or imitates any aspect of the EGM Franchise System

11 1 3 If Unit-Franchisee fails to make any payments when due under This Agreement

11 1 4 If Unit-Franchisee attempts to affect any Transfer of its rights hereunder other than in accordance with This Agreement

11 1 5 If Unit-Franchisee makes or has made any misrepresentation to Sub-Franchisor in connection with the obtaining of This Agreement or in conducting the business licensed hereunder

11 1 6 If Unit-Franchisee defaults in the performance of any other material obligation under This Agreement or under the EGM Franchise System Company Guidelines, or the Territory Manuals

11 1 7 If Unit-Franchise ceases business operations in its Territory without written consent of Sub-Franchisor for any reason for a period of more than thirty (30) days

11 1 8 If Unit-Franchisee shall be adjudged a bankrupt or becomes insolvent or if a receiver, whether permanent or temporary, of Unit-Franchisee's properties shall be appointed by any Court of competent jurisdiction, of if Unit-Franchisee shall make a general assignment for the benefit of its creditors

11 1 9 If Unit-Franchisee, whether an individual or a Principal Owner, is convicted of any felony or any other crime involving moral turpitude, or if Unit-Franchisee is found to be liable for any violation of any trade practice, consumer protection or other law relating to the operation of its business Upon the occurrence of any event of

rights hereunder will be governed by and interpreted under the laws of this State

14 1 Notices All notices required or permitted under this agreement will be sent to the parties at their respective address as shown on the signature page of This Agreement Such addresses may be changed by written notice

14 2 This Agreement may be amended, modified or discharged in whole or in part only by a document in writing subscribed by all of the parties hereto or their authorized agents

14 3 Successor and Assigns This Agreement will inure to the benefit and be binding upon the parties hereto and their heirs, successors, representatives, assigns and transferees, except as may be otherwise restricted herein Sub-Franchisor reserves the right to assign This Agreement or any rights hereunder without the consent of the Unit-Franchisee, so long as the Unit-Franchise is provided all services hereunder

14 4 Waiver Waiver of any default or breach of this agreement will not be interpreted as a waiver of any subsequent breach No waiver of any provision of This Agreement will be effective unless in writing and signed by the party to be charged with the waiver

14 5 Integration ~~Of~~of This Agreement This Agreement sets forth the entire agreement of the parties and all prior written or oral agreements of the parties are merged within This Agreement and no modification or change will be binding unless set forth in writing and signed by the party to be charged However, nothing in this agreement is intended to disclaim any representations made in the Franchise Disclosure Document

14 6 Attorney's Fees and Costs In any legal action or proceeding arising out of this Agreement, the prevailing party shall be entitled to recover reasonable attorney's

fees and costs

IN WITNESS WHEREOF, the undersigned have executed This Agreement on

_____, 20_____

Unit-Franchisee (principal owner)

Name _____
Address _____
_____

By _____
Type name _____
Title _____

By _____
Type name _____
Title _____

Sub-Franchisor

Executive Group of Maintenance Co , Inc
dba EGM Franchise System
PO Box 141
Patterson, CA 95363

By _____
JAMES DOWNING
President

RECEIVED
DEPT OF BUSINESS OVERSIGHT
SAN FRANCISCO

EGM FRANCHISE SYSTEM
LIST OF RELATED SERVICES
IN THE EGM SERVICE NETWORK

Services Provided by a Network of Professional Maintenance Companies
Each Service Provider Company Independently Owned/Operated

1 JANITORIAL - GENERAL
2 CARPET/UPHOLSTERY CLEANING
3 FLOOR CLEANING
4 WINDOW WASHING
5 GARDENING/ANNUAL COLOR
6 PARKING LOT SWEEPING
7 INTERIOR PLANT CARE
8 HANDYMAN
9 PEST CONTROL
10 AIR CONDITIONING & HEATING
11 PRESSURE WASHING
12 TREE SERVICE (ABOVE 8')
13 MATERIALS
14 LIGHTING & SIGN
15 ~~JANITORIAL~~ RESTROOM SUPPLIES & TRASH CAN LINERS
16 ELECTRICAL
17 PLUMBING
18 CEILING REPAIR
19 ASPHALT SEAL COAT/STRIPE
20 DRAIN/SEWER
21 ROOF & DRAIN CLEANING/REPAIR
22 MINI BLIND CLEANING
23 MISCELLANEOUS SERVICE
24 CONTRACTORS
25 LOCK SMITH
26 PORTER WORK

EXHIBIT "C"

EGM UNIT-FRANCHISE MANUAL INDEX

~~1 EGM Cover Page~~
~~2 EGM Franchise License-sample Original on EGM Website~~
3 Welcome Letter
4 Introductory Letter
5 United We Stand
6 What EGM Franchise System Does ~~Best~~
7 What EGM Unit-Franchise Does ~~Best~~
8 ~~Successful~~ Franchise Business
9 Index

Section 1 - Marketing
1 What EGM Franchise System does
~~Marketing/Administration/Coordinate Services~~
Marketing/EGM Software/Billing
2 Reasons Why EGM Franchise System works
3 EGM Concept
4 EGM Seeding Concept
5 EGM Referral System
~~6 Examples of Referrals~~
7 Marketing – Interacting
8 EGM Bid Request/Contract ~~Instruction~~
9 Maintenance Request - Extra Work
10 Use of EGM Logo
11 EGM Uniforms/Logos
~~12~~ EGM Thank You Card ~~Outline~~
~~13~~ EGM Comment Card ~~Outline~~
14 Advertising

Section 2 – ~~Administration~~ Billing
1 Office Hours
2 EGM Unit-Franchisee Office Outline
3 Office Supplies
4 EGM Billing Trust – Billing & Collection
5 EGM Billing Trust - Weekly Payment Report
6 EGM Billing Trust - Monthly Invoice Report
7 Receipt File ~~guideline~~
8 Tax File ~~guideline~~
9 Payroll ~~guidelines~~
10 ~~The~~ Use of Temporary Service
11 Monthly Dates
12 ~~EGM~~ Job Maintenance Log Sheet
13 How to put in a Suggestion
14 Article from Newspaper W C is Explicit
15 ~~EGM~~ Uniforms ~~Price List-sample Current list see EGM Website~~

Section 3 – ~~Coordination~~ Communications

1 Friendly Reminder Form ~~Outline~~
2 Complaint Form ~~Outline~~
3 Credit Form ~~Outline~~
4 Assignment/Re-assignment ~~Form Outline~~
5 Cancellation Form ~~Outline~~
6 Franchise in Good Standing
7 Vacation Time
8 Contractor License Letter
9 Request for Renewal or Termination of Franchise
10 Notify EGM of Intent to Sell/Transfer/Modify Ownership
11 ~~Outline of~~ Dissolution and Warning Letters

** All Original forms/tools/templets should be downloaded from the EGM ~~On-Line~~ Website

EXHIBIT "E"

EGM Franchise System

A Service Network of Professional Maintenance ~~Professionals~~ Companies

60/40 Option Plan

~~EGM's~~ EGM Franchise System's (EGM) goal is to offer the Option Plan to ~~advance~~ any Independent Company who wants to increase their income by giving them an opportunity to ~~move forward~~ purchase and be part of the EGM Service Network as an independently ~~owner~~ owned and operated Unit-Franchise

The Independent would come to an EGM Sales Presentation to see what the EGM Unit-Franchise is about The Independent has the right to purchase the EGM Unit-Franchise directly or purchase an EGM Unit-Franchise under the 60/40 Option Plan, with EGM's approval

The Independent Company is required to verify to EGM ~~Franchise System~~ they have all Necessary Equipment, Provide proof of their City Business License, Bond, Liability Insurance, ~~Record/Publish a~~ Fictitious Business Name Statement and all other documents that EGM ~~Franchise System~~ requires to complete the EGM Unit-Franchise Agreement

The EGM Unit-Franchise is $17,000 00 For being in the 60/40 Option Plan, you can purchase the EGM Unit-Franchise with a $500 00 Down Payment with the Agreement that 25% of the 1st $66,000 00 is billed on the EGM 60/40 Program (25% of $66,000 00 is $16,500 00) Unit-Franchise agrees to honor all other aspects and conditions of the EGM Unit-Franchise Agreement and fully understands that this 25% is taken over and above the 10%, 4%, 1%, 1% stated in the EGM Unit-Franchise Agreement Paragraphs 2 8, 2 9, 2 10, 2 11

~~The EGM~~ Your Company Invoices, ~~EGM~~ Your Company Business Cards, ~~EGM~~ Your Company Vehicle Logo, ~~EGM~~ Your Company Uniforms and EGM Activation Fees are an additional cost to the EGM Unit-Franchise

Yes I, _____ would like to participate in the 60/40 Option Plan starting on date _____ I am putting a deposit of $500 00 to hold ~~the accounts for~~ my EGM Unit-Franchise The Down Payment is to be applied towards the $17,000 00 Unit-Franchise Fee I Agree that if I leave EGM before completing the payoff of my EGM Unit-Franchise, I agree to pay a Processing Fee to EGM in the amount of $250 00

Independent's Company Name _____

Sign _____ Date _____
Print name _____

Sign _____ Date _____
Print name _____

EGM Representative _____ Title _____

#6040_plan

EGM Franchise System

A Service Network of Professional Maintenance ~~Professionals~~ Companies

Employee 60/40 Option Plan

As an EGM employee grows, EGM has a growth plan so an employee can finance an EGM Unit-Franchise EGM's goal is to advance anyone who wants to increase their income by giving them an opportunity to move forward into an owner-operated franchise If the employee doesn't want to participate, he/she does not have to

This plan is optional for the employee, they do not have to participate The employee would come to an EGM Sales Presentation to see what the EGM Unit-Franchise is about The employee has the right to purchase the EGM Unit-Franchise, be a participating employee under the Employee 60/40 Option Plan, or continue to be an employee If the employee wants to participate and move towards being an EGM Unit-Franchise, then he/she works as a participating employee, then he/she will have the option to purchase an EGM Unit-Franchise under the following conditions

Work as an employee for 264 Hours in consecutive days with

a Quality work with no complaints from the Client or EGM

b No un-excused or unannounced absences Be on time for work Perform the work in the specified time allotted

3 Be in EGM authorized uniform at all times while on the job site

4 Fill out and turn in on time, the Time Sheets and Maintenance Log Sheets

5 Have a positive and professional attitude towards the Client, EGM and all others that you come into contact with while on the job or in EGM uniform

After meeting all the above conditions with EGM approval, the employee is required to acquire (at employees expense) all Equipment, City Business License, Bond, Liability Insurance and Record/Publish a Fictitious Business name Statement for their new company

The EGM Unit-Franchise is $17,000 For being in the Employee 60/40 Option Plan, your new company can purchase the EGM Unit-Franchise with a $100 00 Down Payment with the Agreement that 25% of the 1st $67,600 00 is billed on the EGM 60/40 Program (25% of $67,600 00 is $16,900 00) Unit-Franchise agrees to honor all other aspects, requirements and conditions of the EGM Unit-Franchise Agreement and fully understands that this 25% is taken over and above the 10%, 4%, 1%, 1% stated in the EGM Unit-Franchise Agreement Paragraphs 2 8, 2 9, 2 10, 2 11

~~The EGM~~ Your Company Invoices, ~~EGM~~ Your Company Business Cards, ~~EGM~~ Your Company Vehicle Logo, ~~EGM~~ Your Company Uniforms and EGM Activation Fees are an additional cost to the Unit-Franchise ~~EGM is including $_____ in activation fees with the purchase of this EGM Unit-Franchise, to be used within the 1st year~~

~~***ACTIVATION FEE NOT REDEEMABLE FOR CASH! _____(Initial)~~

Yes I, _____ would like to participate in the Employee 60/40 Option Plan starting on date _____ I understand that I must be approved by EGM Corporate, must have the above listed items and agree to the terms and conditions of this Plan (before this Option Plan can be ~~completed~~ implemented) I understand I am no longer an employee, I own my own Company and I am an independent owner/operator

Employee _____ Date _____

EGM Representative _____ Title _____

Exhibit F

#exhibitF