

FRANCHISE DISCLOSURE DOCUMENT



E.I. Franchising, Inc.
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We offer two types of franchises: (1) a single unit franchise for the operation of a business offering commercial cleaning and building maintenance services; and (2) a multi-unit franchise for the operation of a unit franchise and the recruiting and supervision of other unit franchisees.

The total investment necessary to begin operation of a single unit franchise is \$39,100 to \$83,000. This includes an initial fee of \$35,000 that you must pay to us.

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.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Larry ("Ray") Jackson at E.I. Franchising, Inc., 500 S. Polk Street, Suite 14, Greenwood, IN 46143.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC 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.

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How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits B1 and B2 .
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Executive Image business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What is it like to be an Executive Image franchisee?	Item 20 or Exhibits B1 and B2 lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider about *This Franchise*

Certain states require the following risks be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement and area developer agreement require you to resolve disputes with the franchisor by litigation only in Indiana. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in Indiana than in your own state.
2. **Personal Guaranty.** Your spouse must sign a document that makes your spouse liable for all your financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both you and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

**DISCLOSURE APPLICABLE TO FRANCHISEES COVERED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW**

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - i. The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
 - ii. The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

- iii. The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - iv. The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).
- (i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

Any questions regarding the notice should be directed to the State of Michigan Department of Attorney General, Franchise Section – Consumer Protection Division, P.O. Box 30213, Lansing, MI 48909 or by telephone at 517-373-1140

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Exhibit A – State Administrators and Agents for Service of Process

Exhibit B – List of Franchisees

1. Franchisees
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Exhibit D – Table of Contents of Manual

Exhibit E – Agreements

1. Franchise Agreement and Schedules
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Exhibit F – State Addenda

Exhibit G – Receipts

APPLICABLE STATE LAW MIGHT REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES APPEAR IN **EXHIBIT F**

ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, “we” or “us” means E.I. Franchising, Inc., the franchisor. “You” means the person who buys the franchise, and it may refer to the owner or owners of the buyer entity. We do business under the name “Executive Image” or “Executive Image Building Services”. We are an Indiana corporation formed March 15, 2012. Our principal business address is 500 S. Polk Street, Suite 14, Greenwood, IN 46143.

Our agents for service of process are listed in Exhibit A of this disclosure document.

The Unit Franchise

We offer the right to own and operate an Executive Image Building Services business offering commercial cleaning and building maintenance services, as well as window washing and landscaping maintenance. Either you or us may identify and sign up businesses in your territory as customers (or “accounts”) that you will service.

We require you to let us review any accounts you obtain on your own to ensure that such accounts fall within our guidelines. We will inform you of our approval or disapproval of your proposed accounts within three (3) business days after you submit the account proposal to us. We do not require you to maintain a specific number of cleaning accounts.

We handle all the customer billing from our office. We send invoices to customers and we pay you once amounts are received from the accounts you service within three (3) business days, net of royalties, account finder fees, finance charges and other amounts that we are permitted to deduct under the terms of the franchise agreement.

The Multi-Unit Developer Opportunity

We also offer multi-unit development opportunity whereby you can purchase either three (3) or five (5) Executive Image franchises. The Multi-Unit Developer Agreement (“MUDA”) will outline a schedule or defined period of time in which you must open and commence operating each Executive Image franchise. If we award you the right to be a multi-unit developer, you will be required to sign a Franchise Agreement for the initial franchise you open under the development schedule and to pay eighty percent (80%) of the Initial Franchise Fee for the second franchised business under the development schedule, seventy-five percent (75%) of the Initial Franchise Fee for the third franchised business under the development schedule, fifty percent (50%) of the Initial Franchise Fee for the fourth franchised business under the development schedule and fifty percent (50%) of the Initial Franchise Fee for the fifth franchised business under the development schedule.

The current form of the MUDA is attached as Exhibit C to this Disclosure Document.

The Franchisor, Parents, Predecessors and Affiliates

We have no parent company, but have one affiliate, Executive Image Building Services, Inc., a company owned and operated by our Vice President and Chief Operating Officer.

We began selling Executive Image franchises in 2012. The first franchise was acquired by Executive Image Building Services Inc.

Neither we nor any predecessor or affiliate has offered franchises in other lines of business.

The Market and Competition

The market for commercial cleaning and general maintenance services is well-established and highly-competitive. You will compete with other independent businesses and franchises that offer commercial cleaning and building maintenance services.

Before you sign a Franchise Agreement, you should study your local market to determine the number and quality of competitors, the potential local market and the costs in your area to launch and operate an Executive Image business. The ability of your Executive Image business to compete and succeed will depend on factors such as the demographics and economic conditions in the area in which your franchised business is located; public awareness of our business and our brand in that area; the degree and quality of local competition; and prevailing wage rates, lease costs and other expenses. Your success will also depend on many factors within your control, such as your management and marketing skills and judgment; your ability to locate, hire and retain excellent and motivated employees; your financial resources; your willingness to work hard; and your proper implementation of our franchise system. The franchised business, like all businesses, involves substantial risks. We cannot eliminate business risks and we cannot guarantee your success.

Laws and Regulations

You must comply with all local, state and federal laws and regulations applicable to the operation of your franchised business. These include laws affecting businesses generally, such as tax laws, business licensing requirements, zoning laws, employment and workers' compensation laws. Laws specific to this business include laws governing the use and storage of cleaning chemicals. There may be other laws applicable to your business.

You should consult with your attorney and thoroughly investigate the applicable laws and licensing requirements in your state before you sign a franchise agreement or invest in a franchise. It is your responsibility to comply with all applicable laws and to keep in force all required permits and licenses.

ITEM 2 BUSINESS EXPERIENCE

President and Chief Executive Officer – Larry (“Ray”) Jackson

Larry (“Ray”) Jackson has been our President and Chief Executive Officer since our company was founded on March 15, 2012. From September 2006 to January 2012, Mr. Jackson was the President of Gateway West Developments, Inc.

Vice President and Chief Operating Officer – Blake C. Clements

Blake C. Clements has been our Vice President and Chief Operating Officer since our company was founded on March 15, 2012. He is also the President of Executive Image Building Services Inc., a position he has held since the company was founded in February 2012. Executive Image Building Services Inc. purchased the first Executive Image area development franchise in April 2012. Mr. Clements manages both businesses from his office in Indianapolis, Indiana. From August 1998 through March 2012, Mr. Clements served as Vice President of Office Pride Commercial Cleaning Services in Indianapolis, Indiana.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this disclosure document.

ITEM 4 BANKRUPTCY

No litigation is required to be disclosed in this disclosure document.

ITEM 5 INITIAL FEES

The Unit Franchise

You must pay us an Initial Franchise Fee (“Initial Fee”) of \$35,000 for a unit franchise. The Initial Fee is fully earned by us when you sign the Franchise Agreement and is not refundable except under the circumstances outlined in this Item 5 and/or in the Franchise Agreement.

Financing

We may finance up to one half of the initial fee for thirty-six (36) months at 10% interest. You make an initial payment at the time you sign the franchise agreement or area development franchise. The balance with interest is paid in equal weekly installments over a three-year period starting the week you begin operations. (See Item 10.). We deduct these payments from the customer receipt payments that we remit to you. We have discretion to delay payments for accounting purposes.

The MUDA

If we award you the right to become a multi-unit developer, you must pay us eighty percent (80%) of the Initial Franchise Fee for the second franchised business under the development schedule, seventy-five percent (75%) of the Initial Franchise Fee for the third franchised business under the development schedule, fifty percent (50%) of the Initial Franchise Fee for the fourth franchised business under the development schedule and fifty percent (50%) of the Initial Franchise Fee for the fifth franchised business under the development schedule. The initial fee paid to us pursuant to the MUDA represents the consideration for the right to establish and operate the Executive Image franchises within the development area. The fee is fully earned by us upon signing the MUDA and is nonrefundable.

Discounts

We offer a ten percent (10%) discount off the initial fee of both the unit franchise and the multi-unit developer franchises to qualified veterans. We offer this discount to honorably discharged veterans of the United States military who otherwise meet our requirements for new franchisees.

Refunds

We will refund twenty percent (20%) of your initial fee for a unit franchise if you or we terminate the agreement before your initial training is completed. In all other cases, the initial franchise fee is not refundable under any circumstances.

Referral Fees

We have established a Franchisee Referral Program and encourage referrals for prospective franchisees and area developers from existing franchisees. Under the program, we offer a referral fee of \$1,000 to the existing franchisee who referred the individual franchisee and a referral fee of \$5,000 to the existing franchisee who refers a multi-unit developer; provided, however, that the individual becomes an Executive Image franchisee or multi-unit developer and executes the then-current Franchise Agreement or Multi-Unit Developer Agreement, as applicable. The Referral Fee will be paid within thirty (30) days from the date the new franchisee or multi-unit developer opens its franchised location. In the event more than one franchisee is entitled to the referral fee, the referral fee shall be split equally among the referring franchisees. We reserve the right to modify or discontinue the Franchisee Referral Program at any time.

ITEM 6 OTHER FEES

The Unit Franchise

Type of Fee	Amount	Date Due	Remarks
Royalty (Note 1)	10% of Gross Sales; 6% of monthly Gross Sales exceeding \$83,000	Deducted from the customer receipt payments that we remit to you	“Gross Sales” includes all sales made in the franchised business but does not include sales tax.
Marketing fee	3% of Gross Sales per Account Period	Deducted from the customer receipt payments that we remit to you	The marketing fee subsidizes the marketing fund, which we administer.
Marketing materials	\$300 per item per order	Due when you place your order	These are electronic copies of marketing materials that you can reproduce.
Customer Development Fee	8% of Customer Revenue for 3 years		We have the right to charge travel costs for market visits for customer development.
Annual meeting fee	\$300 per year	When billed	Participation in the annual meeting is encouraged but not required.
Technology Fee	\$45 per month	Deducted from the customer receipt payments that we remit to you	
Field assistance	The then-current per diem rate of our personnel, currently \$500, plus expenses	When billed	We may charge a fee for on-site assistance that we provide at your request.
Additional training	Our then-current rate, currently	When billed, before additional training	This is in addition to the “initial training” that is covered by the Initial Franchise Fee.

Type of Fee	Amount	Date Due	Remarks
	\$500 per day per person trained		
Transfer fee	The greater of \$4,000 or 3% of the purchase price	At the time the transfer is consummated	This fee reimburses our reasonable costs when there is a change in ownership of your business.
Audit	Cost of the audit	When billed	Payable only if the audit is made necessary by your failure to furnish required information or documents to us in a timely manner.
Late fee	The greater of \$50 or 10% of the past due amount	On demand	May be charged on each royalty or marketing fee payment that is more than 5 calendar days late.
Interest	10% annual rate	On demand	May be charged on each royalty or marketing fee payment that is more than 30 calendar days late.
Returned check/EFT fee	\$25 for first NSF or EFT returned and \$50 for each additional occurrence within a 12-month period	As incurred	This amount is in addition to the late payment fee and interest, plus past due amounts.
Bank fees	Vary	As incurred	You must reimburse us for fees charged by third party providers for credit card payments, banking fees, collection fees and electronic transfers.
Customer refunds	Vary	As incurred	We ask you to reimburse us if we determine, in our discretion, that a customer is due a refund and we make the refund
Manual and videos replacement fee	\$200	When billed, before you receive the manual or videos	If you request additional or replacement copies of the Manual or Videos.
Insurance	Our actual costs of the premium for the period of coverage plus a 25% service charge	When billed	Payable if you fail to carry required insurance and we decide to purchase it for you (although we are not obligated to do so).
Management fee	Hourly fee of \$20 to \$40	When billed	If on the death or disability of a controlling owner of your business or if the business is not being managed properly, we may appoint a manager until you appoint a trained replacement manager.
Attorneys' fees and costs	Our actual costs	As incurred	Payable if we incur costs in obtaining injunctive or other relief for the enforcement of any term of the franchise

Type of Fee	Amount	Date Due	Remarks
			agreement because of your default under the franchise agreement.
Indemnification	Our actual costs	As incurred	You must reimburse us for claims against us involving your business operations, including reasonable attorneys' fees.

Note 1

The royalty rate will be reduced from ten percent (10%) to six percent (6%) with respect to the amount of monthly Gross Sales exceeding \$83,000. We will remit a refund to you within the first fifteen (15) days of the following month equal to four percent (4%) of the monthly Gross Sales exceeding \$83,000 for the previous month.

General

All fees described in this Item 6 are imposed by and payable to us and are non-refundable.

Fees stated as dollar amounts may be increased from time to time to reflect increases in the Metropolitan Area Consumer Price Index for All Urban Consumers from the date of the franchise agreement, as published by the U.S. Department of Labor, or a successor index.

ITEM 7
ESTIMATED INITIAL INVESTMENT

Unit Franchise and Multi-Unit Developer Program					
Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Initial Franchise Fee (Note 1)	\$35,000 (for initial franchised business) 80% of the Initial Franchise Fee (for second franchised business) 75% of the Initial Franchise Fee (for third franchised business) 50% of the Initial Franchise Fee (for fourth and fifth franchised business)	\$35,000 (for initial franchised business) 80% of the Initial Franchise Fee (for second franchised business) 75% of the Initial Franchise Fee (for third franchised business) 50% of the Initial Franchise Fee (for fourth and fifth franchised business)	Lump sum	When you sign the Franchise Agreement	Us
Leasehold improvements (Note 2)	\$0	\$15,000	As agreed	As incurred	Independent contractors
Prepaid rent and security deposit	\$0	\$1,000	As agreed	As incurred	Landlord
Other equipment, furniture and fixtures	\$500	\$10,000	As agreed	As incurred	Approved suppliers
Signage	\$0	\$5,000	As agreed	As incurred	Independent suppliers

Unit Franchise and Multi-Unit Developer Program					
Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Computers, printer, fax, other hardware and business software (Note 3)	\$500	\$3,000	As agreed	As incurred	Independent suppliers
Grand Opening Marketing (Note 4)	\$500	\$3,000	As agreed	As incurred	Approved suppliers
Insurance premiums (for first year) (Note 5)	\$500	\$3,000	As agreed	As incurred	Independent carrier
Travel, living expenses and salaries during initial training (Note 6)	\$500	\$3,000	As agreed	As incurred during training	Airlines, hotels, restaurants and others
Legal and accounting fees (Note 7)	\$1,000	\$3,000	As agreed	As incurred	Independent professionals
Business licenses and permits (Note 8)	\$100	\$1,000	As agreed	As incurred	Local agencies
Reserve fund and miscellaneous expenses (Note 9)	\$500	\$1,000	As incurred	As incurred	Independent suppliers
Total (Note 10)	\$39,100	\$83,000			

Note 1

The initial fee is not refundable. Qualified veterans will receive a ten percent (10%) discount off the then-current Initial Fee. Financing is available. See Item 10.

Note 2

You may operate the franchised business from your home or from a non-retail facility within your territory. The recommended size of an Executive Image business is between 1,000 and 3,000 square feet. We do not require Executive Image franchises to meet any specific design or architectural requirements. Nor do we provide or offer specifications for the type or location of the premises. We only require that the space enable you to perform the required services in a businesslike manner. The cost of rent and leasehold improvements will vary widely, depending on the location, size and configuration of the premises and many other factors, including your ability to negotiate with the landlord and the prevailing rental rates in the geographic area of the franchised business.

Note 3

See Item 11 for information concerning the required computer, software and point of sale systems.

Note 4

This represents the costs of activities for marketing and advertising before your franchise is open and during

the grand opening phase (thirty (30) days before opening and ending thirty (30) days after opening.) We will guide you through this process. All strategies and actions taken, and materials used, must be approved by us and must be consistent with the requirements in our operations manual.

Note 5

See Item 8 for a description of the types of insurance you must maintain. This estimate covers your deposit, which will typically cover three months if you choose to finance your policy over the course of the year.

Note 6

This covers travel, lodging and meals for selected staff for initial training in Indiana or some other location designated by us, as well as the salaries of employees you will have working before opening.

Note 7

We encourage you to have your attorney review the franchise documents and the lease, if you choose to lease office space. Your attorney may also assist you in forming an entity to purchase and operate the franchised business.

Note 8

The cost of permits and licenses will vary depending on the location of the franchised business.

Note 9

These amounts are our estimate of the amount needed to cover your expenses for the start-up phase (the first three (3) months) of your business. These expenses include payroll; utilities and telephone service and other costs.

Note 10

These figures are estimates. We cannot assure you that you will not have additional expenses in starting the franchised business. These amounts do not include any estimates for debt service.

General

We have prepared these estimates based on our experience and that of our management team. You should not plan to draw income from the operation during the start-up and development stage of your business, the actual duration of which will vary materially from one franchised business to another. You must have additional sums available, whether in cash or through a bank line of credit or have other assets that you may liquidate or borrow against, to cover other expenses and any operating losses you may sustain, whether during your start-up and development stage or beyond. The amount of necessary reserves will vary greatly from franchisee to franchisee and will depend upon many factors, including the rate of growth and success of your business, if any.

Because the costs and the level of reserves will vary from location to location, we strongly recommend that you retain the services of an experienced accountant or financial advisor to review these figures and to develop a business plan and financial projections for your particular business before you decide whether to purchase the franchise. We also recommend that you (a) obtain independent estimates from third-party vendors, (b) research applicable regulations and their impact on your costs and operations and (c) carefully evaluate the adequacy of your total financial resources and reserves.

Financing

We offer to finance a portion of the initial fee. See Item 10.

We are unable to estimate whether you will be able to obtain financing for any or all of the remainder of your investment and, if so, the terms of such financing. Neither we nor any affiliate receives payment for the placing of financing. We do not guarantee or co-sign your notes, leases or any other obligations.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Cleaning Equipment and Supplies

As a unit franchisee, you must purchase or lease all cleaning equipment, materials and ancillary goods from suppliers we specify or approve. You must also purchase all office cleaning supplies from our approved suppliers and are responsible for ensuring that all goods and services conform to our standards and specifications during the term of the Franchise Agreement.

Advertising

All materials you use in local advertising, promotions and public relations must conform to our standards which are outlined in the Executive Image style guidelines. All such materials must be clear, factual and not misleading. You agree to submit to us samples of all materials you intend to use that we have not prepared or previously approved, before you use them. We will endeavor to give you our written approval or disapproval within thirty (30) days after our receipt of such materials. If we have not notified you of disapproval within thirty (30) days after your submission for approval, the materials will be considered disapproved. We may withdraw our approval of any materials at any time and our disapproval prohibits you from using such materials on an ongoing basis. We use purely subjective criteria to evaluate advertising for possible approval.

Insurance

Each unit franchisee must maintain suitable insurance coverage and minimum amounts specified in the franchise agreement, the operations manual or by written notice from us. We require that you obtain workers' compensation, property, and broad form comprehensive commercial general liability of \$1 million per occurrence, \$1 million general aggregate, with an umbrella of \$1 million per occurrence and \$1 million general aggregate; non-owned automobile coverage of \$1 million per occurrence and \$1 million general aggregate; and a deductible of no more than \$1,000. Area Developers may be required to carry Errors & Omissions policies at levels determined by us and in our sole discretion.

Such required policies and minimum amounts of coverage may be modified from time to time in our discretion upon thirty (30) days written notice to you. Prior to opening the Franchised Business to the public, you must deliver proof of insurance coverage to us by way of a signed original certificate or certificates of all required insurance policies which shall contain the authorized agent's business name, address and phone number, together with a statement by the insurer that the policy will not be canceled or materially changed without at least thirty (30) days prior written notice to us that the alteration or cancellation is being made. All insurance coverages will be underwritten by a company approved by us. E. I. Franchising, Inc. and your area developer must be named as additional insureds.

If you do not procure or maintain the required insurance, we will have the right, but not the obligation, to procure such insurance on your behalf and you will be required to pay us the cost of obtaining such

insurance, plus a ten percent (10%) administrative surcharge. Such costs, premiums, and fees will be payable immediately upon our demand and will accrue interest thereon until paid.

You must also obtain such insurance as your landlord requires, if applicable, and you may obtain additional insurance coverage as you feel necessary.

Computer and Office Equipment and Supplies

Your computer equipment and other office equipment and supplies must meet our specifications. You must purchase computers with internet access and all the software and hardware we require. See Item 11 for information concerning the required computer, software and point of sale systems.

Other Required Purchases

We will designate signage and other items and services that must meet our standards and specifications. You may purchase these items from any approved seller. You are not obligated to purchase from a particular approved seller, but you must use specific brands of equipment in certain cases. In some situations, certain comparable brands of equipment may be acceptable, subject to our prior written approval.

We will provide you with our operations manual, various supplemental bulletins and notices that will contain the specifications, standards and restrictions on your purchase of products and services, and a list of designated and approved suppliers when you sign the franchise agreement.

We will not obtain money, goods, services, or any other benefit from any other person with whom you do business, on account of, or in relation to, the transaction between you and another person, other than for compensation for services rendered by us, unless the benefit is promptly accounted for, and transmitted by you.

Quantity of Required Purchases and Leases

We estimate that the items you are required to purchase that meet our specifications will represent approximately 80% of the total purchases you will make to begin operations. Once you begin operating, we expect the items you are required to purchase that meet our specifications to represent approximately 80% of your total expenses.

Rebates and Discounts

We may derive revenue in the form of commissions or rebates that third party suppliers pay to us based on their sales of certain products to you. Rebates will not increase the price you pay for the products you purchase. We may use the rebates to subsidize some of our operating costs. We do not now receive and have not yet received any rebates from any supplier.

We may receive discounts on equipment and other items, which we are not obligated to pass on to you. We may negotiate purchase agreements with suppliers for the benefit of franchisees, but we are under no obligation to do so.

Approval Process

If you wish to use any item or supplier we have not previously designated or approved, you or the supplier must submit to us a written request for such approval, including the basis for the request. Your request

must include sufficient written specifications, photographs, drawings, samples and other information we request. We currently do not charge a fee for approving suppliers, but we reserve the right to require you to pay the costs we incur for testing samples and evaluating the potential new supplier.

Supplier approval is made on a case-by-case basis, and determined by us, in our sole discretion. We do not make our criteria for approving suppliers available to franchisees. We will grant such approval only if, in our sole discretion, we determine that such item and supplier meet all our standards and specifications. We will endeavor to make our determination within thirty (30) days after we receive all the necessary information we need to evaluate the supplier.

We reserve the right to deny or revoke our approval of any supplier at any time and for any reason. You shall be notified of such changes and are responsible for immediately terminating your relationship with a supplier if the supplier's approval is revoked. Additionally, you are required to immediately cease the use and purchase of such goods and/or services if a supplier's approval is revoked.

Purchasing or Distribution Cooperatives

There are no purchasing or distribution cooperatives as of the date of this disclosure document. We may establish national or regional purchasing or distribution programs for the purchase or distribution of certain products, materials or supplies at reduced prices. If a purchasing or distribution program is established for the region where your Executive Image franchised business is located, you must participate in the program.

Material Benefits

Except as described in this Item 8, you do not receive any material benefit from us based upon your use of the designated or approved products, equipment, and suppliers. However, we consider a variety of factors when determining whether to renew or grant additional franchises, including but not limited to compliance with the requirements described in Item 8.

ITEM 9 FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation	Sections in the:		Disclosure Document Item
	Franchise Agreement	MUDA	
a. Site selection and acquisition/lease	Sections 1.2.1 through 1.2.3	Section 2	Items 11 and 12
b. Pre-opening purchases/leases	Sections 1.2.4 and 1.2.5, 1.3 and 1.7.1 through 1.7.4	N/A	Items 7, 8 and 11
c. Site development and other pre-opening requirements	Sections 1.2, 1.3 and 1.7	Section 4	Item 11
d. Initial and ongoing training	Section 1.5	N/A	Item 11
e. Opening	Section 1.2.5 and 1.2.6, 1.5.3 and 1.7.2	Section 4	Item 11

Obligation	Sections in the:		Disclosure Document Item
	Franchise Agreement	MUDA	
f. Fees	Section 2.1	Sections 3 and 6	Items 5 and 6
g. Compliance with standards and policies/operating manual	Sections 1.3 through 1.7	Sections 4 and 5	Items 8, 11 and 16
h. Trademarks and proprietary information	Sections 3.1 and 3.2	Section 5	Items 13 and 14
i. Restrictions on products/services offered	Sections 1.1.4, 1.3 and 1.6.1	N/A	Item 16
j. Warranty and customer service requirements	Section 1.6.2	N/A	Item 11
k. Territorial development and sales quotas	Section 1.7.3	Section 4	Item 12
l. Ongoing product/service purchases	Section 1.3.1 and 1.3.2	N/A	Item 8
m. Maintenance, appearance and remodeling requirements	Sections 1.2.4, 1.6.7, 1.6.8 and 1.6.9	N/A	Item 11
n. Insurance	Section 1.3.9	N/A	Items 7 and 8
o. Advertising	Section 1.7	Section 5	Items 7 and 11
p. Indemnification	Sections 4.2.9 and 6.2	Section 10	Item 13
q. Owner's participation / management / staffing	Sections 1.1.6, 1.5 and 1.6.3	Section 2	Items 11 and 15
r. Records and reports	Sections 2.1.7 and 2.2	N/A	Item 11
s. Inspections and audits	Sections 1.6.15 and 2.2	N/A	Item 11
t. Transfer	Sections 4.1 and 4.2	Section 6	Item 17
u. Renewal	Section 5.1.2	N/A	Item 17
v. Post-termination obligations	Sections 3.2, 3.3.3, 5.3 and 5.4	Section 8	Item 17
w. Non-competition covenants	Section 3.3	Section 8	Items 16 and 17
x. Dispute resolution	Article VII	Section 11	Item 17
y. Other: Personal Guaranty	Section 1.1.6	N/A	Item 15

ITEM 10 FINANCING

Unit Franchise

We may offer to finance up to fifty percent (50%) of the initial fee for one unit franchise if you meet our qualifications. We do not offer any other direct or indirect financing. The following table summarizes the financing we may offer you for the initial fee:

Source of financing	Us
Amount financed	Up to 50% of the initial fee
Down payment	At least 50% of the initial fee
Term (number of years)	Three
Rate of interest plus finance charge	10%
Weekly payment	Varies depending on the amount financed
Prepayment penalty	None
Security required	None
Guaranty	Personal guaranty from owners of the franchised business
Liability upon default	Termination of franchise agreement; you must pay entire amount due and our attorneys' fees and court costs in collecting the debt
Loss of legal rights upon default	None

Multi-Unit Development Franchise

We may offer to finance up to \$20,000 of the initial fee for multi-unit development franchise if you meet our qualifications. We do not offer any other direct or indirect financing. The following table summarizes the financing we may offer you for the initial fee:

Source of financing	Us
Amount financed	Up to 50% of the initial fee
Down payment	At least 10% of the initial fee
Term (number of years)	Five
Rate of interest plus finance charge	10%
Weekly payment	Varies depending on the amount financed
Prepayment penalty	None
Security required	None
Guaranty	Personal guaranty from the owners of the area developer
Liability upon default	Termination of multi-unit developer agreement; you must pay entire amount due and our attorneys' fees and court costs in collecting the debt
Loss of legal rights upon default	None

General

We do not guaranty your note, lease or any other obligation. We have no past practice or future intent of selling, assigning or discounting financing arrangements to a third party. We do not receive any direct or indirect payments or other consideration from any person for the placement of financing.

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

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

Before Opening – Unit Franchise

Before you open your franchised business, we will provide the following assistance:

1. We will loan you one copy of our confidential operations manual and supplementary materials, which we revise periodically, for the term of the franchise agreement. (Franchise Agreement, Section 1.4.) The manual remains our property. As of the date of this disclosure document, the manual contains approximately 176 pages. We may modify the manual from time to time, but the modifications will not alter your status and rights under the Franchise Agreement. The table of contents of the manual is attached to this disclosure document as Exhibit D.
2. We will provide to you a list of our approved products, equipment and suppliers at the initial training. (Franchise Agreement, Section 1.3.)
3. We will provide an initial training program for the managing owner of the franchised business at no additional charge to you, as explained below in this Item 11. If you are required to, or wish to have additional personnel trained at a later time, we may charge our then-current additional training fees. As of the issuance date of this document, the current additional training fee is \$500 per day per person, plus reimbursement for our expenses. (Franchise Agreement, Section 1.5.)
4. We will provide three (3) to seven (7) days (in our discretion) of on-site pre-opening and opening training, supervision and assistance at your Executive Image franchised business. (Franchise Agreement, Section 1.5.3.)
5. We will approve or provide you with advertising and promotional guidelines and materials for your initial public relations and advertising. (Franchise Agreement, Section 1.7.1.)
6. We will provide such other assistance and support as we may deem necessary or desirable to assist you with the launch of your Executive Image franchised business.

During Operation – Unit Franchise

During the operation of the franchised business, we will provide the following assistance:

1. We will handle all customer billing and collections. We send bills to customers and we pay you within three (3) business days for amounts collected from the accounts you service, net of royalties, account finder fees, finance costs and other amounts that we are permitted to deduct under the terms of the franchise agreement.
2. We will amend and revise the manual periodically. (Franchise Agreement, Section 1.4.2.)
3. We will provide educational meetings approximately once each calendar quarter at a location we designate at our sole discretion. We do not charge a meeting fee for

educational meetings that we require your personnel to attend, but you must pay the travel and living expenses and the salaries of your personnel. We also provide training for additional and replacement managers and other employees who have not completed the initial training program, at your expense. (Franchise Agreement, Sections 1.5.4 and 1.5.5.)

4. We will conduct operational reviews, building inspections, and other quality control measures to ensure compliance with our standards and to recommend improvements. (Franchise Agreement, Sections 1.6.11 and 1.6.12.)
5. We will provide standards and lists of approved suppliers and distributors for your use in the acquisition of equipment, inventory, materials, supplies and furnishings for your franchised business. (Franchise Agreement, Section 1.3.)
6. We will create, develop, and place advertising and promotional programs designed to promote and enhance all Executive Image businesses and, if we deem necessary, test marketing and market research activities, for the benefit of the Executive Image franchise system. We will administer the marketing fund, and cooperatives if they are formed, as described below. We will review all advertising materials you submit to us for your use in local advertising. (Franchise Agreement, Section 1.7.)
7. We will maintain a website to advertise and promote Executive Image businesses. Your location will be included in a list of Executive Image locations on the Executive Image website. (Franchise Agreement, Section 1.8.). You may not own a domain name that includes the name, "Executive Image". You must use only such email addresses as we authorize, and you must comply with policies we establish from time to time for your use of email and any web portal we create. (Franchise Agreement, Sections 1.3.7, 1.7.14 and 1.8.4.)
8. Our representatives will be available at all reasonable times to you for consultation by telephone concerning all aspects of operating the franchised business, upon reasonable notice, including the institution of proper administrative, bookkeeping, accounting, inventory control, supervisory and general operating procedures for the effective operation of a franchised business. We may charge you a reasonable fee for providing on-site assistance at your request. (Franchise Agreement, Section 1.5.7.)
9. We provide such other assistance and support as we may deem necessary or desirable to assist you in connection with the operation of the franchised business. Operations assistance may consist of advice and guidance in the form of a franchisee newsletter or internet postings on our franchisee website and other updates and other written materials.

Training Program

Before you sign the Franchise Agreement, we ask you to designate the managing owner, who will supervise the operation of the business. The managing owner must be approved by us and have an equity or voting interest. If you are a sole proprietor, you are the managing owner. (Franchise Agreement, Section 1.5.1.)

Before you open your franchise for business, we require that your managing owner attend and complete our initial training program to our satisfaction. (Franchise Agreement, Section 1.5.2.) We conduct this training at our company location in Indiana or some other location designated by us. We do not charge for the initial training of your managing owner or any other employees of your business, but you must pay the

compensation and travel, lodging and meal expenses of those who attend.

If your managing owner does not satisfactorily complete the initial training program or if we determine that such person cannot satisfactorily complete the training program, you will be required to designate a replacement to satisfactorily complete the training. If your Executive Image has been operating and your managing owner ceases active management or ceases working at the franchised business, then a replacement managing owner acceptable to us must be appointed and trained to our satisfaction within thirty (30) days of being appointed as the designated manager. (Franchise Agreement, Section 1.5.5.)

We may charge, at our sole discretion, an additional fee of \$500 per day per employee, plus travel and living expenses, for our personnel if we provide any training at your request that is not mandatory; provided, however, that we do not charge for training related to the introduction of new or updated products, classes, methods or procedures, or for refresher courses or other mandatory training, unless we require training because your personnel are not meeting our standards. When we do not charge for training, you must nevertheless pay the travel and living expenses and salaries of your personnel who attend. Refresher courses will take place at our company location in Indiana or at a location we designate. The duration, frequency and content of refresher courses will be similar to the initial training program described below.

If any review indicates noncompliance with any system standards or if we receive negative customer feedback, we may require previously trained and experienced managers and employees to attend refresher training courses at such times and locations as we designate, and/or we may send our personnel to your franchised business for training. In these cases, we may also charge a fee of \$500 per day per employee, plus travel and living expenses for our personnel. (Franchise Agreement, Section 1.5.4.)

We conduct initial training approximately four (4) weeks before the projected opening date of your franchised business and it must be completed at least seven (7) days before the opening date. Scheduled refresher training will be available, as necessary.

The instructors will be employees of our company or industry consultants with experience in the subjects taught.

Initial training programs will be offered at various times during the year depending on the number of new franchisees entering the system, the number of replacement personnel who need training, and the timing of the scheduled openings of Executive Image businesses.

The instructional materials consist of our manual and other materials we prepare for this program, including videos, advertising materials and detailed protocols, checklists and reports. The following table provides detailed information about the initial training program.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Introductions & Orientation	1	0	Greenwood, IN
Starting and Operating a Franchise Business	4	0	Greenwood, IN
Executive Image Business Model	1	0	Greenwood, IN
Marketing Strategies and Activities	6	0	Greenwood, IN
Sales Process	4	0	Greenwood, IN

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Facility Staffing	4	0	Greenwood, IN
Employee Communications	2	0	Greenwood, IN
Financial Management	2	0	Greenwood, IN
Administration	4	0	Greenwood, IN
Giving Back	2	0	Greenwood, IN
Cleaning Methodology	0	4	Customer Facility
Floor Care	0	8	Customer Facility
Total	30	12	

We may require that any or all of your managers attend refresher courses, seminars, and other training programs periodically.

Advertising – Unit Franchise

National and Regional Advertising

We have established a National Marketing Fund (“Marketing Fund”) to maximize public recognition and acceptance of the Proprietary Marks and for other benefits for the Executive Image franchise system and you are required to contribute, for each Accounting Period, an amount equal to three percent (3%) of the total Gross Sales of your Franchised Business. We reserve the right to increase or decrease the amount of the required contribution in our discretion. We may, in our sole discretion, decide to terminate or suspend the Marketing Fund at any time. In the fiscal year ending December 31, 2023, all contributions to the marketing fund were spent on website development/maintenance and promotional giveaways.

We have the exclusive right to direct all marketing programs financed by the Marketing Fund, including the right to control the creative concepts, materials, and endorsements. We shall have the right to determine the geographic market, media placement, and allocation of the Marketing Fund and have no obligation to administer the Marketing Fund in such a manner as to ensure that expenditures by the Marketing Fund in any geographic area are proportionate or equivalent to contributions to the Marketing Fund by franchisees operating in any geographic area or that you will benefit directly or in proportion to your contribution to the Marketing Fund, from the conduct of marketing programs, or the placement of advertising.

The Marketing Fund may be used to pay the costs of preparing and producing video, audio, and printed marketing materials; administering multi-regional and national marketing programs, including, purchasing television, radio, magazine, billboard, newspaper, and other media advertising; employing advertising agencies and/or public relations firms to assist with marketing and advertising; and providing marketing materials to franchisees. The Marketing Fund may also be used to meet any and all costs reasonably related and incident to administering the Marketing Fund and its related programs, including administrative costs. Under no circumstances will we use the Marketing Fund to solicit new franchisees.

The Marketing Fund will be accounted for separately from our other funds, but the Marketing Fund is not a trust or escrow account, and we have no fiduciary obligations to our franchisees with respect to the Marketing Fund or with the monies collected. We are permitted to spend in any fiscal year an amount greater or less than the aggregate contributions of franchisees to the Marketing Fund in that year. Any part of the Marketing Fund contributions that are not spent during the fiscal year will remain in the Marketing Fund to be used in the next fiscal year. We are under no obligation to audit the expenditures of the Marketing Fund. However, at your request, we will make available to you an annual accounting that shows

how the fund proceeds were spent for the previous year.

Advertising Cooperatives

We do not require you to participate in any local or regional advertising cooperatives. However, we have the right to establish and coordinate cooperative advertising and sales programs, customer satisfaction programs and similar programs from time to time among Executive Image franchisees. In the event we establish said cooperatives, we will have the exclusive right to determine their organizational structure and manner of operation and we may require you to participate in such programs on an equitable basis with other participants. (Franchise Agreement, Section 1.7.12.)

Local Advertising

You are required to conduct a grand opening advertising campaign commencing thirty (30) days before opening and ending thirty (30) days after opening and to spend between \$500 and \$3,000 on such campaign. We encourage you to consider ongoing expenditures on local advertising. However, we do not require you to engage in any local advertising or to spend any minimum amount of money on local advertising. (Franchise Agreement, Sections 1.7.2 and 1.7.3.)

You may develop local advertising materials for your own use, at your own cost, following advertising criteria that we establish; provided, however, that you must receive our approval before using such advertising materials. We will endeavor to give you our written approval or disapproval within thirty (30) days after our receipt of such materials. If we have not notified you of approval within thirty (30) days after your submission for approval, the materials will be considered disapproved. We may withdraw our approval of any advertising materials at any time and our disapproval prohibits you from using such materials on an ongoing basis. We use purely subjective criteria to evaluate advertising for possible approval. (Franchise Agreement, Section 1.7.4.)

Website – Unit Franchise

We maintain a system website, and we may establish other websites, to advertise, market and promote the Executive Image franchised businesses and the Executive Image franchise opportunity. We maintain the system website. We may use the marketing fund assets to develop, maintain and update those parts of the system website that promote the Executive Image franchised businesses. (Franchise Agreement, Section 1.8.1.)

We may also maintain an extranet or portal for Executive Image franchisees where we post best practices, resource materials, training materials, financial benchmarking information and other information of value to franchisees and to allow for online franchise discussion groups. (Franchise Agreement, Section 1.8.4.)

You may not own a domain name that includes the name, “Executive Image”. You must use only such email addresses as we authorize, and you must comply with policies we establish from time to time for your use of email and any web portal we create. (Franchise Agreement, Sections 1.3.7, 1.7.14 and 1.8.4.)

Site Selection

We do not require you to maintain an office for your unit franchise or your area development franchise and you may work from your home office. As such, there are no site selection requirements besides the requirement that the site enable you to perform the required services in a businesslike manner.

In the event you choose to establish an office for your franchised business at a commercial site, you are

responsible for selecting the site for your franchised business and we must approve the site before you enter into lease negotiations. The site will be indicated in Schedule A of the franchise agreement. (Franchise Agreement, Section 1.1.2.) We expect that you will have selected and we will have approved a site within thirty (30) days of signing the Franchise Agreement.

You are not permitted to execute a lease for your franchised business without our prior written approval. We have the right to accept or reject the terms of any lease for the franchised business in our sole discretion. (Franchise Agreement, Section 1.2.3.) We are not responsible for review of the lease. You should consult with an attorney who is experienced in reviewing retail leases.

You may not relocate your franchised business without first obtaining our written consent. (Franchise Agreement, Section 1.2.7.) We will consider both the reasons for your requested relocation and the attributes of the proposed new site when evaluating the relocation request.

Time of Opening

We estimate that the time from the signing of the unit Franchise Agreement or the first payment of any amount to us and the opening your franchised business will be approximately one (1) to two (2) months.

We may terminate the Franchise Agreement if you do not open the franchise for business within ninety (90) calendar days after the effective date of your Franchise Agreement. (Franchise Agreement, Sections 1.2.3 and 5.2.2.3.)

The Multi-Unit Developer Agreement does not contain a required time of opening, but it does require you to open or arrange for the opening of a minimum number of unit franchises according to a development schedule. If you fail to meet your opening requirements, we may terminate the Multi-Unit Developer Agreement.

Computer and Point of Sale Systems

We require that you use the current version of QuickBooks Pro software to manage your finances, or use a qualified and approved accounting service that uses QuickBooks Pro. You must pay a third-party vendor to maintain your accounting system. We may at our discretion establish a third-party accounting system or provider that you may be required to utilize at your sole expense.

The computer hardware we require you to purchase will vary based on the size of your business. We do not specify the brand or model of computer or printers you must use, but they must be industry-standard and meet our specifications. We reserve the right to specify brands or models in the future. You may obtain the computer equipment from any vendor, so long as the vendor meets our requirements. (Franchise Agreement, Section 1.3.6.). Your computer system must be Internet-connected via broadband at all times and interfaced with our system to enable us to electronically access your daily receipt figures from our headquarters at any time. (Franchise Agreement, Section 1.3.7.) We reserve the right, without limitation, to modify or supplement the hardware or software required in the operation of the Franchised Business and you may be required to make and install substantial modifications to the computer system, software, or hardware during the initial term of the Franchise Agreement to efficiently operate the Franchised Business. We will also have independent access to information stored on computer systems.

You must pay a third-party vendor to maintain your computer system. Several updates and upgrades may be required during the term of your franchise agreement and any such updates or upgrades will be at your expense. We cannot estimate the future cost of maintaining, updating or upgrading your computer or point of sale systems or their components. These costs will depend on computer maintenance service costs in

your area and technological developments that we cannot predict. We have no contractual obligation with any third party to maintain or upgrade your computer system, but we may require upgrades in accordance with the terms of the franchise agreement. There is no limitation on the frequency or cost of such upgrades. We will have the free and unfettered right to retrieve such data and information stored on your hard drive, either internally or externally, as we deem necessary, desirable, or appropriate and there are no contractual limits on our right to do so. The business information or data that will be collected or generated includes, but is not limited to, sales data, client data, and income and expense data, including Profit & Losses and Balance Sheets.

See Item 7 for the cost of the computer system and point of sale systems.

Help Desk

Executive Image may establish a help desk ("Help Desk") for the purpose of maximizing customer satisfaction in connection with Franchised Businesses throughout the System. To do so, the Help Desk may conduct a wide range of functions, including but not limited to administering customer satisfaction surveys, directly communicating with customers of any Franchised Business, and investigating customer complaints involving any Franchised Business. In the event Executive Image establishes a Help Desk, you must cooperate and comply with any request by the Help Desk, including but not limited to providing the Help Desk with access to the Franchised Business's customers and any requested customer-related information. While Executive Image reserves the right to establish such a Help Desk, it has no obligation to do so.

ITEM 12 TERRITORY

Unit Franchise

During the initial term of the Franchise Agreement, you are granted the right to operate a unit franchise within a designated exclusive Territory. The Territory will be designated by county line boundaries and will contain a population of approximately 200,000 persons. Your Territory will be defined in Exhibit A to the Franchise Agreement.

Except for the rights expressly reserved to us in this Item 12 and the Franchise Agreement, we will not open for business to the public, grant a franchise, license or otherwise authorize any other person or entity to open for business to the public, an Executive Image franchise within your designated Territory. As long as you are in compliance with the Franchise Agreement, there are no circumstances under which we will modify your territorial rights.

You do not receive the right to acquire additional franchises within your area.

You shall not change the Territory of the Franchised Business without our prior written authorization. We reserve the right to approve or deny your relocation request in our discretion based upon, without limitation, our own business judgment, your compliance with the Franchise Agreement, and the proposed new Territory.

You are not permitted to solicit consumers outside of your Territory or service accounts outside of your Territory without our prior written approval.

Except as otherwise provided, we retain the right to:

1. Operate and grant others the right to operate an Executive Image franchise anywhere outside of your Territory;
2. Develop, operate and grant others the right to operate any future concepts that are not included within the franchise system at any location anywhere;
3. Use and license the use of other proprietary marks or methods which are not a part of the franchise system at any location anywhere;
4. Operate any business regardless of whether such business offers similar or the same goods and services as Executive Image, whether under development or already in operation, included in any business acquisition at any location;
5. Provide goods and services to any National or Regional Accounts, regardless of whether such locations are inside or outside of your Territory; and
6. Distribute or license the manufacture or distribution of products, either inside or outside of your Territory regardless of whether such products are authorized for Executive Image franchises or are distributed or licensed under the Proprietary Marks, through other channels of distribution, including, but not limited to the Internet or through consulting services, without providing compensation to you.

National Accounts

We will periodically develop relationships with large businesses, businesses with multiple locations, educational institutions, and government agencies for the benefit of the franchise system (“National Accounts” or “Regional Accounts”). You may receive benefits from these arrangements and are required to honor the terms and agreements governing the National or Regional Accounts.

We may provide you with the opportunity to provide goods and services to National or Regional Accounts in your Territory, provided that you are in full compliance with the Franchise Agreement. In the event you are not in compliance with the Franchise Agreement or you elect not to provide goods and services to the National or Regional Accounts, then we shall have the right to, or designate another franchisee to, provide goods and services to the National or Regional Accounts in your Territory, without providing any compensation to you.

Internet

You are prohibited from setting up, maintaining or utilizing an Internet website, home page, or other social media site to sell products and services on behalf of your franchised business or under the Proprietary Marks without our prior written consent. You must not cause or allow the Proprietary Marks to be used or displayed, in whole or in part, as an Internet domain name, or on or in connection with any Internet website, home page, or social media site without our express prior written consent, which we may grant or withhold in our sole discretion. If we provide our consent to such use, then you may only use the Proprietary Marks in such a manner authorized by us and in accordance with our procedures, standards and specifications as established from time to time.

Multi-Unit Development Franchise

If you are granted the right to establish and operate multiple Executive Image franchises under our form of

the MUDA, then we will provide you with a development area upon execution of the MUDA. The size of your development area will be based on: (i) the number of franchises you agree to open and operate; and (ii) the location and demographics of the general area where we mutually agree these locations will be operated. The boundaries of your development area may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map attached to the MUDA.

Each franchise opened and operating in the development area must be operated under our then-current form of the franchise agreement and will each have its own designated territory. Except for the rights expressly reserved to us in this Item 12 and the MUDA, we will not operate or recruit any person or entity to operate an Executive Image franchise within your designated development area until the expiration or termination of this MUDA for any reason.

In order to maintain your rights to the development area, you must comply with your development schedule. If you fail to comply with your development schedule, we may terminate your MUDA. Upon expiration or termination of the MUDA for any reason, your rights in the development area will terminate, except that each franchise opened and operating in the development area will continue maintain the rights to their respective territories under their franchise agreements. Except for the expiration or termination of the MUDA, we will not modify your development area or your rights therein unless mutually agreed to in writing by you and us.

Except as otherwise provided, we retain the right to:

1. Operate and grant others the right to operate an Executive Image franchise anywhere outside of your territory or development area;
2. Develop, operate and grant others the right to operate any future concepts that are not included within the franchise system at any location anywhere;
3. Use and license the use of other trademarks or methods which are not a part of the franchisee system at any location anywhere;
4. Operate any business regardless of whether such business offers similar or the same goods and services as Executive Image, whether under development or already in operation, included in any business acquisition at any location;
5. Provide goods and services to any National or Regional Accounts, regardless of whether such locations are inside or outside of your Territory; and
6. Distribute or license the manufacture or distribution of products, either inside or outside of your Territory regardless of whether such products are authorized for Executive Image franchises or are distributed or licensed under the Proprietary Marks, through other channels of distribution, including, but not limited to the Internet or through consulting services, without providing compensation to you.

ITEM 13 TRADEMARKS

We own the mark EXECUTIVE IMAGE and logo and we hereby grant you the right to use the marks and any other proprietary marks, trade names, logos, and the like ("Proprietary Marks") that we require you to use in the operation of the Franchised Business. You shall not represent in any manner that you have

acquired any ownership rights in the Proprietary Marks, and you shall not use any of the Proprietary Marks or any marks, names, or indicia which are, or may be confusingly similar, in your own entity or business name. All goodwill associated with the Executive Image and the franchise system and identified by the Proprietary Marks shall inure directly and exclusively to our benefit.

You are prohibited from committing any act of infringement or contesting the validity of our ownership of the Proprietary Marks, or aiding others in infringing or contesting, either directly or indirectly, our right, title, and interest in the Proprietary Marks.

The following Proprietary Marks are federally registered with the U.S. Patent and Trademark Office (“USPTO”):

Service Mark	Reg. No.	Registration Date
EXECUTIVE IMAGE	4,365,675	July 9, 2013
	4,365,676	July 9, 2013

There are no agreements currently in effect that significantly limit our right to use or license the Proprietary Marks in any manner material to the franchise. We know of no infringing uses that could materially affect your use of the Proprietary Marks.

There are no determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, or any pending interference, opposition or cancellation proceedings or pending material litigation involving any of the Proprietary Marks that are relevant to their ownership or use in the states in which the franchised business is to be located.

You must only use the Proprietary Marks in such manner authorized by us, which we may modify from time to time in our sole discretion. Your right to use the Proprietary Marks is derived solely from the Franchise Agreement and/or the Area Developer Agreement and is limited to the operation of the Franchised Business pursuant to, and in compliance with, the Franchise Agreement or performing your obligations pursuant to, and in compliance with, the Area Developer Agreement. You are prohibited from using the Proprietary Marks in connection with offering, selling, or advertising any unauthorized products or services. Any unauthorized use of the Proprietary Marks by you shall be considered a breach of the Franchise Agreement and shall constitute an infringement of our rights therein. Your right to use the Proprietary Marks does not extend beyond the termination or expiration of the Franchise Agreement and/or the Area Developer Agreement.

You must immediately notify us of any apparent infringement of the Proprietary Marks or challenge to your use of any of the Proprietary Marks or claim by any person of any rights in any of the Proprietary

Marks. You are not permitted to communicate with any person other than us or our designated affiliate, their counsel and your counsel involving any infringement, challenge or claim. We have the right to take any action and to exclusively control any litigation, USPTO or other administrative or agency proceeding caused by any infringement, challenge or claim or otherwise relating to any of the Proprietary Marks. You must execute any and all documents, and do what may, in our counsel's opinion, be necessary or advisable to protect our interests in any litigation, USPTO or other administrative or agency proceeding or to otherwise protect and maintain our interests and the interests of any other person or entity having an interest in the Proprietary Marks. (Franchise Agreement, Section 3.1.5.)

We may, but are not obligated to, indemnify you or reimburse you for all damages for which you are held liable by any third-party for your use of any of the Proprietary Marks; provided, however, that your conduct in the proceeding and your use of the Proprietary Marks is in full compliance with the terms of the franchise agreement and/or area developer agreement and you promptly notified us of the claim in accordance with the terms of the franchise agreement and/or area developer agreement. (Franchise Agreement, Section 6.2.2.)

We may require you, at your expense, to discontinue or modify your use of any of the Proprietary Marks or to use one or more additional or substitute Proprietary Marks if we determine that an addition or substitution will benefit the Executive Image franchise system. (Franchise Agreement, Section 3.1.4.). Any and all expenses or cost you incur with such modification or discontinuance of any such new, modified, or replacement Proprietary Marks shall be your sole responsibility. In no event, will we be liable to you for any purported loss or damage to the Franchised Business due to the modification or discontinued use of the Proprietary Marks.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents or copyright registrations that are material to your franchised business or the Executive Image franchise system. However, we claim copyright interest in our written materials and other materials that are critical to the franchise system and operation of an Executive Image franchise, including, but not limited to, our operations manual, training material, advertising material, website, and other publications. The methods, processes, skills, know-how, techniques, information, trade practices, and other proprietary products and information relating to the development and operation of the Franchised Business is proprietary, confidential, and constitutes our trade secrets ("Confidential Information").

You must maintain the absolute confidentiality of this Confidential Information during and after the term of the franchise agreement and/or the area developer agreement and you cannot disclose, sell or use any such information in any other business or in any manner not specifically authorized or approved in writing by us. (Franchise Agreement, Section 3.2.2.) You may use such information only in furtherance of the franchised business.

You must notify us promptly in writing if you learn about any unauthorized use of our Confidential Information. We are not obligated to take any action, but we will respond to this information as we think appropriate. (Franchise Agreement, Section 3.1.5.)

If you develop any concept, process, design, service, or improvement in the operation or promotion of the Franchised Business, we will be deemed to own the improvements and may use them and authorize other Executive Image franchisees to use them in the operation of their businesses without any obligation to compensate you. Any such Improvements will also constitute Confidential Information and we will have the sole right to protect such improvements in our name or in the name of any of our affiliates by means of copyright, patent, trade secret or trademark law. (Franchise Agreement, Section 1.4.3.).

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

We do not require that you personally supervise the franchised business, although we recommend that you do so.

The franchised business must be supervised by a manager who has been approved by us and has successfully completed our Initial Training Program. You must notify us in writing of the Manager's identity at the time of hire and shall subsequently notify us of any changes in their respective employment status. If at any time a new Manager is employed, such Manager must complete the Initial Training Program to our satisfaction within thirty (30) days of hiring. The Manager must have an equity or voting interest in the Franchised Business. (Franchise Agreement, Section 1.5.1.).

If at any time your Executive Image business is not being managed by a manager who has attended and completed our Initial Training Program to our satisfaction, we are authorized, but not required, to appoint a manager to maintain operations on your behalf. Our appointment of a manager does not relieve you of your obligations under the Franchise Agreement. We will not be liable for any debts, losses, costs or expenses incurred during any period in which we manage the franchised business. We have the right to charge a reasonable service fee for such management, and we may cease providing such services at any time. (Franchise Agreement, Section 4.2.8.)

Each owner, officer, and director of the Franchised Business must execute, as a condition of entering into the Franchise Agreement, a personal guaranty of the obligations under the Agreement and agree to be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement, including the confidentiality provisions and restrictions on owning interests in, or performing services for, competitive businesses. The Personal Guaranty is attached as Exhibit C to the Franchise Agreement.

Each manager of your franchised business and each person who receives training from us or otherwise has access to our Confidential Information who has not signed the guaranty described in the preceding paragraph must sign a written confidentiality and noncompetition agreement with your company in the form of Schedule D to the franchise agreement. Any breach of the confidentiality and noncompetition agreement by any such person will be deemed a breach of the Franchise Agreement. (Franchise Agreement, Section 1.5.72.)

Area Developers are permitted to simultaneously serve as area developers for other franchise systems, provided that such franchise systems are not a Competitive Business as defined in the Area Developer Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer in your franchised business the full range of services and the full range of products and services we prescribe from time to time. (Franchise Agreement, Section 1.1.4.) We have the right, without limit, to modify, add, or enhance the types of authorized products and services you are required to offer and sell. You must provide these products and services in accordance with our requirements. You must not deviate from our standards and specifications without first obtaining our written consent. You may not sell any products or services we do not specify or approve. Upon notice from us given at any time, you must discontinue offering for sale any products or services we may disapprove or discontinue.

You are not permitted to provide, or must cease providing, services to customers that are: (i) deemed to be

a public nuisance; (ii) whose operations are in clear violation of local, state, or federal laws; (iii) competitive in nature; or (iv) deemed customers that cannot be serviced by Executive Image. The decision whether a customer meets the above criteria is made by us in our sole discretion.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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.

Provision	Sections in the:		Summary
	Franchise Agreement	Multi-Unit Developer Agreement	
a. Length of the franchise term	Section 5.1.1	Section 2	Franchise: 20 years, or the end date of your lease if it is for a shorter period of time. MUDA: When you have met your development obligations.
b. Renewal or extension of the term	Section 5.1.2	N/A	If you are in good standing, you may acquire a successor franchise for a term of 10 years.
c. Requirements for you to renew or extend	Section 2.1.5.11 and 5.1.2	N/A	Notify us of your desire to renew no later than 9 months and no sooner than 12 months before the end of the term; repair and update equipment and premises; and sign a new franchise agreement which may contain materially different terms and conditions than your original contract. We may require you to sign a release, subject to state law. You will not be required to sign a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.
d. Termination by you	Section 5.2.1	Section 7	Franchise: You may terminate if we materially breach the franchise agreement and fail to cure after notice from you.

Provision	Sections in the:		Summary
	Franchise Agreement	Multi-Unit Developer Agreement	
			MUDA: You may not terminate the MUDA prior to the expiration of its term, except as provided by law.
e. Termination by us without cause	N/A	N/A	We may not terminate the Franchise Agreement or the MUDA without good cause. In accordance with Indiana Code § 23-2-2.7-1(7), we may not unilaterally terminate this Agreement or the MUDA unless there is a material violation of those agreements and the termination is not in bad faith.
f. Termination by us with cause	Sections 5.2.2 and 5.2.3	Sections 7	Franchise: We can terminate only if you default. MUDA: We can terminate the MUDA if you do not meet the development schedule or you breach a franchise agreement.
g. "Cause" defined — defaults that can be cured	Section 5.2.3	Section 7	You have 30 days to cure breaches other than non-curable breaches described in Provision "h" below.
h. "Cause" defined — non-curable defaults	Section 5.2.2	7	Franchise: Misrepresentation to us; failure to successfully complete training; failure to open the business within the required time; unauthorized disclosure of confidential information; unauthorized use of the Proprietary Marks; attempted transfer without our approval; failure to pay taxes; failure to maintain insurance; criminal conviction; bankruptcy or insolvency; abandonment of the business; default under another Executive Image franchise agreement; damage to our goodwill. Termination upon your bankruptcy may not be enforceable under federal bankruptcy law.

Provision	Sections in the:		Summary
	Franchise Agreement	Multi-Unit Developer Agreement	
			MUDA: Attempted transfer without our approval; material misrepresentation to us; criminal conviction; unauthorized use of the Proprietary Marks; we have terminated a franchise agreement; you terminate a franchise agreement without cause.
i. Your obligations on termination /non-renewal	Section 5.3	Section 8	Franchise: Obligations include complete de-identification, return of manuals and payment of amounts due. (See also Provision “r” below.) MUDA: Obligations include paying us any amount owed that are unpaid, plus any interest due; signing a confidentiality agreement; maintaining confidentiality of trade secrets and confidential information disclosed or otherwise learned during the term of the MUDA and abstain from using such trade secrets and confidential information in any other business or venture; complying with all other provisions of the MUDA pertaining to post-termination obligations, including, without limitation, the post-term covenant not-to-compete.
j. Assignment of contract by us	Section 4.1	Section 6	No restriction on our right to assign.
k. “Transfer” by you — defined	Section 4.2.2	Section 6	Includes transfer of contract or assets or ownership change.
l. Our approval of a transfer by you	Section 4.2	Section 6	Franchise: We may withhold our approval to a transfer unless the conditions in Provision “m” below have been met.

Provision	Sections in the:		Summary
	Franchise Agreement	Multi-Unit Developer Agreement	
			MUDA; We may not unreasonably withhold our approval to transfer if the conditions in Provision “m” below have been met.

m. Conditions for our approval of the transfer	Section 2.1.5.9 and 4.2	Section 6	Franchise: The transferee meets our criteria for Executive Image franchisees; you are in compliance with the franchise agreement; transfer fee is paid; transferee signs new form of franchise agreement; you acknowledge continuing confidentiality and non-compete requirements; new manager is trained; we approve the terms of the transfer; you notify us of the closing. MUDA: You first notified us in writing of any bona fide proposed transfer so that we could exercise our right of first refusal; you have fully paid and satisfied all obligations owed to us; you (and any transferring owners, if Developer is a business entity) have executed a general release of any and all claims against us, our owners, officers, directors and employees, in their corporate and individual capacities; the prospective transferee meets our then-current standards; you have provided us with a complete copy of all contracts and agreements and related documentation between you and the prospective transferee relating to the intended sale or transfer of the MUDA; you, or the prospective transferee, has paid us a transfer fee in the amount of 10% of the remaining franchisee fee for each franchise to be developed under the MUDA; the transferee has obtained all necessary consents and approvals by third parties and all applicable federal, state and local laws, rules, ordinances, and requirements applicable to the transfer have been complied with or satisfied; you have, and if developer is an entity, all of the holders of a legal and beneficial interest in developer have, executed and delivered to us a non-competition agreement in a form the same as or similar to the nondisclosure and non-competition agreement
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Provision	Sections in the:		Summary
	Franchise Agreement	Multi-Unit Developer Agreement	
			attached to the initial franchise agreement. You will not be required to sign a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law, Indiana Code § 23-2-2.7-1(5).
n. Our right of first refusal to acquire your business	Section 4.3	Section 6	We can match any offer for acquiring your franchised business and/or the MUDA or an ownership interest in either that you chose to sell.
o. Our option to purchase your business	Section 5.4	Section 6	On termination or nonrenewal, we may purchase the assets of your business at their fair market value.
p. Your death or disability	Section 4.2.6	Section 6	The estate or personal representative must assign the franchise to an approved buyer within 12 months in the event of death, and 6 months in the event of disability.
q. Non-competition covenants during the term of the franchise	Section 3.3.2	Section 8	No involvement in competing business in any state in the U.S. in which an Executive Image business operates.
r. Non-competition covenants after the franchise is terminated or expires	Section 3.3.3	Section 8	No competing business for 3 years (including after assignment) within your Territory at the time the franchise is terminated or expires. The post-termination covenant not to compete will not geographically limit you to an area larger than the Territory provided to you under the Agreement.
s. Modification of the franchise agreement	Sections 1.4 and 7.13	Sections 12	No modifications generally unless signed by the parties, but the manual is subject to change. We may modify the

Provision	Sections in the:		Summary
	Franchise Agreement	Multi-Unit Developer Agreement	
			development schedule if you are in default.
t. Integration/merger clause	Section 7.13	Section 12	Only the terms of the signed agreements are binding (subject to applicable law). Any other promises may not be enforceable. Our integration/merger clause does not disclaim the representations in this disclosure document.
u. Dispute resolution by arbitration or mediation	N/A	N/A	Neither we nor you are required to endeavor to resolve a dispute by arbitration or mediation.
v. Choice of forum	Section 7.11	Section 11	Litigation must be in the city in which our principal office is located at the time suit is filed (or a city within 25 miles of such office).
w. Choice of law	Section 7.10	Section 11	Indiana law applies, except as otherwise noted in Exhibit G.

See the state addenda for special state disclosures. (Exhibit F)

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

The below information provides the actual historic gross sales for the highest and lowest monthly gross sales for the 2023 fiscal year of the forty-three (43) franchised locations that have been in operation for at least one (1) year. Also included is the average monthly Gross Sales for all franchised locations that were in operation as of December 31, 2023. Gross Sales is defined as all sales made in the franchised business but does not include sales tax.

As a new franchisee, the results achieved by these existing locations may not be typical for your franchise. There is no assurance you'll do as well. If you rely upon these figures, you must accept the risk of not doing as well. **Your individual results may differ. There is no assurance that you will earn as much.**

1. Highest Monthly Sales of Franchisees Open More Than 12 Months.
 - *Highest Monthly Sales per Month = \$139,253.00*
2. Lowest Monthly Sales Volume of Franchisees Open More Than 12 Months.
 - *Lowest Monthly Sales per Month = \$559.00*
3. Average Monthly Sales for All Franchisees in Operation in 2023.
 - *Average Monthly Sales for All Franchisees = \$11,845.00*
4. Median Monthly Sales for All Franchisees in Operation in 2023.
 - *Median Monthly Sales for All Franchisees = \$8,507.00*

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary
For Years 2021 to 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	47	51	+4
	2022	51	53	+2
	2023	52	57	+5
Company-Owned	2021	1	1	0
	2022	1	1	0
	2023	1	1	0
Total Outlets	2021	48	53	+5
	2022	52	54	+2
	2023	53	58	+5

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2021 to 2023

State	Year	Number of Transfers
Indiana	2021	3
	2022	0
	2023	2
TOTAL	2021	3
	2022	0
	2023	2

Table No. 3
Status of Franchised Outlets
For Years 2021 to 2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
IN	2021	47	4	1	0	0	1	49
	2022	49	2	0	0	0	0	51
	2023	52	5	0	0	0	0	57
SC	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
TX	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Total	2021	47	0	0	0	0	0	51
	2022	51	2	0	0	0	0	53
	2023	53	5	0	0	0	0	58

Table No. 4
Status of Company-Owned Outlets
For Years 2021 to 2023

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
IN	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Total	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1

Table No. 5
Projected Openings as of December 31, 2023

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
IN	0	3	0
IL	0	0	0
TX	0	0	0
Total	0	3	0

Exhibit B1 lists the names of all current Executive Image franchisees and the addresses and telephone numbers of their outlets as of the date of this disclosure document.

Exhibit B2 lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within ten weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

There are no trademark-specific franchisee organization associated with the franchise system being offered which we have created, sponsored or endorsed.

There are no independent franchisee organization that have asked to be included in the disclosure document.

During the last three (3) fiscal years, we have not signed confidentiality clauses with any current or former

franchisees.

ITEM 21 FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit C is the Independent Auditor's Report and Financial Statements for the last three fiscal years.

ITEM 22 CONTRACTS

Exhibit E contains copies of the following contracts:

1. Franchise Agreement and Schedules
2. Multi-Unit Developer Agreement

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	
Hawaii	
Indiana	July 1, 2022
Illinois	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

ITEM 23 RECEIPTS

A detachable form for your use to acknowledge your receipt of this disclosure document, including all

exhibits, is attached as Exhibit G at the very end of this disclosure document. You must date and sign this receipt and deliver it to us.

EXHIBIT A
STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

State	State Administrator	Agent for Service of Process
California	California Corporations Commissioner Securities Regulation Division Department of Corporations 71 Stevenson Street, Suite 2100 San Francisco, CA 94105-2980 415-972-8559 320 West 4th Street Suite 750 Los Angeles, CA 90013 213-576-7500 Toll Free 866-275-2677 1515 K Street, Suite 200 Sacramento, CA 95814 916-445-7205 1350 Front Street San Diego, CA 92101 619-525-4233	California Corporations Commissioner
Connecticut	Connecticut Department of Banking Securities and Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 860-240-8109	Banking Commissioner
Hawaii	Business Registration Division Securities Compliance Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 808-587-2617	Commissioner of Securities
Illinois	Illinois Attorney General Franchise Bureau 500 S. Second Street Springfield, IL 62706 217-782-4465	Attorney General
Indiana	Indiana Securities Division Secretary of State Indiana Gov't Center South, E-111 Indianapolis, IN 46204 317-232-6681	Secretary of State

State	State Administrator	Agent for Service of Process
Maryland	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 410-576-6360	Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Attorney General's Office Consumer Protection Division 525 W. Ottawa Street 670 Williams Building Lansing, MI 48909 517-373-7117	Attorney General
Minnesota	Minnesota Department of Commerce Market Assurance Division 85 7 th Place East, Suite 500 St. Paul, MN 55101-2198 651-296-6328	Commissioner of Commerce
New York	Bureau of Investor Protection and Securities New York State Department of Law 120 Broadway, 23rd Floor New York, NY 10271 212-416-8211	Secretary of State Department of State of New York 41 State Street Albany, NY 12231
North Dakota	North Dakota Securities Department 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 701-328-4712	Securities Commissioner
Rhode Island	Division of Securities 1511 Pontiac Avenue John O. Pastore Complex, Bldg 69-1 Cranston, RI 02920 401-462-9527	Director, Department of Business Regulation
South Dakota	Division of Securities Department of Revenue and Regulation State of South Dakota 445 E. Capitol Avenue Pierre, South Dakota 57501-3185 605-773-4823	Director of the Division of Securities
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, 9th Floor	Clerk, State Corporation Commission 1300 E. Main Street, 1 st Floor

State	State Administrator	Agent for Service of Process
	Richmond, VA 23219 804-371-9051	Richmond, VA 23219 804-371-9733
Washington	Department of Financial Institutions Securities Division 210 11th Avenue S.W., Suite 300 Olympia, WA 98504 360-902-8760	Director of Financial Institutions
Wisconsin	Wisconsin Division of Securities Department of Financial Institutions P.O. Box 1768 Madison, WI 53701 608-266-8557	Administrator Division of Securities Department of Financial Institutions

EXHIBIT B1
FRANCHISEES

Adrian Mansfield Indianapolis, IN 46256 317-213-7966	Alicia Corthen Muncie, IN 47304 317-205-6673
Angela Hunter Greenwood, IN 46143 317-242-8064	Bryan Smith Westfield, IN 46074 317-333-4138
Cameron Green Indianapolis, IN 46229 317-629-0702	Christal Jefferson Indianapolis, IN 46239 317-232-7798
Christie Parker Indianapolis, IN 46234 317-258-8161	Dashauna Dixon Indianapolis, IN 46229 317-440-3894
Demetrius Baker Indianapolis, IN 46254 317-401-8177	DeRaun Cohen Indianapolis, IN 46203 317-937-0209
Dustin Arbuckle Indianapolis, IN 46239 317-429-6990	Dylan Hutzinger Indianapolis, IN 46288 317-213-1192
Jamel Woods Brownsburg, IN 46112 317-523-2905	Jarvis Watson Indianapolis, IN 46208 317-602-4125
Jason Frierson Noblesville, IN 46062 317-771-6704	Jason Martin Indianapolis, IN 46226 317-378-6963
Jason Quinto Indianapolis, IN 46217 317-650-9277	Jim Hargraves Fishers, IN 46038 317-601-2489
John and Kellie Thomas Indianapolis, IN 46234 317-514-0617	Joseph Barnes Indianapolis, IN 46203 317-828-7332
Kenny Daniels-Stringer Indianapolis, IN 46241 317-443-8324	Kim Harrison Indianapolis, IN 46229 317-748-7670
Lakeisha Ghoston Indianapolis, IN 46226 317-490-7743	Lamont Martin Indianapolis, IN 46234 317-529-5807
Lenny Corthen and Kimberly Harrison Muncie, IN 47304 765-729-4869 317-748-7670	Michael A. Fagan Indianapolis, IN 46254 317-306-5233
Miranda Vogt Summerville, SC 29483 843-934-8299	Noble Percy Greenwood, IN 46143 317-430-7069
Ren and LeTresa Norman Indianapolis, in 46228 317-728-5848	Rob Hensley Indianapolis, IN 46231 317-800-5744

Roy Lampkin Indianapolis, IN 46113 317-720-4326	Sabrina M. Murray Indianapolis, IN 46239 317-993-9448
Sally Pearcy Greenwood, IN 46143 317-441-6325	Scott Voelker New Haven, IN 46744 260-760-9600
Shamont Hamer Indianapolis, IN 46253 317-695-6567	Shannon Hampton Indianapolis, IN 46253 317-695-6567
Steve Barr Greenwood, IN 46143 317-640-5476	Tevin Moore Indianapolis, IN 46226 317-447-0476
Yauna Moore Indianapolis, IN 46236 317-560-7710	Emma Muita Greenwood, IN 46163 317-748-7670
James Cooper Indianapolis, IN 46205 317-408-9422	Roger and LaTonya Jones Brownsburg, IN 46112 317-442-6090
Richard Swanigans Indianapolis, IN 46229 317-740-4593	Michael Fagan Indianapolis, IN 46228 317-306-5233

EXHIBIT B2
FORMER FRANCHISEES

Mary Jackson
Indianapolis, IN 46226
651-417-9089

Theresa Smith
Indianapolis, IN 46229
317-442-7136

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

EXHIBIT C
FINANCIAL STATEMENTS

An Independent Auditor's Report along with Financial Statements of E.I. Franchising, Inc. for the last three fiscal years appear on the next page.

April 30, 2024

Mr. Victor H. Ruthig
Ruthig Ventures II LLC
777 Beachway Drive Suite 108
Indianapolis, IN 46224

Mr. Ray Jackson
E. I. Franchising, Inc.
500 South Polk Street-Suite 14
Greenwood, IN 46143

Dear Mr. Jackson,

We are pleased to provide an independent auditor's report for the year ending December 31, 2023.

We have reviewed and audited the accompanying balance sheet and the profit and loss of E.I. Franchising as of December 31, 2023. The Financial Statement is the responsibility of the company's management. Our responsibility is to express an opinion on the Financial Statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examination on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Financial Statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the Financial Statements referred to in the above presents fairly, in all material respects, the financial position of E.I. Franchising, Inc. as of December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Sincerely,

Ruthig Ventures II LLC



Victor H. Ruthig
Partner

10:11 AM
04/22/24
Accrual Basis

E.I. Franchising, Inc.
Balance Sheet
As of December 31, 2023

	Dec 31, 23
ASSETS	
Current Assets	
Checking/Savings	
Key Bank Checking	2,225.12
Total Checking/Savings	2,225.12
Total Current Assets	2,225.12
Fixed Assets	
Accumulated Depreciation	-24,221.42
Company owned vehicle	77,367.66
Company Owned Vehicle - 2023 Hi	58,254.78
Furniture and Equipment	2,142.42
Total Fixed Assets	113,543.44
Other Assets	
Amortization of Organizational	-13,103.44
Organizational costs	13,103.44
Total Other Assets	0.00
TOTAL ASSETS	115,768.56
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
2023 Toyota Highlander	57,153.43
Company Owned Auto Loan	31,582.09
Long term loan from Ray	18,422.41
Total Long Term Liabilities	107,157.93
Total Liabilities	107,157.93
Equity	
Capital Stock	5,000.00
Retained Earnings	113,447.14
Shareholder Distributions	
Employee Benefits	-73,609.99
Shareholder Distributions - Other	-187,179.12
Total Shareholder Distributions	-260,789.11
Net Income	150,952.60
Total Equity	8,610.63
TOTAL LIABILITIES & EQUITY	115,768.56

10:10 AM
04/22/24
Accrual Basis

E.I. Franchising, Inc.
Profit & Loss
January through December 2023

	Jan - Dec 23
Ordinary Income/Expense	
Income	
Royalty income	428,000.00
Sales	14,500.00
Total Income	442,500.00
Cost of Goods Sold	
franchise start up items	6,552.83
Total COGS	6,552.83
Gross Profit	435,947.17
Expense	
401K Match	18,932.84
Advertising and Promotion	27,655.86
Auto Insurance	3,025.39
Automobile Expense	6,792.44
Bank Service Charges	35.28
Computer and Internet Expenses	6,825.76
Contract labor	9,387.00
Excise tax on company vehicle	575.10
finance charges	2,230.70
Franchise referral fee	1,000.00
Franchisee operational support	8,546.07
Insurance Expense	43,272.93
Interest Expense	778.61
Licenses and Fees	750.28
management fee expense	28,270.47
Meals and Entertainment	100.00
Office Supplies	3,861.95
Payroll Expenses	3,883.06
PAYroll tax expense	6,019.98
Professional Fees	5,113.86
Rent Expense	19,965.00
Telephone Expense	5,841.38
Utilities	1,943.23
Wages	79,407.38
Total Expense	284,994.57
Net Ordinary Income	150,952.60
Net Income	150,952.60

1:38 PM
04/19/23
Accrual Basis

E.I. Franchising, Inc.
Profit & Loss
January through December 2022

	Jan - Dec 22
Ordinary Income/Expense	
Income	
Royalty Income	435,500.00
Total Income	435,500.00
Cost of Goods Sold	
franchise start up items	614.34
Total COGS	614.34
Gross Profit	434,885.66
Expense	
401K Match	19,851.78
Advertising and Promotion	26,201.80
Amortization expense	823.44
Auto Insurance	2,697.75
Automobile Expense	5,478.33
Bank Service Charges	36.00
Computer and Internet Expenses	11,833.81
Contract labor	13,520.00
Depreciation Expense	22,400.00
Excise tax on company vehicle	1,280.70
finance charges	1,956.56
Franchisee operational support	6,811.12
Insurance Expense	40,628.56
Interest Expense	909.09
Licenses and Fees	1,860.22
management fee expense	30,144.70
Meals and Entertainment	221.45
Office Supplies	3,743.37
Payroll Expenses	3,950.94
PAYroll tax expense	6,291.63
Professional Fees	12,233.45
Rent Expense	18,967.56
Repairs and Maintenance	107.29
Telephone Expense	5,249.47
Uniform expense	278.45
Utilities	2,438.38
Wages	79,407.28
Total Expense	319,323.13
Net Ordinary Income	115,562.53
Net Income	115,562.53

1:38 PM
04/19/23
Accrual Basis

E.I. Franchising, Inc.
Balance Sheet
As of December 31, 2022

	Dec 31, 22
ASSETS	
Current Assets	
Checking/Savings	
Key Bank Checking	1,775.90
Total Checking/Savings	1,775.90
Total Current Assets	1,775.90
Fixed Assets	
Accumulated Depreciation	-24,221.42
Company owned vehicle	77,367.66
Furniture and Equipment	1,821.42
Total Fixed Assets	54,967.66
Other Assets	
Amortization of Organizational	-13,103.44
Organizational costs	13,103.44
Total Other Assets	0.00
TOTAL ASSETS	56,743.56
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
401K Payable	918.94
Total Other Current Liabilities	918.94
Total Current Liabilities	918.94
Long Term Liabilities	
Company Owned Auto Loan	42,014.77
Long term loan from Ray	24,422.41
Total Long Term Liabilities	66,437.18
Total Liabilities	67,356.12
Equity	
Capital Stock	5,000.00
Retained Earnings	-2,115.39
Shareholder Distributions	
Employee Benefits	-35,580.58
Shareholder Distributions - Other	-93,479.12
Total Shareholder Distributions	-129,059.70
Net Income	115,562.53
Total Equity	-10,612.56
TOTAL LIABILITIES & EQUITY	56,743.56



April 22, 2022

Mr. Ray Jackson
E.I. Franchising, Inc.
500 South Polk Street-Suite 14
Greenwood, IN 46143

Dear Mr. Jackson,

Following is your independent auditor's report for year ending December 31, 2021.
We have audited the accompanying Balance Sheet and the Profit and Loss of E. I. Franchising, Inc. as of December 31, 2021. The Financial Statement is the responsibility of the company's management. Our responsibility is to express and opinion on the Financial Statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. It also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Financial Statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Financial Statements referred to in the above presents fairly, in all material respects, the financial position of E. I. Franchising, Inc., as of December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

Sincerely,

Underwood Tax and Bookkeeping, Inc.

Victor Ruthig
Executive Vice President

2445 Shelby Street, Indianapolis, Indiana 46203
317-784-7267, FAX 317-784-6379
info@utaxabs.com
web site: www.utaxabs.com

10:33 AM

03/31/22

Accrual Basis

E.I. Franchising, Inc.
Profit & Loss
January through December 2021

	Jan - Dec 21
Ordinary Income/Expense	
Income	
Royalty income	390,000.00
Sales	13,200.00
Total Income	403,200.00
Cost of Goods Sold	
franchise start up items	6,462.64
Total COGS	6,462.64
Gross Profit	396,737.36
Expense	
401K Match	14,064.57
Advertising and Promotion	10,428.60
Auto insurance	80.00
Automobile Expense	10,000.97
Bank Service Charges	180.00
Computer and Internet Expenses	16,128.00
Contract labor	9,401.33
Education and training	300.00
Excise tax on company vehicle	499.35
finance charges	1,171.80
Franchise referral fee	4,750.00
Franchisee operational support	6,110.03
Insurance Expense	36,532.34
Interest Expense	831.43
Licenses and Fees	1,418.62
management fee expense	31,131.84
Office Supplies	2,643.06
Payroll Expenses	2,356.18
Payroll tax expense	4,060.84
Payroll taxes	1,561.40
Professional Fees	4,755.66
Rent Expense	15,821.30
Telephone Expense	5,173.53
Uniform expense	501.04
Utilities	2,088.53
Wages	82,457.35
Total Expense	265,336.56
Net Ordinary Income	131,400.80
Net Income	131,400.80

10:34 AM

03/31/22

Accrual Basis

E.I. Franchising, Inc.

Balance Sheet

As of December 31, 2021

	Dec 31, 21
ASSETS	
Current Assets	
Checking/Savings	
Key Bank Checking	3,425.14
Total Checking/Savings	3,425.14
Total Current Assets	3,425.14
Fixed Assets	
Accumulated Depreciation	-1,821.42
Furniture and Equipment	2,622.85
Total Fixed Assets	801.43
Other Assets	
Amortization of Organizational	-11,406.00
Organizational costs	13,103.44
Total Other Assets	1,697.44
TOTAL ASSETS	5,924.01
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
401K Payable	763.53
Total Other Current Liabilities	763.53
Total Current Liabilities	763.53
Long Term Liabilities	
Rolling line of credit	600.44
Total Long Term Liabilities	600.44
Total Liabilities	1,363.97
Equity	
Capital Stock	5,000.00
Retained Earnings	91,305.42
Shareholder Distributions	
Employee Benefits	-56,311.96
Shareholder Distributions - Other	-166,834.22
Total Shareholder Distributions	-223,146.18
Net Income	131,400.80
Total Equity	4,560.04
TOTAL LIABILITIES & EQUITY	5,924.01



April 29, 2021

Mr. Ray Jackson
E. I. Franchising, Inc.
500 South Polk Street-Suite 14
Greenwood, IN 46143

Dear Mr. Jackson,

Following is your independent auditor's report for year ending December 31, 2020.

We have audited the accompanying Balance Sheet and The Profit and Loss of E.I. Franchising, Inc. as of December 31, 2020. The Financial Statement is the responsibility of the company's management. Our responsibility is to express an opinion on the Financial Statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. It also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Financial Statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Financial Statements referred to in the above presents fairly, in all material respects, the financial position of E. I. Franchising, Inc., as of December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Underwood Tax and Bookkeeping Services, Inc.


Victor Ruthig
Executive Vice President

2445 Shelby Street, Indianapolis, Indiana 46203
317-784-7267, FAX 317-784-6379
info@utaxabs.com
web site: www.utaxabs.com

Version 5/2021

2:41 PM

04/29/21

Accrual Basis

E.I. Franchising, Inc.
Profit & Loss
 January through December 2020

	Jan - Dec 20
Ordinary Income/Expense	
Income	
Royalty Income	361,000.00
Sales	300.00
Total Income	361,300.00
Cost of Goods Sold	
franchise start up items	1,019.99
Total COGS	1,019.99
Gross Profit	360,280.01
Expense	
Advertising and Promotion	18,295.12
Auto Insurance	466.56
Automobile Expense	13,328.70
Bank Service Charges	69.00
Computer and Internet Expenses	11,245.78
finance charges	2,427.49
Franchisee operational support	9,807.58
Health Insurance Expense	35,491.70
Insurance Expense	-466.56
Interest Expense	1,476.81
Licenses and Fees	2,858.47
management fee expense	32,059.46
Meals and Entertainment	156.64
Office Supplies	6,333.64
Payroll Expenses	0.00
Payroll taxes	6,520.73
Professional Fees	6,039.88
Rent Expense	14,293.17
Repairs and Maintenance	757.09
Telephone Expense	6,183.35
Uniform expense	2,162.68
Utilities	814.98
Wages	89,448.25
Total Expense	259,760.52
Net Ordinary Income	100,519.49
Net Income	100,519.49

12:56 PM

04/14/21

Accrual Basis

E.I. Franchising, Inc.
Balance Sheet
As of December 31, 2020

	Dec 31, 20
ASSETS	
Current Assets	
Checking/Savings	
Key Bank Checking	1,381.51
Total Checking/Savings	1,381.51
Accounts Receivable	
due from affiliate	4,000.00
Total Accounts Receivable	4,000.00
Total Current Assets	5,381.51
Fixed Assets	
Accumulated Depreciation	-1,821.42
Furniture and Equipment	5,848.05
Total Fixed Assets	4,026.63
Other Assets	
Amortization of Organizational	-9,658.00
Organizational costs	13,103.44
Total Other Assets	3,445.44
TOTAL ASSETS	12,853.58
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Payroll Liabilities	3,050.50
Short term loan from Ad fund	3,801.78
Total Other Current Liabilities	6,852.28
Total Current Liabilities	6,852.28
Long Term Liabilities	
PPP loan	12,800.00
Rolling line of credit	9,822.01
Total Long Term Liabilities	22,622.01
Total Liabilities	29,474.29
Equity	
Capital Stock	5,000.00
Retained Earnings	321,289.15
Shareholder Distributions	
Employee Benefits	-189,343.34
Shareholder Distributions - Other	-254,086.01
Total Shareholder Distributions	-443,429.35
Net Income	100,519.49
Total Equity	-16,620.71
TOTAL LIABILITIES & EQUITY	12,853.58



April 30, 2020

Mr. Ray Jackson
E. I. Franchising, Inc.
500 South Polk Street-Suite 14
Greenwood, IN 46143

Dear Mr. Jackson,

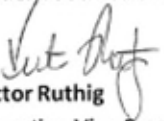
Following is your independent auditor's report for year ending December 31, 2019:

We have audited the accompanying Balance Sheet and Profit and Loss of E.I. Franchising, Inc. as of December 31, 2019. The Financial Statement is the responsibility of the company's management. Our responsibility is to express an opinion on the Financial Statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. It also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Financial Statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Financial Statements referred to in the above presents fairly, in all material respects, the financial position of E.I. Franchising, Inc. as of December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

Underwood Tax and Bookkeeping Services, Inc.


Victor Ruthig
Executive Vice President

2445 Shelby Street, Indianapolis, Indiana 46203
317-784-7267, FAX 317-784-6379
info@utaxabs.com
web site: www.utaxabs.com

10:25 AM
04/03/20
Accrual Basis

E.I. Franchising, Inc.
Profit & Loss
January through December 2019

	Jan - Dec 19
Ordinary Income/Expense	
Income	
Royalty Income	346,300.00
Sales	10,000.00
Total Income	356,300.00
Cost of Goods Sold	
franchise start up items	3,525.41
Total COGS	3,525.41
Gross Profit	352,774.59
Expense	
Advertising and Promotion	6,028.17
Automobile Expense	16,227.27
Bank Service Charges	64.00
Computer and Internet Expenses	10,540.60
finance charges	2,691.07
Franchise referral fee	250.00
Franchisee operational support	16,569.60
Insurance Expense	27,364.97
Interest Expense	1,582.16
Licenses and Fees	1,034.51
management fee expense	67,500.00
Meals and Entertainment	228.45
Office Supplies	4,027.43
Payroll Expenses	1,256.81
PAYroll tax expense	979.55
Payroll taxes	4,014.95
Professional Fees	3,497.50
Rent Expense	5,988.13
Repairs and Maintenance	206.04
Sales expense	295.98
Telephone Expense	5,597.87
Uniform expense	4,741.99
Utilities	107.23
Wages	61,854.35
Total Expense	242,648.63
Net Ordinary Income	110,125.96
Net Income	110,125.96

10:26 AM

04/03/20

Accrual Basis

E.I. Franchising, Inc.
Balance Sheet
As of December 31, 2019

	Dec 31, 19
ASSETS	
Current Assets	
Checking/Savings	
Key Bank Checking	6,637.39
Total Checking/Savings	6,637.39
Total Current Assets	6,637.39
Fixed Assets	
Accumulated Depreciation	-1,821.42
Furniture and Equipment	4,428.82
Total Fixed Assets	2,607.40
Other Assets	
Amortization of Organizational	-9,658.00
Organizational costs	13,103.44
Total Other Assets	3,445.44
TOTAL ASSETS	12,690.23
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
due to affiliate	4,016.83
Payroll Liabilities	3,050.50
Short term loan from Ad fund	3,801.78
Total Other Current Liabilities	10,869.11
Total Current Liabilities	10,869.11
Long Term Liabilities	
Rolling line of credit	13,618.19
Total Long Term Liabilities	13,618.19
Total Liabilities	24,487.30
Equity	
Capital Stock	5,000.00
Retained Earnings	211,163.19
Shareholder Distributions	
Employee Benefits	-161,899.92
Shareholder Distributions - Other	-176,186.30
Total Shareholder Distributions	-338,086.22
Net Income	110,125.96
Total Equity	-11,797.07
TOTAL LIABILITIES & EQUITY	12,690.23

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EXHIBIT E
AGREEMENTS



E.I. FRANCHISING, INC.

FRANCHISE AGREEMENT

FRANCHISEE:

LOCATION:

DATE OF AGREEMENT:

E.I. FRANCHISING, INC.
FRANCHISE AGREEMENT
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Schedule C – Promissory Note
Schedule D – Confidentiality and Noncompetition Agreement

E.I. FRANCHISING, INC.

FRANCHISE AGREEMENT

This AGREEMENT effective as of _____, 20__ between E.I. FRANCHISING, INC., an Indiana corporation (referred to in this Agreement as “we” or “us”), and _____, a _____ [if entity, indicate type and state of formation] (referred to in this Agreement as “you” or “your company”).

We and our affiliated companies have developed an integrated System (defined below) for the operation of businesses offering commercial cleaning and building maintenance services (“Executive Image businesses”). The proprietary training and programs for establishing and operating a franchise; the Confidential Operations Manual; sample contracts, agreements, and other template documents; training curriculum; and any other information, tangible and intangible, whether spoken, printed, electronic or any other form or medium provided to Franchisee by Franchisor during the Term of this Agreement (the “System”) may be improved, further developed, or otherwise modified by Franchisor in its sole discretion from time to time. Executive Image businesses operate under the trademark EXECUTIVE IMAGE and other trademarks, and we may create, use and license additional trademarks or substitute different trademarks in the future in conjunction with the operation of Executive Image businesses (collectively, the “Marks”).

You have applied for a franchise to own and operate an Executive Image business in a defined territory (the “Franchised Business”), and we are pleased to grant such franchise to you on the terms and conditions set forth below.

Accordingly, you and we agree as follows:

ARTICLE I – GRANT AND OPERATION OF THE FRANCHISE

Section 1.1 – Territory

1.1.1 *Grant of Rights.* We grant to you the exclusive right, and you undertake the obligation, to operate a franchised Executive Image business in accordance with the System Standards (as defined in Section 1.4.1 below) and the terms and conditions contained in this Agreement. You may not grant other persons or entities the right to operate an Executive Image business.

1.1.2 *Territory.* Your exclusive Territory is defined in Exhibit A to this Agreement and will contain a population of approximately 200,000 persons. Except for the rights expressly reserved to us in this Agreement, we will not open for business to the public, grant a franchise, license or otherwise authorize any other person or entity to open for business to the public, an Executive Image franchise within your designated Territory. In accordance with IC 23-2-2.7-1(2), this section does not permit us to compete unfairly with you within a reasonable area.

1.1.3 *Products and Services Offered.* You must offer and sell the full range of products and services we prescribe from time to time in the Franchised Business. You may not sell any products or services under the Marks or in the Franchised Business that we do not specify or approve. Upon notice from us given at any time, you must discontinue offering for sale any products or services we may disapprove or discontinue.

1.1.4 *No Marketing Outside the Territory.* You may not solicit clients outside the Territory. You must reasonably restrict your advertising, promotion, and marketing activities to the markets in the

Territory. If you receive a request to provide services outside the Territory at a location in another franchisee's territory or in the territory of an Area Developer, you must refer the request to the other franchisee or Area Developer in the manner we specify. If you receive a request to provide services anywhere outside the Territory, but not within another franchisee's territory or in the territory of an Area Developer, you may not provide such services without our prior approval, which we may grant or deny as we deem best or on any conditions we deem appropriate. You may not solicit business from customers who are already being serviced by another Executive Image business.

1.1.5 *Rights We Reserve.* We and our affiliates retain all rights not specifically granted to you under this Agreement. These rights include, without limitation, the right to:

1. Operate and grant others the right to operate an Executive Image franchise anywhere outside of your Territory;
2. Develop, operate and grant others the right to operate any future concepts that are not included within the System at any location anywhere;
3. Use and license the use of other proprietary marks or methods which are not a part of the System at any location anywhere;
4. Operate any business regardless of whether such business offers similar or the same goods and services as Executive Image, whether under development or already in operation, included in any business acquisition at any location;
5. Provide goods and services to any National or Regional Accounts, regardless of whether such locations are inside or outside of your Territory; and
6. Distribute or license the manufacture or distribution of products, either inside or outside of your Territory, regardless of whether such products are authorized for Executive Image franchises or are distributed or licensed under the Proprietary Marks, through other channels of distribution, including, but not limited to the Internet or through consulting services, without providing compensation to you.

1.1.6 *Guaranty.* Our grant of this franchise is made in reliance on the personal attributes of your company's owners and managers named in Schedule A. If your company is a legal entity such as a corporation or limited liability company rather than a sole proprietorship or general partnership, then our grant of this franchise is made on the condition that each person who now or later owns or acquires, either legally or beneficially, any equity or voting interest in your company (the "Guarantor" or "Guarantors"), must execute and deliver to us a guaranty and assumption agreement in the form attached as Schedule B (the "Guaranty"). Transfers of interest are restricted in accordance with Article IV. Upon our request at any time, you will furnish us with a list of all holders of legal and beneficial interests in your company, together with descriptions of the type of interests owned and percentage amounts, and the names, addresses and telephone numbers of the owners, certified as correct in the manner we specify. If any of your company's general partners, managers, officers or directors ceases to serve as such or if any new person becomes a general partner, manager, officer or director after the date of this Agreement, you will notify us of such change within ten (10) days. Any breach of a Guaranty will be deemed to be a breach of this Agreement.

Section 1.2 – Site Selection and Development; Opening

1.2.1 *Site Selection.* The “Site” is the location within the Territory from which you operate the Franchised Business. The Site may be your home office. If it is not your home office, your primary residence must be within the Territory or within forty (40) miles of the Territory’s border. The location of the Site must be approved by us and designated in Schedule A. You are not obligated to establish or maintain a commercial office as the Site. However, if you decide, in your discretion, to do so, you agree as follows:

1.2.1.1 You will not lease or purchase a proposed site until we have approved the location in writing. We have the right to accept or reject the terms of any lease for the franchised business in our sole discretion. If we approve a location you propose, we will deliver our approval to you in writing. We will not unreasonably withhold our approval of any location that meets our standards.

1.2.1.2 Within thirty (30) days after we approve a site, you must, at your expense, complete the acquisition or lease arrangements to acquire or lease the approved premises for the Site.

1.2.1.3 You agree to keep the Site and all fixtures, furnishings, signs, and equipment in the Site clean, safe and in good repair in accordance with the operations manual.

You acknowledge and agree that our approval of any location site or lease does not warrant, represent, guarantee, or assure that the Franchised Business will be successful, profitable, or meet your expectations, and our approval is limited solely to reviewing and confirming the business site’s compliance with our Specifications and Standards.

You may not relocate the Franchised Business without our prior written approval, which we may withhold at our discretion.

1.2.2 *Conditions to Opening.* You may not begin operation of the Franchised Business until:

1.2.2.1 your Managing Owner has completed the initial training to our satisfaction;

1.2.2.2 the initial franchise fee and all other amounts due to us and our affiliates have been paid in full;

1.2.2.3 you have furnished us with certificates of insurance and copies of all insurance policies or such other evidence of insurance coverage as we reasonably request; and

1.2.2.4 we have given you our written approval of the opening. We may grant or withhold such approval in our sole discretion.

1.2.3 *Time of Opening.* You must satisfy all of the conditions described above and be prepared to open for business within ninety (90) calendar days after the date of this Agreement, unless otherwise approved by us in writing in our sole discretion. If we do not grant an extension, we may terminate this Agreement pursuant to Section 5.2.2.3 if you fail to commence operation of the business within such 90-day period. You acknowledge that time is of the essence.

Section 1.3 – Supplies; Computer System; Insurance

1.3.1 *Supplies and Suppliers.* You agree to only use those brands and models of equipment, supplies, furniture, signs, and other products and services that we have designated or approved as meeting our specifications and standards. We may modify the designated brands, models, supplies, furniture, signs, and other products and services from time to time and you must comply with all modifications.

1.3.2 *Compensation from Suppliers.* We reserve the right to receive rebates, credits and other compensation from suppliers we designate or approve to provide goods or services to you based upon the purchases by you and other franchisees of goods and services from such suppliers. We may use such compensation for any purpose we deem appropriate, including to subsidize our operating costs.

1.3.3 *Approval of Supplies and Suppliers.* If you propose to purchase any brand or model of equipment, supplies, furniture, signs or other products or services that are not then designated or approved by us, or to purchase from any supplier that is not then designated or approved by us, you must first notify us and submit to us sufficient written specifications, photographs, drawings, samples and other information we request to enable us to determine whether the proposed brand, model or supplier complies with our specifications and standards. We will use reasonable efforts to begin an investigation of the proposed supplier or product within thirty (30) days of your request. We will notify you within ten (10) days after we complete our investigation whether we approve the proposed supplier or product. We reserve the right, at our option, to re-inspect the facilities and products of any approved supplier and to revoke our approval upon the supplier's failure to continue to meet any of our then-current criteria. We reserve the right to deny or revoke our approval of any supplier at any time and for any reason. You shall be notified of such changes and are responsible for immediately terminating your relationship with a supplier if the supplier's approval is revoked. Additionally, you are required to immediately cease the use and purchase of such goods and/or services if a supplier's approval is revoked. We are not required to make available to you or any prospective supplier any of our standards or specifications.

1.3.4 *Purchasing or Distribution Cooperatives.* We may establish national or regional purchasing or distribution programs for the purchase or distribution of certain goods, materials or supplies at reduced prices. You agree to participate in any purchasing or distribution cooperatives that we may establish for the region where your Franchised Business is located.

1.3.5 *Computer System.* You agree to install, maintain and use in the Franchised Business such computer hardware, software, point-of-sale and cash register systems as we specify from time to time, using suppliers we specify or approve from time to time. We may require you to incur costs to purchase, lease and license computer hardware and software and to obtain service and support, and to maintain such systems and to upgrade and make such changes to such systems as we may specify in writing. We reserve the right, without limitation, to modify or supplement the hardware or software required in the operation of the Franchised Business and you may be required to make and install substantial modifications to the computer system, software, or hardware during the initial term of the Franchise Agreement to efficiently operate the Franchised Business. We have the right to charge a reasonable systems fee for software or systems modifications and enhancements specifically made for us that we license to you and other maintenance and support services that we or our affiliates furnish to you.

1.3.6 *Electronic Communications.* You agree to maintain adequate telephone service for the Franchised Business, including a dedicated telephone line with voicemail dedicated to the Franchised Business, and a high-speed Internet connection. You agree to use only such email addresses we authorize in the Franchised Business. You must comply with such policies as we prescribe from time to time for email use.

1.3.7 *Customer Data.* Your computer system must be Internet-connected via broadband at all times and interfaced with our system to enable us to electronically access your customer data from our headquarters at any time. We will have the free and unfettered right to retrieve such data and information stored on your hard drive, either internally or externally, as we deem necessary, desirable, or appropriate and there are no contractual limits on our right to do so. The business information or data that will be collected or generated includes, but is not limited to, sales data, client data, and income and expense data, including Profit & Losses and Balance Sheets.

1.3.8 *Insurance.* During the term of this Agreement, you will obtain and maintain, at your own expense, such insurance as is described in the operations manual and such other insurance as may be required by law or by the landlord of the premises of the Franchised Business. Such insurance must name us as additional insured. The insurance must be primary coverage without right of contribution from any other insurance of ours. The policy must provide that it may not be modified or canceled unless the insurance carrier gives us at least thirty (30) days' prior written notice. You will provide us with a certificate of such insurance issued by your insurance carrier before you open the Franchised Business to the public and subsequently before the renewal of such policy. We may, from time to time and in our sole discretion, make such changes in minimum policy limits and endorsements as we may determine; provided, however, that we will provide you with thirty (30) days written notice of such changes and that all changes will apply to all of our franchisees that are similarly situated. If you fail to obtain or maintain the required insurance in accordance with this section, we may, without waiving our right to declare a breach of this Agreement based on your default, obtain the required insurance coverage at your expense, although we have no obligation to do so. If we obtain such insurance on your behalf, we may require you to pay us the charges described in Section 2.1.6.7. If you fail to maintain the insurance we require and do not correct the failure within ten (10) days after we deliver written notice of that failure to you, we may terminate this Agreement.

Section 1.4 – Manual; System Modifications

1.4.1 *Manual.* During the term of this Agreement, we will loan to you one copy of the confidential operations manual and supplemental materials that we generally furnish to franchisees from time to time for use in operating an Executive Image business (the “Manual”), in such media as we select, whether hard copy, through the Web or otherwise. Supplemental materials include DVDs, training manuals and the like. The Manual and the bulletins and other written materials we provide to you contain mandatory and suggested specifications, standards, operating procedures, policies, methods and rules (“System Standards”) that we prescribe from time to time for the operation of an Executive Image business and information relating to your other obligations under this Agreement. The Manual is and will remain at all times our sole property. You may not at any time copy, duplicate, record or otherwise reproduce any part of the Manual except as we may specifically authorize. You further agree to keep your copy of the Manual current at all times with all updates and modifications we furnish to you, and to store each copy of the Manual received by you in a secure location at the premises of the Franchised Business. In the event of a dispute relating to its contents, the master copy of the Manual we maintain at our principal office will control. If a copy of the Manual in your possession or under your control, or any portion of such Manual, is lost, stolen, completely or partially destroyed or significantly damaged, you agree to report such loss, theft, destruction or damage immediately to us. We may charge you for replacement of a lost, destroyed or damaged Manual in accordance with Section 2.1.5.14.

1.4.2 *System Modifications by Us.* We have the right, without limit, to modify, add to, or enhance the System Standards from time to time, and upon notice to you, we may make additions to, deletions from or revisions in the Manual to reflect such modifications or changes. Such modifications or changes may include, for example, the addition or discontinuation of products and services that you are required to sell at the Franchised Business. You must not deviate from our standards and specifications without first obtaining our written consent and you agree to adopt or comply with each new or changed procedure, policy, method and requirement as promptly as practicable after notice from us, and in any event within the time period we reasonably require. No modification or change that we make will alter your fundamental status and rights under this Agreement.

1.4.3 *System Modifications by You.* You agree not to implement any modification or change in the System Standards or in the Franchised Business without our prior written approval, which we may withhold in our discretion. If you or any of your employees make an improvement to the System Standards

or in the Franchised Business, such improvement will be our property (“Improvement”.) We will have the right to use such improvements and to offer them to our affiliates and other franchisees for their use. Any new product or technique you develop will be an improvement owned by us that we may use at our company and affiliate Executive Image businesses and that we and our affiliates may authorize other franchisees to use. You agree to assign us all right, title and interest in any intellectual property in the Improvements. To the extent any Improvement does not qualify as a “work made-for-hire” for us, you shall assign, and by this Agreement, does assign, ownership of the Improvement, and all related rights to the Improvement, to us and shall sign any assignment or other document as we request to assist us in obtaining or preserving intellectual property rights in the Improvement.

Section 1.5 – Personnel; Training and Support

1.5.1 *Managing Owner.* If you are a sole proprietorship, we may refer to you as the “Managing Owner.” If your company is a corporation, a limited liability company or a partnership, then you agree to appoint and maintain throughout the term of this Agreement a shareholder, member or partner to serve as your “Managing Owner.” The Managing Owner is responsible for overseeing and supervising the operation of the Franchised Business. The Managing Owner must be an owner of an equity or voting interest in your business whom we approve. You will ensure that the Franchised Business is always actively managed by a Managing Owner who has attended and successfully completed such training as we may require from time to time. You must notify us in writing of the Manager’s identity at the time of hire and shall subsequently notify us of any changes in their respective employment status. If at any time a new Manager is employed, such Manager must complete the Initial Training Program to our satisfaction within thirty (30) days of hiring. The Managing Owner will actively devote his or her full time, attention and effort to the Franchised Business and provide direct, day-to-day supervision of the operation of the Franchised Business. The Managing Owner will ensure at all times the proper levels of customer service in accordance with the Manual and this Agreement.

1.5.2 *Initial Training.* Before you begin operating the Franchised Business, we will train your Managing Owner in the operation of an Executive Image business. We do not charge for this training. At your request and if space is available, we will train additional personnel of your company. You must pay the compensation and travel and living expenses of all your personnel who attend our training, regardless of whether we charge you a fee for such training. The training program consists of approximately thirty (30) hours of training at our headquarters in Indiana or any other location we designate. We will endeavor to time the commencement of your training program so that it is completed at least thirty (30) days before the scheduled opening of the Franchised Business.

1.5.3 *Opening Assistance.* We will provide pre-opening and opening training, supervision and assistance at your Franchised Business by one of our trained representatives for a period of three (3) to seven (7) days, in our discretion.

1.5.4 *Ongoing Training.* At your request, and if we agree, we will furnish additional training. We may charge our then-current fees and expenses for additional or remedial training that is not mandatory or that we require because your personnel are not meeting our standards. We do not charge for other mandatory training. Our fees and expenses will vary based on the staff, location, and type of training being offered. If any inspection of the Franchised Business indicates noncompliance with any System Standards or if we receive negative customer feedback, we may require previously trained and experienced managers and employees to attend refresher training courses at such times and locations as we designate, and/or we may send our personnel to your Franchised Business for training. In such event, you agree to pay our then current fees for training and travel and living expenses for our personnel.

1.5.5 *Replacement Manager.* If the Managing Owner does not satisfactorily complete the initial training program or if we determine that such person cannot satisfactorily complete the training program, or if the Managing Owner ceases active management of the Franchised Business, then the qualified replacement (who must be reasonably acceptable to us) must attend training, at your expense, within thirty (30) days of hiring.

1.5.6 *Ongoing Support.* We will provide support and guidance from time to time, either in person, by telephone, by email or in writing, regarding the operation of the Franchised Business. We will provide regular operational reviews and advise you from time to time regarding the operation of the Franchised Business based on reports you submit to us and inspections we make to ensure compliance with the System Standards and to recommend improvements. At your request, and if we agree, we will furnish additional on-site guidance and assistance and, in such case, we may require you to pay our then-current fees and expenses. Your failure to implement any corrective action we require will constitute a material breach of this Agreement and may result in termination pursuant to Section 5.2.

1.5.7 *Undertakings by Your Personnel.* You agree to take appropriate steps to advise all your employees and contractors of your obligations under this Agreement and to ensure compliance by all of your employees and contractors. Each manager of your Franchised Business and each person who receives training from us or otherwise has access to Confidential Information (as defined in Section 3.2.1) who has not signed the Guaranty described in Section 1.1.6 must sign a written agreement with your company substantially in the form of Schedule D to this Agreement before performing any work for the Franchised Business or otherwise having access to the Confidential Information. At our request, you will submit to us a copy of any or all such written agreements. You will ensure that each such person complies with the terms of such agreement during the period that he or she is employed by you. Any breach of such agreement by any such person will be deemed a breach of this Agreement.

Section 1.6 – Operation of the Franchised Business

1.6.1 *System Standards.* You agree to operate the Franchised Business in strict accordance with all System Standards in effect from time to time. You understand and acknowledge that every detail of the Franchised Business is important to you, to us and to other Executive Image business franchisees in order to develop and maintain high operating standards, to increase the demand for the services and products sold by all franchisees, and to protect the reputation and goodwill of the Executive Image business brand.

1.6.2 *Customer Accounts.* When you sign up new customers in the Territory, you will use our then-current standard form customer agreement. You must submit all new customer agreements to us for approval. We will inform you of our approval or disapproval of each proposed account within three (3) business days after you submit the account proposal to us. We do not require you to maintain a specific number of cleaning accounts.

1.6.3 *Customer Billing.* You will report to us all work that you do for each customer. We will handle all customer billing. Customers will pay us. We will pay you once each week the amounts we receive from the accounts you service, net of royalties, account finder fees, finance charges and other amounts that we are permitted to deduct under the terms of this Agreement.

1.6.4 *Customer Development Fees.* We or an Executive Image Area Developer may sign up new customers in the Territory and assign the new accounts to you. For each new account assignment that you accept from us or from our Area Developer, you will pay a Customer Development Fee equal to 8% of the receipts from each such account for such period of time between twelve (12) and thirty-six (36) months as we determine in each instance and as we inform you before you accept the assignment (“Customer

Development Fees”). We will deduct Customer Development Fees from the amounts we pay you each week from such accounts.

1.6.5 *Customer Service.* You will provide prompt, courteous and efficient service to all customers and treat all customers with respect. You will give prompt attention to all complaints from dissatisfied customers, if any.

1.6.6 *Staff.* You will maintain a competent, conscientious, trained staff in numbers sufficient to promptly service customers in accordance with the System Standards.

1.6.7 *Maintaining Goodwill.* You will do nothing that, in our reasonable opinion, tends to discredit the Marks or the System or to bring either into disrepute, or that might diminish or affect adversely our reputation or goodwill.

1.6.8 *Compliance with Laws.* You will comply with all applicable laws, rules and regulations in the operation of the Franchised Business and pay all taxes when due. You agree to take all necessary and appropriate measures to avoid any negative rating at any time from any governmental agency or authority, and to notify us promptly in the event that you receive any such negative rating or notice of a violation of law. You will notify us within forty-eight (48) hours of the occurrence of any accident or injury that may adversely affect the operation of the Franchised Business or your financial condition, or that may give rise to liability or a claim against you or us.

1.6.9 *Entity Requirements.* Your corporation or limited liability company that enters into this Agreement must be newly organized and its charter, certificate of incorporation or operating agreement must at all times provide that its activities are confined solely to operating the Franchised Business. If you enter into this agreement as an individual or general partnership, then you must form a corporation or limited liability company in which you maintain management control and of which you or all of the owners of your company own and control 100% of the equity and voting power, and you must transfer the Franchised Business to such entity within sixty (60) days after the date of this Agreement. All certificates representing stock or other ownership interests in your company must contain a legend stating that transfer of such stock or ownership interest is limited by the provisions of this Agreement. Upon our request, you will deliver to us copies of all organizational documents of your company, including articles of incorporation, by-laws, shareholders’ agreement, limited liability company articles and operating agreement, and any certificates we may request certifying any resolution of directors.

1.6.10 *Franchisee Advisory Council.* We reserve the right to create one or more “Franchisee Advisory Councils” for the purpose of fostering communication among and between franchisees and us, and to advise us in establishing, modifying or discussing various policies applicable to Executive Image business franchisees. If and when a Franchisee Advisory Council is created, we may require you to participate in its meetings and programs. A Franchisee Advisory Council may advise and make recommendations to us but will not act as a policy-making board and will have no authority whatsoever. We will determine or approve the rules under which any Franchisee Advisory Council functions. We may change the rules at any time, and we may dissolve any Franchisee Advisory Council at any time. We may require you to pay dues to a Franchisee Advisory Council and you will pay all costs and expenses you incur in connection with participation in any Franchisee Advisory Council, including the costs of transportation, lodging and meals.

1.6.11 *Customer Evaluations.* We reserve the right to institute programs for auditing customer satisfaction and other quality control measures, and to require you to pay the cost of such programs. You agree to present to your customers with such evaluation forms as we periodically prescribe and to participate and request your customers to participate in any surveys performed by us or on our behalf.

1.6.12 *Operational Reviews.* We will provide regular operational reviews and advise you from time to time regarding the operation of the Franchised Business based on reports you submit to us and inspections we make to ensure compliance with the System Standards and to recommend improvements. We or our designated representatives will also have the right, at any time, to interview your personnel and customers. You agree to take all steps reasonably necessary to correct any deficiencies in your compliance with System Standards or this Agreement noted in any such operational review or in any notice from us within the time we specify.

1.6.13 *Payments to Suppliers.* You agree to pay all your suppliers promptly in accordance with their payment terms and to comply in all other respect with your contractual obligations to third parties.

Section 1.7 - Advertising, Promotion and Marketing

1.7.1 *Grand Opening.* You agree to conduct a grand opening campaign for the Franchised Business during the period commencing thirty (30) days before and ending thirty (30) days after its opening and to expend at least \$500 to \$3,000 for such program. Such grand opening campaign will use the materials we have developed or approved for public relations and advertising. We will provide you with guidelines and lists of suppliers and consult with you on your grand opening campaign, but it will be your sole responsibility to develop and implement this program.

1.7.2 *Local Advertising.* You agree to use all reasonable efforts to promote the Franchised Business in the Territory. You are responsible, at your expense, for providing local advertising, marketing, promotional and public relations programs and activities for the Franchised Business. All signage you use, if any, must conform to our requirements.

1.7.3 *Local Advertising Materials.* All materials you use in local advertising, marketing, promotional and public relations programs and activities must conform to such standards and requirements as we may specify from time to time. You may develop local advertising materials for your own use, at your own cost, following advertising criteria that we establish. We will endeavor to give you our written approval or disapproval within thirty (30) days after our receipt of such materials. If we have not notified you of approval within thirty (30) days after your submission for approval, the materials will be considered disapproved. We may withdraw our approval of any advertising materials at any time and our disapproval prohibits you from using such materials on an ongoing basis. We use purely subjective criteria to evaluate advertising for possible approval. Any advertising, marketing or sales concepts, programs or materials that you propose or develop for the Franchised Business and we approve may be used by us and by our affiliates and other franchisees without any compensation to you.

1.7.4 *National and Regional Advertising.* We or our designee will exclusively maintain and administer any national and regional advertising, public relations and marketing programs and market research, including without limitation the System Website and all programs financed by the Marketing Fund, as described below. We have the right to form, change or dissolve Franchisee Advisory Councils in accordance with Section 1.6.7 to advise us with respect to advertising, public relations and marketing programs.

1.7.5 *Marketing Fund.* We have established a National Marketing Fund ("Marketing Fund") to maximize public recognition and acceptance of the Proprietary Marks and for other benefits for the Executive Image System and you are required to contribute, for each Accounting Period, an amount equal to three percent (3%) of the total Gross Sales of your Franchised Business. We reserve the right to increase or decrease the amount of the required contribution in our discretion. We may, in our sole discretion, decide to terminate or suspend the Marketing Fund at any time.

1.7.6 *Use of the Marketing Fund.* We have the exclusive right to direct all marketing programs financed by the Marketing Fund, including the right to control the creative concepts, materials, and endorsements. We shall have the right to determine the geographic market, media placement, and allocation of the Marketing Fund and have no obligation to administer the Marketing Fund in such a manner as to ensure that expenditures by the Marketing Fund in any geographic area are proportionate or equivalent to contributions to the Marketing Fund by franchisees operating in any geographic area or that you will benefit directly or in proportion to your contribution to the Marketing Fund, from the conduct of marketing programs, or the placement of advertising.

The Marketing Fund may be used to pay the costs of preparing and producing video, audio, and printed marketing materials; administering multi-regional and national marketing programs, including, purchasing television, radio, magazine, billboard, newspaper, and other media advertising; employing advertising agencies and/or public relations firm to assist with marketing and advertising; and providing marketing materials to franchisees. The Marketing Fund may also be used to meet any and all costs reasonably related and incident to administering the Marketing Fund and its related programs, including administrative costs. Under no circumstances will we use the Marketing Fund to solicit new franchisees.

1.7.7 *Accounting for the Marketing Fund.* We will separately account for the Marketing Fund monies, but we may commingle such monies with our other monies or maintain the Marketing Fund monies in one or more separate accounts, in our discretion. We may spend, on behalf of the Marketing Fund, in any fiscal year, an amount greater or less than the aggregate contribution of all Executive Image businesses to the Marketing Fund in that year, and the Marketing Fund may borrow from us or others at reasonable interest rates to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Marketing Fund will be used to pay advertising costs before other assets of the Marketing Fund are expended. We will prepare annually, or cause to be prepared, a report or reports of the operations of the Marketing Fund. We will furnish such report to you for the most recent year upon your written request.

1.7.8 *Marketing Fund Entity.* We have the right, but not the obligation, to establish a separate entity to operate the Marketing Fund at any time. Any such entity will have all the rights and duties with respect to the Marketing Fund that we have under this section. The Marketing Fund will not be deemed a trust, and we will have no fiduciary obligation to you in connection with the collection or administration of the Marketing Fund.

1.7.9 *Distribution of Advertising Expenditures.* Although we will endeavor to use the Marketing Fund to develop advertising and marketing materials and programs and to place advertising that will benefit all Executive Image businesses, we undertake no obligation to ensure that expenditures by the Marketing Fund will benefit all Executive Image businesses equally nor in proportion to contributions.

1.7.10 *Termination of Marketing Fund.* We reserve the right to defer, reduce or suspend contributions to the Marketing Fund, and, upon thirty (30) days' prior notice to you, to suspend operations of the Marketing Fund for one or more periods of any length, and to terminate (and, if terminated, to reinstate) the Marketing Fund (and, if suspended, deferred or reduced, to reinstate such contributions). If the Marketing Fund is terminated, all unspent monies, if any, on the date of termination will be distributed to Executive Image businesses in proportion to their respective contributions to the Marketing Fund during the preceding twelve (12) month period.

1.7.11 *Cooperative Advertising.* We may establish and coordinate from time to time cooperative advertising, marketing and sales programs, customer satisfaction programs and other programs or activities among Executive Image business franchisees. These programs or activities may be on a local, regional or national basis. You will participate in such programs and activities as we may prescribe. Such programs and activities may (at our option) be paid for on any equitable basis by the participants.

1.7.12 *Internet Advertising.* You are prohibited from setting up, maintaining or utilizing an Internet website, home page, or other social media site to advertise or sell products and services of the Franchised Business or under the Marks without our prior written consent. You must not cause or allow the Marks to be used or displayed, in whole or in part, as an Internet domain name, or on or in connection with any Internet website, home page, or social media site without our express prior written consent, which we may grant or withhold in our sole discretion. If we provide our consent to such use, then you may only use the Marks in such a manner authorized by us and in accordance with our procedures, standards and specifications as established from time to time including the approval procedure for advertising as described in Section 1.7.3.

1.7.13 *Social Media.* You may promote the Franchised Business through social media and similar means provided that you receive our prior written approval and such promotion is consistent with the Manual, including all guidelines we issue from time to time. You agree to check for social media postings of your employees who are authorized to promote the Franchised Business through social media to be sure that any comments they write are permitted and are consistent with our policies.

Section 1.8 – Website

1.8.1 *System Website.* We maintain one or more websites to advertise, market and promote Executive Image businesses and the Executive Image franchise opportunity (the “System Website”). The System Website lists the locations of Executive Image businesses. We own all intellectual property and other rights in the System Website and all information it contains. We may at any time and in our sole discretion discontinue using the System Website. If we discontinue using the System Website, we may at any time and in our sole discretion resume using it. You are prohibited from setting up, maintaining or utilizing an Internet website, home page, or other social media site to advertise or sell products and services of the Franchised Business without our prior written consent.

1.8.2 *Promotion of the System Website.* All advertising, marketing and promotional materials that you develop for the Franchised Business must contain notices of the System Website’s domain name in the manner we designate.

1.8.3 *Franchisee Extranet.* In addition to the System Website, we will maintain a web portal, extranet or other system for all Executive Image business franchisees that can be accessed only by means of user names and passwords and that will not be available to the general public. We may use this portal, extranet or system to provide support for franchisees and to allow for electronic franchise discussion groups. You agree both during and after the term of this Agreement not to disclose your user name or password to any person or entity who is not under your direct supervision and who does not have a need to know such password. You agree to inform all persons under your supervision who may have access to such password of this obligation of confidentiality. You further agree to comply with all guidelines and policies we establish from time to time for the use of this portal, extranet or system.

ARTICLE II – FEES; PAYMENTS; RECORDS; INSPECTIONS

Section 2.1 – Fees and Reports

2.1.1 *Initial Fee.* Upon your signing of this Agreement, you will pay us an initial fee of \$35,000 as specified in Schedule A. This initial fee is fully earned at the time we grant the franchise and is not refundable unless this Agreement is terminated before initial training has been completed. In the event this Agreement is terminated under this circumstance, then we will refund you twenty percent (20%) of the initial fee that you paid to us.

2.1.2 *Financing.* We offer to finance a portion of your initial fee. If you elect to finance, the amount financed will be indicated in Schedule A and you (if you are an individual) or a Guarantor will sign a promissory note in the form of Schedule C. You will pay the amount financed in equal weekly installments over a three-year period together with interest at the rate of ten percent (10%) per annum. Upon the termination of this Agreement for any reason, the entire remaining balance will become immediately due and payable.

2.1.3 *Royalty.* You agree to pay us a royalty (“Royalty”) of ten percent (10%) per account as specified in Schedule A of Gross Sales (as defined below) of the Franchised Business each Accounting Period (defined below). If you bill over \$83,000 in any month, your royalty rate will be reduced by 4% for any excess amount over \$83,000 in such month, with a refund paid to you within 15 days of the start of the following month.

2.1.4 *Definition of Gross Sales.* As used in this Agreement, the term “Gross Sales” or “Gross Sales of the Franchised Business” means all revenue you derive from operating the Franchised Business, whether from cash, check, credit card or credit transactions (with no deduction for credit card charges), but excluding all federal, state or municipal sales or use taxes collected from customers for payment to the appropriate taxing authorities, and excluding actual customer refunds, adjustments and credits made in compliance with the Manual.

2.1.5 *Marketing Fee.* You agree to pay us a marketing fee (the “Marketing Fee”) equal to three percent (3%) of the Gross Sales of the Franchised Business for each Accounting Period. The Marketing Fee finances the Marketing Fund described in Section 1.7.6.

2.1.6 *Other Fees.* You agree to pay us the following fees upon the occurrence of the following events:

2.1.6.1 If we license any software or systems to you specifically made for us or if we provide other systems maintenance or support services in accordance with Section 1.3.5, we may charge a reasonable systems fee.

2.1.6.2 If you request and we agree to furnish additional on-site guidance or assistance in accordance with Section 1.5.6, we may require you to pay our then current fees and expenses.

2.1.6.3 If we provide additional or remedial training that is not mandatory or that we require because your personnel are not meeting our standards in accordance with Section 1.5.4, we may charge our then-current fees and expenses.

2.1.6.4 If you transfer the Franchised Business with our consent pursuant to Section 4.2, you agree to pay us a transfer fee of \$4,000 or 3% of the purchase price, whichever is greater.

2.1.6.5 If any required payment you make to us is rejected by your bank because of insufficient funds, you will pay us \$25 for the first occurrence within any twelve (12) month period, and \$50 for each additional occurrence within such 12-month period.

2.1.6.6 If you request additional or replacement copies of the Manual or any portion of the Manual or the videos we supply to you, we may charge you a fee of \$200.

2.1.6.7 If we obtain insurance on your behalf in accordance with Section 1.3.7, you will pay us an amount equal to the premiums and related costs for the required insurance in full upon receipt of the invoice, plus a 25% service charge.

2.1.6.8 If the Managing Owner ceases active management of the Franchised Business or if the business is not being managed properly, then pending the appointment and training of a new Managing Owner, we may appoint a manager until you appoint a trained replacement manager and we may require you to pay in the manner described in Section 4.2.8.

We will deduct these fees from the amounts we pay you. These fees are nonrefundable. Fees stated as dollar amounts may be increased from time to time to reflect increases in the Metropolitan Area Consumer Price Index for All Urban Consumers from the date of this Agreement, as published by the U.S. Department of Labor, or a successor index.

2.1.7 *Accounting Period.* “Accounting Period” means the specific period that we designate from time to time in the Manual or otherwise in writing for purposes of your financial reporting and payment obligations described in this Agreement. The Accounting Period may be a calendar month or a shorter or longer time period that we select, but not shorter than one week. We may designate different Accounting Periods for different purposes.

2.1.8 *Reports.* You will submit periodic reports to us in such detail and in such manner and frequency as we require from time to time, stating the services you have performed for each account and such other information as we require. We will use this information to prepare and send bills to customers.

2.1.9 *Payment.* Once each week, we will send you payment of all amounts we collected from your customers during the prior week, net of all permitted deductions described in Sections 2.1.2 through 2.1.6. We will pay you by bank transfer if you have authorized us to so, or by check if you have not authorized us to access your bank account. At our request, you agree to execute such documents as we determine are necessary for us to process electronic funds transfers into your designated bank account for payment of the amounts we owe to you. You will bear all costs to establish and maintain the required electronic payment system, and all bank service charges. You will comply with our procedures for electronic payment, which we may modify from time to time.

2.1.10 *Taxes.* In the event that we are required to collect and pay any sales or use tax from you for payment to any tax authority based on your purchase of the franchise or any items relating to the franchise, or based on any continuing payments you make to us under this Agreement, we may deduct such taxes from our payments to you.

Section 2.2 – Records; Inspection

2.2.1 *Records.* You agree to maintain at your Executive Image business full, complete and accurate records of the Franchised Business. You will maintain bookkeeping, accounting and records retention systems conforming to the requirements that we prescribe from time to time, and records relating to Franchised Business operations, employee turnover and such other records that we prescribe from time to time. You agree to maintain and to furnish to us upon request complete copies of all income, sales, value added, use and service tax returns, and employee withholding, workers’ compensation and similar reports filed by you reflecting activities of the Franchised Business. You agree to preserve all records described in this Section 2.2.1 for a period of at least five (5) years after their creation, or such longer period as may be required by law, during the term and following the expiration or termination of this Agreement.

2.2.2 *Access to Systems.* We may use the computer and point of sale systems described in Section 1.3.5 to collect electronically the reports referred to in Section 2.1.8 and the records referred to in Section 2.2.1. We will have the free and unfettered right to retrieve such data and information stored on your hard drive, either internally or externally, as we deem necessary, desirable, or appropriate and there are no contractual limits on our right to do so. The business information or data that will be collected or generated includes, but is not limited to, sales data, client data, and income and expense data, including Profit & Losses and Balance Sheets.

2.2.3 *Right to Inspect.* During the term of this Agreement, we or our designated representatives will also have the right, at any time during your regular business hours, without prior notice to you, to enter upon the premises of the Franchised Business to inspect the books and records of the Franchised Business and take excerpts. You agree to cooperate fully with us and our representatives during all such inspections.

2.2.4 *Right to Audit.* We have the right at any time during your regular business hours, without prior notice to you, to inspect and audit the records of the Franchised Business, or to cause such records to be inspected and audited. This right includes the right to access your computer systems.

2.2.5 *Cost.* All inspections and audits will be at our expense; but, if an inspection or audit is made necessary by your failure to furnish, or your delay in furnishing, reports, supporting records, other information or financial statements we require, you agree, within fifteen (15) days after our request, to reimburse us for the cost of such inspection or audit, including without limitation, legal and accounting fees, and the travel expenses, including lodging, meals and per diem charges of the inspecting or auditing personnel. This remedy is in addition to our other remedies and rights under this Agreement and applicable law.

2.2.6 *Survival of Inspection and Audit Rights.* Our rights to inspect the books and records of the Franchised Business and to take excerpts, and to audit the Franchised Business, will continue for a period of six (6) months following the expiration or termination of this Agreement; but, we may only inspect such books and records or perform any such audit following the expiration or termination of this Agreement upon at least twenty-four (24) hours' prior notice to you.

2.2.7 *Disclosure of Your Financial Information.* We have the right to disclose data we receive from you regarding the Franchised Business without identifying you. If we are required by law to disclose any data we receive from you regarding the Franchised Business and such disclosure will identify you, we will notify you of the disclosure to be made and you may endeavor to obtain legally binding assurance that those who receive such disclosure will be bound by an obligation of confidentiality.

ARTICLE III - PROPRIETARY RIGHTS; CONFIDENTIALITY; NONCOMPETITION

Section 3.1 – Our Copyrights and Trademarks

3.1.1 *Our Copyrights.* We have copyright interest in our written materials and other materials that are critical to the System, including, but not limited to, our Manuals, training material, advertising material, website, and other publications. The methods, processes, skills, know-how, techniques, information, trade practices, and other proprietary products and information relating to the development and operation of the Franchised Business is proprietary, confidential, and constitutes our trade secrets (“Confidential Information”). You may use such information only in furtherance of the franchised business and you shall not disclose, sell or use any such information in any other business or in any manner not specifically authorized or approved in writing by us.

3.1.2 *Our Trademarks.* Your right to use the Marks is derived solely from this Agreement and is limited to your operation of the Franchised Business pursuant to and in compliance with this Agreement and all System Standards. Your unauthorized use of the Marks will be a breach of this Agreement and an infringement of our rights in and to the Marks. You acknowledge and agree that your use of the Marks and any goodwill established by such use will be exclusively for our benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the Franchised Business in compliance with this Agreement). You will not contest or assist others in contesting our right to use the Marks.

3.1.3 *Proper Use of the Marks.* You may not use the Marks except as authorized under this Agreement. You understand that any use of the Marks other than as expressly authorized by this Agreement, without our prior written consent, may constitute infringement and that your right to use the Marks does not extend beyond the expiration or termination of this Agreement. You agree to use the Marks as the sole identification of the Franchised Business, except that you agree to identify yourself as the independent owner of the Franchised Business in the manner we prescribe. You may not use any Mark or any word similar to any of the Marks as part of any corporate or legal business name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to you under this Agreement), or in any modified form. You also may not use any Mark in connection with the performance or sale of any unauthorized products or services or in any other manner we have not expressly authorized in writing. You may not use any Mark as part of a domain name or electronic address of a website. You agree to display the Marks prominently in the manner we prescribe at the Franchised Business and on business forms and advertising materials. You agree to give such notices of trademark registrations and our ownership of the Marks as we specify from time to time and to obtain any fictitious or assumed business name registrations required under applicable law.

3.1.4 *Modifying the Marks.* We will have the right to modify or change the Marks from time to time upon written notice to you specifically referring to this Agreement and describing such modification or change. Such right will include the right to use a trademark that is entirely different from “Executive Image” and the right to require you to use one or more additional logos and marks; but, we will make all such changes in the Marks only for good faith marketing, trademark or other reasons on a uniform basis for all Executive Image franchisees in the U.S. You agree, upon notice from us, to regard each such modified, changed, new or additional trademark as being within the definition of “Marks” under this Agreement, and to adopt and use each such trademark at your expense in accordance with the terms and conditions of this Agreement. We will not be obligated to reimburse you for any loss of revenue or expenses caused by any such modification or change. However, if we require a change in signage, we may reimburse you for your reasonable direct expenses of changing the signs at the premises of the Franchised Business in our sole discretion.

3.1.5 *Infringement.* You agree to notify us of any apparent infringement of any Mark or of any of our copyrights, by any third party, as soon as such apparent infringement comes to your attention, and to notify us immediately of any challenge to your use of any Mark and of any claim by any person of any rights in any Mark, and you agree not to communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim. We have sole discretion to take such action as we deem appropriate with respect to such apparent infringement, challenge or claim and the right to control exclusively any litigation, U.S. Patent and Trademark Office proceeding or any other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Mark or our copyrights. You agree not to initiate any such action or proceeding, but to cooperate with us in any such action or proceeding and sign any and all instruments and documents, render such assistance and do such acts and things as may be necessary or advisable, in the opinion of our attorneys, to protect and maintain our interests in any litigation or any proceeding at the U.S. Patent and Trademark Office, or

otherwise to protect and maintain our interests in the Marks or copyrights. In the event any sum is recovered based on our claim of infringement, we will have the exclusive right to such recovery.

Section 3.2 – Confidentiality of Our Information

3.2.1 *Confidential Information.* We possess and will continue to develop and acquire Confidential Information. Confidential Information includes, without limitation, those items identified in Section 3.1.1 and:

3.2.1.1 the contents of the Manual and all supplemental materials;

3.2.1.2 the content of our training and assistance;

3.2.1.3 sales and marketing techniques;

3.2.1.4 customer lists (including the name, address, telephone number and email address of each customer);

3.2.1.5 planned advertising and marketing programs;

3.2.1.6 current, past and planned research, development and test programs for products, services and operations;

3.2.1.7 specifications for and suppliers of certain materials and supplies;

3.2.1.8 the operating results and financial performance of Executive Image businesses other than the Franchised Business;

3.2.1.9 user names and passwords allowing access to protected areas on our website or computer network; and

3.2.1.10 all improvements and modifications to the System developed by you or your personnel.

You acknowledge and agree that you will not acquire any interest in any Confidential Information other than the right to use Confidential Information disclosed to you in operating the Franchised Business during the term of this Agreement.

3.2.2 *Nondisclosure and Non-Use.* At all times both during the term and after the expiration or termination of this Agreement, (i) you will keep all Confidential Information in the strictest confidence and you will not disclose any Confidential Information to any person other than your employees, agents or representatives who have a legitimate need to know such information and who are informed of this obligation of confidentiality and have signed either a Guaranty in the form of Schedule B or a written agreement with your company substantially in the form of Schedule D, and (ii) you will not use any Confidential Information except for the purpose of fulfilling your obligations under this Agreement.

3.2.3 *Isolated Disclosures.* Notwithstanding the foregoing, we will not deem you to be in default of this Agreement as a result of isolated incidents of disclosure of Confidential Information by an employee

other than an owner, provided that you have taken reasonable steps to prevent such disclosure, including but not limited to the steps a reasonable and prudent owner of confidential and proprietary information would take to prevent disclosure of such information by his employees, and further provided that you pursue all reasonable legal and equitable remedies against such employee for such disclosure of the Confidential information.

3.2.4 Exceptions. The obligations of confidentiality and non-use described above will not apply to information that: (i) was known to you on a non-confidential basis before we disclosed it to you; (ii) is or becomes generally known among Competitive Businesses (as defined in Section 3.3.1) in the U.S. other than through disclosure by you or any of your employees, contractors, agents or representatives; or (iii) was received by you on a nonconfidential basis from a third party that is not prohibited from disclosing such information by a legal, contractual or fiduciary obligation.

3.2.5 Disclosures Required by Law. In the event that you become legally compelled to disclose any Confidential Information, you will (i) promptly notify us that such information is required to be disclosed so that we may seek a protective order, (ii) use your best efforts to obtain legally binding assurance that all those who receive disclosure of such information are bound by an obligation of confidentiality, and (iii) disclose only that portion of the Confidential Information that your legal counsel advises is legally required to be disclosed.

3.2.6 Return of Information. Upon our request, you will promptly return to us all Confidential Information and all copies in your possession or under your control, and you will destroy all copies on your computers, disks and other digital storage devices.

Section 3.3 – Noncompetition

3.3.1 Definition of Competitive Business. As used in this Agreement, the term “Competitive Business” means any business that operates, or grants franchises or licenses to others to operate, a business that offers and sells commercial cleaning and building maintenance services (other than an Executive Image business operated under a franchise agreement with us or our affiliate). The restrictions of this section will not apply to the ownership of publicly traded securities that constitute less than one percent (1%) of a class of ownership interests of the issuing company.

3.3.2 Agreement Not to Compete. During the term of this Agreement, you agree that you shall not, either directly or indirectly, as a proprietor, partner, investor, lender, shareholder, director, officer, member, manager, employee, principal, agent, representative, advisor, franchisor, franchisee, consultant or otherwise, engage in any other Competitive Business or open any Competitive Business anywhere within your Territory other than as an Executive Image franchisee. Additionally, you agree not to divert or attempt to divert any business or customer of the Franchised Business to any competitor in any manner or recruit or hire any person who is our employee or the employee of any Executive Image business (whether company or affiliate-owned or franchised) or who has been our employee or the employee of any Executive Image business within the six-month period before such recruiting or hiring, without the prior written permission of that person’s employer. The purpose of this covenant is to encourage you to use your best efforts to promote the Executive Image brand, its products and services, to protect the Franchisor’s Confidential Information and trade secrets, and to generate a successful business as an Executive Image franchisee.

3.3.3 Noncompetition After Termination. You agree that, except as otherwise approved in writing by Franchisor, you shall not, for a period of three (3) years commencing upon the date of: (a) a transfer permitted under this Agreement; (b) expiration of this Agreement; (c) termination of this Agreement (regardless of the cause for termination); (d) a final order of a court of competent jurisdiction (after all

appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Section 3.3.3; or (e) any or all of the foregoing; either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or legal entity: i) own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any Competitive Business that is, or is intended to be, located within your Territory; ii) divert or attempt to divert any present business or customer of Executive Image to any competitor, by direct or indirect inducement or otherwise; or iii) employ or seek to employ any person who is at that time employed by Franchisor or by any other franchisee of Franchisor, or otherwise directly or indirectly induce such person to leave his or her employment.

If you commit a breach of this post-term covenant not-to-compete, the three (3) year restrictive period shall be tolled and start on the date that you are enjoined from competing or stop competing, whichever is later.

ARTICLE IV - TRANSFER

Section 4.1 – Transfer by Us

We may sell, assign or transfer our rights and obligations under this Agreement to any party, without the approval of or prior notice to you, provided that the buyer, assignee or transferee agrees in writing to assume all our obligations under this Agreement. We will not be liable for obligations of the transferee arising after the date of transfer.

Section 4.2 – Transfer by You

4.2.1 No Transfer Without Our Approval. This Agreement is personal to you. We have granted the franchise to you in reliance upon our perceptions of your (or your company's owner's) individual or collective character, skill, aptitude, business ability and financial capacity. Accordingly, you shall not make a Transfer (as defined below) without our prior written approval. Any purported Transfer without such approval will be a breach of this Agreement and will entitle us to terminate this Agreement as provided below.

4.2.2 Definition of Transfer. As used in this Agreement, the term "Transfer" means your (or your company's owner's) voluntary, involuntary, direct or indirect assignment, sale, gift, pledge or other disposition of: (i) this Agreement; (ii) any material asset of the Franchised Business; or (iii) the ownership of your company. "Transfer" also includes (i) the merger or consolidation of your company; (ii) the issuance of additional securities or other ownership interests of your company; and (iii) the admission or departure of a partner or owner. It includes transfers resulting from proceedings under the U.S. Bankruptcy Code or any similar law, and transfers resulting from divorce.

4.2.3 Notice of Transfer. You agree to notify us of any planned Transfer, and to provide us with any information we may reasonably request in order to permit us to evaluate the planned Transfer. If we do not exercise our right of first refusal under Section 4.3, we agree not to unreasonably withhold our approval of a Transfer. If we approve the Transfer, then you will be free, for 120 days following such approval, to effect the Transfer to the person or persons approved by us.

4.2.4 Conditions to Transfer. The following conditions will apply with respect to any Transfer except as described in Section 4.2.5:

4.2.4.1 The proposed transferee, its management and owners, must be individuals of good character with sufficient business experience, aptitude, and financial resources to operate the Franchised Business and otherwise meet our then applicable standards for a new Executive Image franchisee.

4.2.4.2 Neither the proposed transferee nor any of its management or owners may be a Competitive Business or perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business.

4.2.4.3 You will cure any default under this Agreement of which we have notified you.

4.2.4.4 You will pay all fees and any other amounts then owed to us and our affiliates.

4.2.4.5 You or the transferee will pay us a nonrefundable transfer fee described in Section 2.1.6.4.

4.2.4.6 The transferee or the company under ownership by the transferee will, at the time of closing, enter into our then current form of franchise agreement amended to shorten the initial term to conform to the remaining term of this Agreement and to remove the requirement to pay the initial fee, and each Guarantor under the new franchise agreement will have signed our then-current form of guaranty.

4.2.4.7 Each transferor will sign an agreement with us, in a form satisfactory to us, terminating this Agreement and acknowledging your obligations following the Transfer. We may require that the termination agreement include a general release of any claims against us and our affiliates. You will not be required to sign a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law, Indiana Code § 23-2-2.7-1(5).

4.2.4.8 The transferee or its designated personnel will have completed such training, as we may require, to our satisfaction.

4.2.5 *Transfer to a Company You Control.* If you enter into this Agreement as an individual or general partnership and you then transfer the Franchised Business to a newly formed corporation or limited liability company in accordance with Section 1.6.9, or if your corporation or limited liability company transfers this Agreement at any time to an entity in which you maintain management control and of which you or all of the owners of your company own and control 100% of the equity and voting power, then:

4.2.5.1 You must give us prior notice of any such transfer.

4.2.5.2 The relevant parties must sign assignment documents acceptable to us.

4.2.5.3 The assignee entity must conduct no business other than the Franchised Business.

4.2.5.4 You must continue to maintain management control and you, or all of the owners of your company, must continue to own and control 100% of the equity and voting power.

4.2.5.5 All assets of the Franchised Business must be owned by, and the entire Franchised Business must be conducted by, a single entity.

4.2.5.6 The requirements of Sections 4.2.4.6 through 4.2.4.9 will not apply to any such transfer.

4.2.5.7 You will remain personally liable under this Agreement after such Transfer by signing a Guaranty as described in Section 1.1.6.

4.2.6 Transfer Upon Death or Disability. You or your executor or other personal representative must promptly notify us in the event of your death or disability or, if your company is an entity, the death or disability of the Managing Owner. Any transfer upon death or disability will be subject to the same terms and conditions as those that apply to other transfers, as described in Sections 4.2.1 through 4.2.4; but, you or your executor or other personal representative will have a period of twelve (12) months in which to effect a transfer acceptable to us in the event of death, and six (6) months in the event of disability. The Managing Owner must be replaced in the manner described in Section 1.5.5. As used in this Agreement, the term “disability” means a mental, emotional or physical injury, illness, incapacity, disability or impairment that is reasonably expected to prevent or actually does prevent a person from performing the obligations set forth in this Agreement for at least six (6) consecutive months, or more than thirty (30) days in the case of a Managing Owner. A person’s disability for purposes of this section will be determined by a licensed practicing physician selected by us upon examination of such person or, if such person refuses to be examined, then such person will automatically be deemed disabled for purposes of this section as of the date of refusal. We will pay the cost of the examination.

4.2.7 Operation of the Franchised Business Upon Death or Disability. If upon your death or disability or, if your company is an entity, the death or disability of the owner of a controlling interest in your company, the Franchised Business is not being actively managed by a Managing Owner who has attended and successfully completed such training as we may require, you or such deceased or disabled owner’s executor, administrator, conservator, guardian or other personal representative must within a reasonable time, not to exceed thirty (30) days from the date of death or disability, appoint a Managing Owner to operate the Franchised Business. Such Managing Owner will be required to complete our training at your expense. Pending the appointment and training of a Managing Owner or if, in our judgment, the Franchised Business is not being managed properly, we have the right, but not the obligation, to appoint a manager for the Franchised Business.

4.2.8 Transitional Management Costs. In the event that we appoint a manager for the Franchised Business pursuant to Section 4.2.7 or Section 1.5.5, all funds from the operation of the Franchised Business during the management by our appointed manager will be kept in a separate account, and all expenses of the Franchised Business, including compensation, other costs and travel and living expenses of our manager, will be charged to this account. We will also have the right to charge a reasonable management fee (in addition to the Royalty and Marketing Fee payable under this Agreement) during the period that our appointed manager manages the Franchised Business. Operation of the Franchised Business during any such period will be on your behalf. We will not be liable to you or your company’s owners for any debts, losses or obligations incurred by the Franchised Business or to any of your suppliers for any products, materials, supplies or services the Franchised Business purchased during any period it is managed by our appointed manager.

Section 4.3 – Our Right of First Refusal

4.3.1 Notice of Third Party Offer. If you or any of your company’s owners at any time desire to sell, assign or transfer for consideration an interest in this Agreement and the Franchised Business or an ownership interest in your company to anyone other than as described in Section 4.3.4, you will obtain and immediately submit to us a true and complete copy of a bona fide written offer from the third party that desires to acquire such interest (the “Third-Party Offer”). The Third-Party Offer must include the names of all owners of any entity offeror and the names of all partners of any partnership offeror or, in the case of a publicly-held entity, copies of the most current quarterly report and Form 10K. The Third-Party Offer must contain details of the payment terms of the proposed sale and the source and terms of any financing of the proposed purchase price and may not include or be contingent upon the purchase of assets other than those related to the Franchised Business.

4.3.2 Exercise of Our Right of First Refusal. We will have the right, exercisable by notice delivered to you or your company's selling owner or owners within thirty (30) days after the date of our receipt of a copy of the Third-Party Offer and all other information we request, to purchase such interest for the price and on the terms and conditions contained in the Third-Party Offer, provided that (i) we may substitute cash for any form of payment proposed in such offer; and (ii) we will have at least sixty (60) days after giving notice of our election to prepare for closing. If we exercise our right of first refusal, you and we will execute a written agreement, in a form satisfactory to us, acknowledging the seller's continuing obligations. We may require the seller to sign a general release of any claims against us and our affiliates. You will not be required to sign a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law, Indiana Code § 23-2-2.7-1(5).

4.3.3 Consequence of Non-exercise of Our Right of First Refusal. If we do not exercise our right of first refusal, you or your owners may complete the sale to such purchaser pursuant to and on the exact terms of such offer, subject to our approval of the transfer as provided in Section 4.2; but, if the sale to such purchaser is not completed within 120 days after delivery of the Third-Party Offer to us, or if there is a material change in the terms of the sale (which you agree promptly to communicate to us), we will have an additional right of first refusal during the thirty (30) day period following either the expiration of such 120-day period or the notice to us of the material changes in the terms of the sale, either on the terms originally offered (following such 120-day period) or the modified terms (following notice to us of material changes in the terms of the sale).

4.3.4 Exceptions. Our right of first refusal will not apply to transfers among the current owners of your company.

ARTICLE V - TERM AND TERMINATION

Section 5.1 - Term

5.1.1 Initial Term. This Agreement will be effective as of the date set forth in the opening paragraph of this Agreement and, unless sooner terminated as provided in Section 5.2, will continue in effect for a term of twenty (20) years.

5.1.2 Successor Franchise. You will have the right to acquire a successor franchise for a term of ten (10) years, provided:

5.1.2.1 you will have given us notice of your desire to acquire a successor franchise ("Renewal Notice") not less than nine (9) months or more than twelve (12) months before the end of the then-current term;

5.1.2.2 you and your affiliated companies must not be in default under this Agreement or any other agreement with us or any of our affiliates at the time you give your Renewal Notice, or if you are in default, you have cured such default in the manner described below;

5.1.2.3 you comply with our then-current financial qualifications and training requirements for new Executive Image business franchises;

5.1.2.4 you must not have received more than three (3) notices of default during any twenty-four (24) month period during the term of this Agreement, whether or not such defaults have been cured; and

5.1.2.8 you execute our then-current standard form of franchise agreement which will supersede this Agreement in all respects; but, you will not be required to pay the initial fee stated in the successor franchise agreement. Instead, you will pay us the renewal fee referred to in Section 2.1.5.12. You understand that the successor franchise agreement may contain materially different terms than this Agreement, including but not limited to increased fees.

If you or any of your affiliated companies are in default under this Agreement or any other agreement with us or any of our affiliates at the time you give your Renewal Notice, we will give you notice, not more than thirty (30) days after receipt by us of your Renewal Notice, of such default, and we will give you thirty (30) days to cure. In the event that you fail to cure in that period, or in the event that any other condition set forth in this Section 5.1(b) is not satisfied, your right to renew will terminate.

5.1.3 *Hold Over.* If you do not sign a new franchise agreement before the term of this Agreement expires and you continue to accept the benefits of this Agreement after this Agreement expires, then at our option, we may treat this Agreement either as: (i) expired as of the date of expiration, with you then being deemed to be operating without a franchise in violation of our rights; or (ii) continued on a month-to-month basis (the "Interim Period") until either (A) both you and we sign a new franchise agreement or (B) either you or we give at least thirty (30) days' prior written notice to the other party of your or our intention to terminate the Interim Period, in which case the Interim Period and this Agreement will terminate on the date specified in the notice. All your obligations will remain in full force and effect during the Interim Period as if this Agreement had not expired.

Section 5.2 - Termination

5.2.1 *Termination by You.* You may not terminate this Agreement except in the event of our material breach of this Agreement. In the event that you claim that we have materially breached this Agreement, you will provide us with written notice of such claim within twelve (12) months of its occurrence, specifically enumerating all alleged deficiencies and providing us with an opportunity to cure, which will in no event be less than ninety (90) days from the date of our receipt of the notice. Your failure to give such notice will constitute a waiver of your right to terminate on the basis of such breach.

5.2.2 *Termination by Us Upon Notice.* We may terminate this Agreement upon written notice to you with immediate effect if:

5.2.2.1 you or any of your company's owners have made any material misrepresentation or omission in connection with your application for and purchase of the franchise;

5.2.2.2 your Managing Owner fails to complete the initial training to our satisfaction in accordance with Section 1.5.2;

5.2.2.3 you fail to commence operation of the Franchised Business within the time required by Section 1.2.6;

5.2.2.4 you are more than five (5) days late in your payment of any amount due to us under this Agreement or to any of the suppliers of the Franchised Business and you fail to make such payment within five (5) days after we notify you that such payment is past due;

5.2.2.6 you no longer have a competent, conscientious, trained staff in numbers sufficient to promptly service customers in accordance with the System Standards;

5.2.2.7 you or any of your company's owners use or disclose any Confidential Information in violation of the requirements of Section 3.2;

5.2.2.8 you or any of your company's owners make any unauthorized use of the Marks or challenge or seek to challenge the validity of any of the Marks;

5.2.2.9 you fail to maintain the insurance we require and do not correct the failure within ten (10) days after we deliver written notice of that failure to you;

5.2.2.10 you knowingly maintain false books or records or submit to us a report that understates the Gross Revenue of the Franchised Business three (3) or more times during the term of this Agreement or by more than five percent (5%) on any one occasion;

5.2.2.11 a threat or danger to public health or safety results from the construction or maintenance of the premises or from the operation of the Franchised Business, or you violate any health, safety or sanitation law, ordinance or regulation and do not begin to correct such noncompliance or violation immediately, and completely correct such noncompliance or violation within seventy-two (72) hours after written notice of such threat, danger, noncompliance or violation is delivered to you;

5.2.2.12 you fail to comply with any other law or regulation applicable to the operation of the Franchised Business for a period of fifteen (15) days after notification of noncompliance by appropriate authority;

5.2.2.13 you or any of your company's owners effect or attempt to effect a Transfer without our approval and contrary to the provisions of Article IV;

5.2.2.14 in the event of your death or disability or the death or disability of an owner of your company, this Agreement or such owner's interest is not assigned as required by Article IV;

5.2.2.15 you or any of your company's owners are or have been convicted of, or pled or have pleaded guilty or no contest to, a felony or any other crime or offense, or engage in any dishonest, deceptive or unethical conduct that may, in our opinion, adversely affect the reputation of the Franchised Business, other Executive Image businesses or the goodwill associated with the Marks;

5.2.2.16 you fail to operate the Franchised Business for three (3) consecutive business days, unless the Franchised Business has been closed for a purpose we have approved or because of casualty;

5.2.2.17 you fail to pay when due any federal or state income, service, sales, withholding or other taxes due in connection with the operation of the Franchised Business, unless you are contesting your liability for such taxes in good faith or you have received an extension from the applicable government agency of the time within which to make such payments;

5.2.2.18 you commit three (3) or more defaults under this Agreement in any period of twelve (12) consecutive months, whether or not each such default has been cured after notice was delivered to you;

5.2.2.19 your assets, property or interests or those of any of your owners are blocked under any law, rule or regulation relating to terrorist activities;

5.2.2.20 you become insolvent or make a general assignment for the benefit of creditors; or, unless prohibited by law, if a petition in bankruptcy is filed by you or filed against and consented to by you or not dismissed within thirty (30) days; or if a proceeding for the appointment of a receiver or other custodian of your company, business or assets is filed and consented to by you; or if a receiver or other custodian (permanent or temporary) of all or any part of your business or assets is appointed by any court

of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement); or if your company is dissolved;

5.2.2.21 you or any of your affiliates default under any financing agreement or arrangement with any party advancing funds to you in connection with the operation of the Franchised Business or the operation of another business under a franchise agreement with us; or

5.2.2.22 any other Executive Image franchise agreement now or hereafter in effect between us and you or any of your affiliates is terminated due to a breach by you or your affiliate.

5.2.3 *Termination After Cure Period.* Except as set forth in Section 5.2.2, you will have thirty (30) days after receipt of written notice from us of a material default in which to remedy the default and provide evidence of that remedy to us. If any such default is not cured within that time, this Agreement will terminate without further notice to you effective immediately upon expiration of that time unless we notify you otherwise in writing.

5.2.4 *Relationship Laws.* Notwithstanding the provisions described in this Section 5.2, if any valid, applicable law or regulation limits our right to terminate this Agreement or requires different or longer notice periods than those set forth herein, this Section 5.2 is deemed amended to conform to the minimum notice periods or restrictions upon termination required by such law or regulation. We will not, however, be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, arbitration, hearing or dispute relating to this Agreement or the termination of this Agreement.

Section 5.3 - Consequences of Termination

5.3.1 *General Consequences.* Upon the expiration of this Agreement or its termination for any reason:

5.3.1.1 at our option, all customer contracts become solely our property upon our giving notice to you; but you will nevertheless remain obligated under the terms of such customer contracts unless we otherwise agree in writing;

5.3.1.3 all rights and licenses granted to you under this Agreement will immediately terminate;

5.3.1.4 you will remit to us, within fifteen (15) days of such expiration or termination, or on such later date that the amounts due to us are determined, such Royalties and Marketing Fees, amounts owed for purchases from us, interest due and all other amounts owed to us that are then unpaid, and you will submit to us any reports and other information you may be required to submit to us with respect to the operation of the Franchised Business up to the date of expiration or termination;

5.3.1.5 you will deliver to us, within fifteen (15) days of such expiration or termination, a complete list of all customers, current as of the effective date of termination or expiration, including the name, address, telephone number and email address of each customer;

5.3.1.6 you will cease to use the Marks and the System in any way, cease referring to or identifying yourself as an Executive Image business franchisee and remove all such identifying materials from the premises of the Franchised Business, unless we instruct you otherwise;

5.3.1.7 you will take such action as may be required to cancel all fictitious or assumed name or equivalent registrations or domain name registrations relating to your use of any Marks; and

5.3.1.8 you will promptly return to us or deliver to us or otherwise dispose of as we may instruct, the Manual, and all supplemental materials, amendments, revisions and copies of the Manual (including copies stored electronically), as well as all other Confidential Information and all copies of such information in your possession or under your control, and you will remove and destroy all copies from your computers and other electronic storage media;

5.3.1.9 you will promptly remove from the premises of the Franchised Business and deliver to us or otherwise dispose of as we may instruct, all printed materials containing any Mark and you will remove all copies from your computers and other electronic storage media, and you will allow us, without liability to you or to third parties, to remove all such items from the Franchised Business; and

5.3.1.10 you will assign to us or our designee all of your right, title and interest in and to your telephone numbers, websites, domain names and meta tags associated with the Mark (the “Listings”) and you will notify the telephone company and all listing agencies of the termination or expiration of your right to use any of the Listings, and you will authorize the transfer of the Listings to us or our designee.

Section 5.4 – Our Right to Purchase Upon Termination

5.4.1 *Exercise of Option.* Upon our termination of this Agreement in accordance with its terms or your termination of this Agreement without cause, or upon the expiration of this Agreement, if we elect not to offer or you elect not to accept, a successor franchise, we have the option, exercisable by giving written notice to you within sixty (60) days from the date of such termination, expiration or the expiration of our offer to you of a successor franchise, whichever is applicable, to purchase the assets of the Franchised Business from you, including the leasehold rights (subject to any rights of approval retained by the owner of the leasehold) to or ownership of the Site. The date on which we notify you whether or not we are exercising our option is referred to in this Agreement as the “Notification Date”. We have the unrestricted right to assign this option to purchase the Franchised Business. We will be entitled to all customary warranties and representations in connection with our asset purchase, including, without limitation, representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise.

5.4.2 *Leasehold Rights.* If we exercise the option described in Section 5.4.1, you agree, at our election, (i) to assign your leasehold interest in the premises of the Franchised Business to us; or (ii) if you are unable to assign your leasehold interest, to enter into a sublease at a fair market rental for the remainder of the lease term on the same terms (including renewal option) as the prime lease; or (iii) if you own the premises, to lease the premises to us at a reasonable commercial rent and according to terms comparable with rental terms for similar leased property in the marketplace where the Site is located.

5.4.3 *Purchase Price.* If we exercise the option described in Section 5.4.1, the purchase price for the assets of the Franchised Business will be the fair market value of the Franchised Business determined in a manner consistent with reasonable depreciation of the leasehold improvements, equipment, fixtures, furnishings, signs, materials and supplies. The fair market value of the Franchised Business will include the goodwill you have developed in the market that is independent of the goodwill of the Marks and the System. The length of the remaining term of the lease or sublease of the premises of the Franchised Business, if any, and the age and condition of the improvements, equipment, fixtures, furnishings, décor and signs will also be considered in determining the fair market value. We may exclude from the assets purchased cash or its equivalent and any leasehold improvements, equipment, fixtures, furnishings, signs,

materials and supplies that are not necessary or appropriate to the operation of the Franchised Business or that we have not approved as meeting our standards, and the purchase price will reflect such exclusions.

5.4.4 Appraisal. If we and you are unable to agree on the fair market value of the Franchised Business or the Site, or the fair rental value of the premises of the Franchised Business, such fair market value or fair rental value will be determined by one independent appraiser agreed to by you and us. If we fail to agree on an appraiser within fifteen (15) days after we exercise the option described in Section 5.4.1, then each party will name its own reputable appraiser within seven (7) days thereafter, and the average of their determinations will be binding. If one appraiser is chosen, then the parties will share the cost of the appraiser equally. If two appraisers are used, each party will pay its own appraisal fees. You and we will instruct the appraiser or appraisers to complete their appraisal within thirty (30) days after their appointment.

5.4.5 Closing. The closing of the purchase described in this section will take place not later than ninety (90) days after the determination of the purchase price. We will pay the purchase price at the closing, but we have the right to set off against the purchase price any and all amounts you or your company's owners owe to us. At the closing, you agree to deliver instruments transferring to us (i) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances, with all sales and other transfer taxes paid by you; (ii) all licenses and permits of the Franchised Business that are assignable; and (iii) a leasehold interest in (or unencumbered title to) the premises of the Franchised Business and the improvements to such premises. If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, the parties will endeavor to close the sale with the purchase price held in escrow pending resolution of such issues.

ARTICLE VI - REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION

Section 6.1 - Representations and Warranties

6.1.1 Your Representations. You represent and warrant as follows:

6.1.1.1 YOU HAVE NOT RELIED ON ANY PROMISES, REPRESENTATIONS OR AGREEMENTS NOT EXPRESSLY CONTAINED IN THIS AGREEMENT OR THE FRANCHISE DISCLOSURE DOCUMENT IN MAKING YOUR DECISION TO SIGN THIS AGREEMENT. WE AND OUR REPRESENTATIVES HAVE NOT MADE ANY PROMISES, REPRESENTATIONS OR AGREEMENTS, ORAL OR WRITTEN, EXCEPT AS EXPRESSLY CONTAINED IN THIS AGREEMENT AND THE FRANCHISE DISCLOSURE DOCUMENT.

6.1.1.2 YOU HAVE CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT, AND YOU RECOGNIZE THAT, LIKE ANY OTHER BUSINESS, AN INVESTMENT IN AN EXECUTIVE IMAGE FRANCHISE INVOLVES BUSINESS RISKS AND THAT YOUR ABILITIES AND EFFORTS ARE VITAL TO THE SUCCESS OF THE VENTURE.

6.1.1.3 YOU RECEIVED THE FRANCHISE DISCLOSURE DOCUMENT AT LEAST FOURTEEN (14) DAYS (AND TEN (10) BUSINESS DAYS) BEFORE THE EARLIER OF THE DATE ON WHICH YOU (I) SIGNED THIS AGREEMENT OR ANY RELATED AGREEMENT OR (II) PAID ANY CONSIDERATION IN CONNECTION WITH THE SALE OR PROPOSED SALE OF AN EXECUTIVE IMAGE FRANCHISE.

6.1.1.4 YOU RECEIVED A COPY OF THIS AGREEMENT AND ANY RELATED AGREEMENTS AT LEAST SEVEN (7) DAYS BEFORE THE DAY YOU SIGNED SUCH AGREEMENTS.

6.1.1.5 YOU HAVE READ AND UNDERSTOOD THIS AGREEMENT AND HAVE HAD AMPLE OPPORTUNITY TO CONSULT WITH AN ATTORNEY AND OTHER ADVISORS OF YOUR OWN CHOOSING ABOUT

THE POTENTIAL BENEFITS AND RISKS OF ENTERING INTO THIS AGREEMENT. YOU ACKNOWLEDGE THAT WE HAVE ADVISED YOU TO HAVE THIS AGREEMENT REVIEWED AND EXPLAINED TO YOU BY AN ATTORNEY.

6.1.1.6 ALL STATEMENTS YOU HAVE MADE AND ALL MATERIALS YOU HAVE SUBMITTED TO US IN CONNECTION WITH YOUR APPLICATION FOR AND PURCHASE OF THE FRANCHISE ARE ACCURATE AND COMPLETE AND, IN THAT CONNECTION, YOU HAVE MADE NO MISREPRESENTATIONS TO US OR OMITTED DISCLOSING ANY MATERIAL INFORMATION TO US.

6.1.1.7 YOU ARE UNDER NO OBLIGATION OR RESTRICTION, NOR WILL YOU ASSUME ANY OBLIGATION OR RESTRICTION, THAT WOULD IN ANY WAY INTERFERE OR BE INCONSISTENT WITH OR PRESENT A CONFLICT OF INTEREST CONCERNING THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT.

6.1.1.8 SCHEDULE A COMPLETELY AND ACCURATELY DESCRIBES ALL OF YOUR COMPANY'S OWNERS, DIRECTORS, OFFICERS, MEMBERS, PARTNERS AND MANAGERS AND THEIR OWNERSHIP INTERESTS AND MANAGEMENT POSITIONS IN YOUR COMPANY.

6.1.2 *Your Representations as an Entity.* If your company is a corporation or limited liability company, you further represent and warrant as follows:

6.1.2.1 Your company is duly organized or formed and in good standing under the laws of the state of its formation.

6.1.2.2 Your company has the power and authority to enter into this Agreement and to perform its obligations under this Agreement.

6.1.2.3 Your company's organizational documents, operating agreement or shareholders agreement will recite that the issuance and transfer of your company's ownership interests are restricted by the terms of this Agreement, and all certificates and other documents representing your company's ownership interests will bear a legend referring to the restrictions of this Agreement.

Section 6.2 - Indemnification

6.2.1 *Your Indemnity.* You, the franchisee's owners, officers, directors, and any guarantors will indemnify and hold us and our affiliates, and their respective members, managers, stockholders, directors, officers, employees and agents, jointly and severally, harmless from and against all claims, actions, proceedings, damages, costs, expenses, and other liabilities and losses, including without limitation reasonable attorneys' fees, accountants' fees, and other related fees and disbursements, directly or indirectly as a result of, arising out of, or relating to: (i) the failure of any of your representations, warranties or covenants set forth in this Agreement, or (ii) any act or omission of yours or anyone associated with or employed by or affiliated with you, except as described in Section 6.2(b), including without limitation negligence, breach of contract, civil or criminal wrongdoing, and the failure to comply with any applicable laws. We will have the right to participate in the defense, with counsel of our own choice and at our own expense, of any action that may give rise to your obligation to indemnify, and to reject any settlement that might adversely affect us. You will not be required to indemnify us for any liability imposed upon us as a result of your reliance upon or use of procedures or products that were required by us, if the procedures or products were utilized by you in the matter required by us.

6.2.2 *Our Indemnity.* We will defend and indemnify and hold you and your affiliates, and the members, managers, stockholders, directors, officers, employees and agents of your company and its affiliates, harmless from and against all costs, expenses, liabilities and losses, including reasonable attorneys'

fees and disbursements, directly or indirectly relating to: (i) your use of the Marks in full compliance with the terms and conditions of this Agreement; or (ii) advertising or promotion carried out by us or by agencies or media engaged by us relating to the Executive Image business brand; provided, however, that you have timely notified us of each such claim or proceeding, have given us sole control of the defense and settlement, and have otherwise complied with this Agreement.

6.2.3 Notice of Claim; Survival. Each party will give the other notice of any claim that may require indemnification as soon as practicable, but in no event more than five (5) days after such party learns of such claim. The rights and obligations of the parties under this Section 6.2 will survive the expiration or termination of this Agreement.

ARTICLE VII - MISCELLANEOUS

Section 7.1 – Relationship of the Parties.

You are an independent contractor and not an agent of ours. You will have no power or authority to make any commitment or enter into any contract or agreement obligating or purporting to obligate us, and you will not hold yourself out as having such power or authority. Nothing in this Agreement creates a fiduciary relationship between the parties. You agree to conspicuously identify yourself in all dealings with customers, suppliers, public officials, your employees and others as the owner of an independent business under a franchise from us and to place such notices of independent ownership on such forms, business cards, stationery, advertising and other materials as we require from time to time.

Section 7.2 – Reasonable Business Judgment.

You acknowledge that the long-term interests of the network of Executive Image businesses, and our company and its owners, taken together, require that we have the latitude to make business decisions with respect to the franchise system. The ultimate responsibility to make decisions with respect to the franchise system, the System and the System Standards is vested in us because we, you and all Executive Image business franchisees have a collective interest in working within a franchise system that can quickly adjust to changing business conditions, including changes in the competitive environment, new laws and regulations, and emerging business opportunities. We have this right even if, at times, a particular decision adversely affects you. We will not be required to consider your particular economic or other circumstances or to disregard our own economic or other business interest when making decisions under this Agreement.

Section 7.3 – Injunctive Relief.

You understand that your covenants set forth in Article III constitute essential elements of this Agreement. You acknowledge and agree that if you fail to comply strictly with any such covenants, we will suffer irreparable harm and are entitled to injunctive relief and any other applicable remedies against you in a court of competent jurisdiction.

Section 7.4 – Severability.

If any restrictive covenant in this Agreement is held to be invalid or unenforceable due to time, geography, or scope, you and we agree that the court making such determination will have the power to reduce the duration, geography, or scope in such a manner that the remaining revised covenant will be valid and enforceable. Whenever possible, each provision of this Agreement will be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement is prohibited by or

invalid under applicable law, such prohibition or invalidity will not invalidate the remainder of such provision or the other provisions of this Agreement.

Section 7.5 – No Waiver of Rights.

No delay or failure to exercise any right or remedy provided for in this Agreement will be deemed to be a waiver of such right or remedy or acquiescence in the event giving rise to such right or remedy. No waiver will be binding unless contained in a writing signed by the party waiving its rights. Any waiver is limited to the specific situation in which it is given and no waiver of any breach or default under this Agreement will be construed as a waiver of any earlier or succeeding breach or default.

Section 7.6 – Notice.

All notices, requests, consents and other communications required or permitted by this Agreement will be in writing and will be delivered by hand, overnight delivery service, or registered or certified first-class mail, to the following address, or such other address as either party designates with respect to its own address pursuant to the requirements of this section:

If to us: E.I. Franchising, Inc.
500 S. Polk Street, Suite 14
Greenwood, IN 46143

If to you: The address indicated in Schedule A

Any such notice, request, consent or other communication will be deemed given and be effective upon receipt at such address.

Section 7.7 – Affiliates.

As used in this Agreement, the term “affiliate” of party means a company directly or indirectly controlling, controlled by or under common control with such party. “Control” of another company, as used in this Agreement, will mean the ownership of or the power to vote, directly or indirectly through majority-owned companies, more than fifty percent (50%) of the voting stock or voting rights of such other company.

Section 7.8 – Limitation of Actions.

Any and all claims and actions arising out of or relating to this Agreement brought by either party against the other must be brought or asserted before the expiration of the earlier of (a) the time period for bringing an action under any applicable statute of limitations; (b) one (1) year after the date upon which a party discovered, or should have discovered, the facts giving rise to the claim; or (c) two (2) years after the first act or omission giving rise to the alleged claim. Claims and actions not brought within such time period will be irrevocably barred. Claims by us of your underreporting of sales and claims for failure to pay monies owed or for indemnification will be subject only to the applicable statute of limitations.

Section 7.9 – Waiver of Punitive Damages.

Except for your obligation to indemnify us for third party claims under Section 6.2, we and you each waive to the fullest extent permitted by law any right to or claim of any punitive or exemplary damages

against the other party, and we and you agree that any recovery in a dispute between us will be limited to equitable relief and to the recovery of actual damages sustained.

Section 7.10 – Governing Law.

This Agreement will be governed by and construed in accordance with the laws of the State of Indiana applicable to agreements made and to be performed entirely within the State of Indiana, without regard to Indiana’s conflict of laws principles.

Section 7.11 – Jurisdiction.

The parties hereby irrevocably consent to the non-exclusive jurisdiction of the federal and state courts located in the city in which our principal office is located at the time suit is filed (or a city within twenty-five (25) miles of such office). The parties hereby waive, to the full extent permitted by law, defenses based on jurisdiction, venue and forum non conveniens. The parties further consent to service of process in any action by registered mail, return receipt requested, or by any other means permitted by law.

Section 7.12 – Costs and Expenses.

In any legal action arising out of or pursuant to this Agreement or otherwise in connection with the relationship between us, the prevailing party will be entitled to recover its reasonable costs and expenses (including reasonable attorneys’ fees) incurred in connection with the claims on which it prevailed.

Section 7.13 – Entire Agreement.

This Agreement and all related agreements executed simultaneously with this Agreement constitute the entire understanding of the parties and supersede any and all prior oral or written agreements between you and us on the matters contained in this Agreement; but, nothing in this or any related agreement is intended to disclaim the representations we made in the latest franchise disclosure document that we furnished to you. Except for changes permitted under this Agreement to be made unilaterally by us, no amendment to this Agreement will be binding unless such amendment is in writing and executed by the parties.

The parties have signed this Agreement on the dates set forth below, with effect as of the effective date as stated in the opening paragraph of this Agreement.

E. I. FRANCHISING, INC.

[Franchisee]

By _____

By _____

Title _____

Title _____

Date _____

Date _____

SCHEDULE A

FRANCHISEE INFORMATION

See Sections 1.1.2, 1.2.1, 2.1.1, 2.1.1, 5.1.1, 6.1.1.8 and 7.6 of the Franchise Agreement

1. Approved location: _____
2. Territory: _____
3. Franchise Fee: \$35,000
4. 10% discount for qualified veterans: ___ Yes ___ No (Check one.)
5. Amount financed: _____ Amount to be paid at signing: _____
6. Agreement expiration date: _____
7. Address for notice (if different than 1): _____

8. Ownership and management of the franchisee. The franchisee is *[check one]*
____ an individual
____ a corporation State of incorporation: _____
____ a limited liability company State of formation: _____
____ a partnership
____ other Explain: _____

The following persons are the owners and managers of the Franchisee:

<i>Name & Address</i>	<i>Office (or LLC manager)</i>	<i>Director, partner or LLC member</i>	<i>Percentage Ownership</i>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Insert additional page if necessary

SCHEDULE B

SEE SECTIONS 1.1.6 AND 3.2.2 OF THE FRANCHISE AGREEMENT

EXECUTIVE IMAGE BUILDING SERVICES

Guaranty and Assumption of Obligations

In order to induce E.I. FRANCHISING, INC., an Indiana corporation (the “Franchisor”) to enter into an Executive Image franchise agreement dated as of _____ (the “Franchise Agreement”) with _____, a _____ (the “Franchisee”) for an Executive Image franchised business located in _____, each of the undersigned persons (the “Guarantors”), jointly, individually and severally, hereby agrees as follows

1. *Guaranty of Payment*

1.1 *Personal Guaranty.* Each Guarantor personally and unconditionally guarantees to the Franchisor and the Franchisor’s successors and assigns the due, punctual and complete payment of all amounts that the Franchisee is obligated to pay to the Franchisor under the Franchise Agreement and under any modification of, amendment to or renewal of the Franchise Agreement.

1.2 WAIVER OF DEFENSES. EACH GUARANTOR WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW (A) ANY DEFENSE BASED UPON ANY (I) LEGAL DISABILITY OR LACK OF AUTHORITY OF THE FRANCHISEE; (II) LEGAL OR EQUITABLE DISCHARGE OR LIMITATION OF THE LIABILITY OF THE FRANCHISEE, WHETHER CONSENSUAL OR ARISING BY OPERATION OF LAW; (III) BANKRUPTCY, INSOLVENCY, REORGANIZATION OR OTHER SIMILAR PROCEEDING AFFECTING A GUARANTOR OR THE FRANCHISEE; OR (IV) INVALIDITY, IRREGULARITY OR UNENFORCEABILITY OF ANY OR ALL OF THE PROVISIONS OF THIS GUARANTY OR THE FRANCHISE AGREEMENT; (B) PRESENTMENT, DEMAND, PROTEST OR NOTICE OF ANY OTHER KIND; (C) NOTICE OF ACCEPTANCE OF THIS GUARANTY; (D) OTHER DEFENSES AVAILABLE TO A GUARANTOR UNDER APPLICABLE LAW; OR (E) ANY REQUIREMENT OF DILIGENCE ON THE PART OF THE FRANCHISOR OR ANY RIGHT A GUARANTOR MAY HAVE TO REQUIRE THE FRANCHISOR TO PROCEED FIRST AGAINST THE FRANCHISEE.

1.3 GUARANTY OF PAYMENT. THIS IS A GUARANTY OF PAYMENT AND NOT OF COLLECTION. THE FRANCHISOR MAY REQUIRE PAYMENT FROM EACH GUARANTOR OF ANY OBLIGATION OF THE FRANCHISEE UNDER THE FRANCHISE AGREEMENT AND MAY SUE EACH GUARANTOR FOR DAMAGES WITHOUT FIRST SEEKING OR TAKING ANY ACTION AGAINST THE FRANCHISEE.

1.4 *No Modification or Release.* The liability of each Guarantor is unaffected by (a) any modification, amendment, termination or variation in or addition to the Franchise Agreement; (b) any extension of time for performance or any waiver of performance or any delay of the Franchisor in enforcing any right, remedy, power or privilege that the Franchisor may have against the Franchisee or any other person; (c) the release of the Franchisee, in whole or in part, from performance or observance of any of the agreements, covenants, terms or conditions contained in the Franchise Agreement, whether made with or without notice to Guarantor; or (d) any other guaranty now or hereafter executed by anyone else in connection with the transactions contemplated by the Franchise Agreement.

1.5 COSTS. IN THE EVENT THIS GUARANTY IS PLACED IN THE HANDS OF AN ATTORNEY FOR ENFORCEMENT AND THE FRANCHISOR IS THE PREVAILING PARTY, THE GUARANTORS WILL REIMBURSE THE FRANCHISOR FOR ALL REASONABLE EXPENSES INCURRED DIRECTLY IN THE

ENFORCEMENT OF THE FRANCHISOR'S RIGHTS HEREUNDER, INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES.

2. *Proprietary Rights; Confidentiality; Noncompetition*

2.1 *Improvements.* Each Guarantor agrees that if a Guarantor makes an improvement to the Franchisor's business system or method, such improvement will be the property of the Franchisor pursuant to the terms of Section 1.4.3 of the Franchise Agreement and the Guarantor will promptly disclose such improvement to the Franchisee or to the Franchisor with reference to this undertaking. The Guarantor hereby assigns all rights in such improvements to the Franchisor and agrees to sign any documents that the Franchisor may reasonably request from time to time to evidence such assignment in accordance with the terms of Section 1.4.3 of the Franchise Agreement.

2.2 *Copyrights and Trademarks.* Each Guarantor acknowledges that the Franchisor's copyrights and trademarks may only be used by the Franchisee in accordance with Section 3.1 of the Franchise Agreement. Each Guarantor personally agrees to comply with all of the Franchisee's obligations under Section 3.1 and not to use any of the Franchisor's copyrights or trademarks except on behalf of the Franchisee in furtherance of the Franchisee's business, and each Guarantor agrees that any such use will be in compliance the Franchisee's obligations under the Franchise Agreement as if the Guarantor were the Franchisee under the Franchise Agreement.

2.3 *Confidentiality.* Each Guarantor acknowledges the Franchisee's obligations of confidentiality under Section 3.2 of the Franchise Agreement. Each Guarantor personally agrees to comply with all of the Franchisee's obligations under Section 3.2 and not to disclose or use any Confidential Information (as defined in Section 3.2.1 of the Franchise Agreement) except on behalf of the Franchisee in furtherance of the Franchisee's business in compliance with the Franchisee's obligations under the Franchise Agreement, and only to the extent that the Franchisee is permitted under the Franchise Agreement to disclose and use Confidential Information. Upon the request of the Franchisor, the Guarantor will promptly return to the Franchisor all Confidential Information and all copies of the Confidential Information in the Guarantor's possession or under the Guarantor's control, and the Guarantor will destroy all copies on the Guarantor's computers, disks and other digital storage devices.

2.4 *Noncompetition.* Each Guarantor acknowledges the Franchisee's obligations under Section 3.3 of the Franchise Agreement not to compete with the Franchisor. Each Guarantor personally agrees to comply with and to be bound by all of the Franchisee's obligations under Section 3.3 to the same extent that the Franchisee is bound by the obligations of Section 3.3, both during and after the term of the Franchise Agreement.

2.5 *Remedies.* Each Guarantor acknowledges that if such Guarantor fails to comply strictly with any of the undertakings in Sections 2.1 through 2.4, the Franchisor will suffer irreparable harm and will have a cause of action for damages or injunctive relief or both against such Guarantor in a court of competent jurisdiction. In the event that the Franchisor prevails in any such litigation, the Guarantor will reimburse the Franchisor for all costs, attorneys' fees and other expenses incurred by the Franchisor in connection with such litigation.

3. MISCELLANEOUS

3.1 TRANSFER BY THE FRANCHISOR. IF THE FRANCHISOR TRANSFERS ITS RIGHTS AND OBLIGATIONS UNDER THE FRANCHISE AGREEMENT PURSUANT TO SECTION 4.1 OF THE FRANCHISE AGREEMENT, THIS GUARANTY WILL BE DEEMED TO BE TRANSFERRED AUTOMATICALLY TO THE TRANSFEREE WHO, UPON SUCH TRANSFER, WILL HAVE ALL OF THE RIGHTS GRANTED TO THE

FRANCHISOR UNDER THIS GUARANTY VIS-A-VIS THE GUARANTORS, AND THE OBLIGATIONS OF THE GUARANTORS WILL THEN ACCRUE TO THE BENEFIT OF THE TRANSFEREE.

3.2 *Notices.* All notices and other communications required or permitted by this Agreement will be in writing and will be delivered by hand, fax, overnight delivery service, or registered or certified first class mail, to the then-current address of the Guarantor known by the sender. Any such notice or other communication will be deemed given and be effective upon receipt at such address.

3.3 *Waiver.* No delay or failure to exercise any right or remedy provided for in this Agreement will be deemed to be a waiver of such right or remedy or acquiescence in the event giving rise to such right or remedy.

3.4 GOVERNING LAW. THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF INDIANA APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY WITHIN THE STATE OF INDIANA, WITHOUT REGARD TO THAT STATE’S CONFLICT OF LAWS PRINCIPLES.

3.5 AMENDMENTS. THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS MAY NOT BE MODIFIED OR AMENDED EXCEPT IN WRITING SIGNED BY THE FRANCHISOR AND THE GUARANTOR TO BE BOUND BY SUCH MODIFICATION OR AMENDMENT. NO WAIVER OR DISCHARGE WILL BE VALID UNLESS IN WRITING AND APPROVED BY THE FRANCHISOR.

IN WITNESS WHEREOF, each Guarantor has signed this Guaranty as of the date of the Franchise Agreement.

Signature

Print Name

Signature

Print Name

Signature

Print Name

Acknowledged and agreed:

E.I. FRANCHISING, INC.

By _____

Title _____

Date _____

STATE OF)
) ss.:
COUNTY OF)

ON THE ____ DAY OF _____, BEFORE ME PERSONALLY CAME _____

AND _____, TO ME KNOWN TO BE THE INDIVIDUALS DESCRIBED IN AND WHO
EXECUTED THE FOREGOING GUARANTY, AND THEY ACKNOWLEDGED THAT THEY EXECUTED THE
SAME.

Notary Public

SCHEDULE C

SEE SECTION 2.1.2 OF THE FRANCHISE AGREEMENT

PROMISSORY NOTE

\$_____

Date

For value received, the undersigned, _____, residing at _____ (the "Maker"), hereby unconditionally promises to pay to the order of E.I. FRANCHISING, INC., an Indiana corporation (the "Franchisor"), the sum of \$_____, together with interest at the rate of 10% per annum, on the ____ day of each calendar month beginning _____. The Maker authorizes payment by means of weekly deductions against payments from the Franchisor under the franchise agreement between _____ [the *Maker or the franchisee*] and the Franchisor dated as of _____ (the "Franchise Agreement").

If for any reason the Franchise Agreement terminates before payment is made in full, the entire remaining balance will become immediately due and payable.

The Maker agrees to pay all costs of collection, including, without limitation, a reasonable sum for attorneys' fees.

The Maker hereby waives presentment, protest, notice of protest, notice of dishonor and any and all other notices or demands in connection with this note.

STATE OF _____)
COUNTY OF _____) ss.:

**ON THE ____ DAY OF _____, BEFORE ME PERSONALLY CAME _____, TO ME
KNOWN TO BE THE INDIVIDUAL DESCRIBED IN AND WHO EXECUTED THE FOREGOING GUARANTY, AND
HE/SHE ACKNOWLEDGED THAT HE/SHE EXECUTED THE SAME.**

Notary Public

SCHEDULE D

SEE SECTIONS 1.5.7 AND 3.2.2 OF THE FRANCHISE AGREEMENT

EXECUTIVE IMAGE BUILDING SERVICES

CONFIDENTIALITY AND NONCOMPETITION AGREEMENT

Recipient

Date

Recipient's Position with Franchisee

Franchisee

Recipient's Spouse

Date

1. ***Purpose of this Agreement.*** The franchisee named above (the "Franchisee") has entered into a Franchise Agreement with E.I. FRANCHISING, INC., an Indiana corporation (the "Franchisor"). The recipient and recipient's spouse named above (the "Recipient") holds the position indicated above with the Franchisee. In such position, the Recipient will or may have access to certain confidential information of the Franchisor. In order to induce the Franchisor to enter into the Franchise Agreement, the Franchisee agreed to obtain from each of its managers and others who may have access to any confidential information of the Franchisor an agreement not to disclose to any third party any such information and to comply with the further undertakings set forth below.

2. ***Confidentiality.***

2.1 ***Confidential Information.*** As used in this Agreement, the term "Confidential Information" means the Franchisor's methods, processes, skills, know-how, techniques, information, trade practices, and other proprietary products and information relating to the development and operation of the Franchised Business and all other information that the Recipient may receive from the Franchisee or the Franchisor or its affiliate or any of their employees, agents or representatives, prior to or on or after the date of this Agreement, that is not generally available to the public and that has commercial value to the Franchisor, or that is personally identifiable information of customers. "Confidential Information" includes, without limitation the content of all manuals used or approved for use in the operation of the franchised business; the content of all training provided by the Franchisor; sales and marketing techniques; customer lists (including the name, address, telephone number and email address of each customer); advertising and marketing programs and plans; current, past and planned research, development and test programs for products, services and operations; specifications for and suppliers of certain materials and supplies; the operating results and financial performance of Executive Image businesses other than the Franchisee's business; user names and passwords allowing access to protected areas on Franchisor's website or computer network; and all improvements, amendments and modifications to the Executive Image franchise system developed by the Recipient. The Recipient acknowledges that all Confidential Information is confidential and proprietary information of the Franchisor.

2.2 *Nondisclosure.* At all times both during and after the term of the Franchise Agreement, the Recipient will keep all Confidential Information in the strictest confidence and will not disclose any Confidential Information to any person other than Franchisee's employees, agents or representatives who have signed confidentiality agreements with or undertakings to the Franchisor substantially in the form of this undertaking and who have a legitimate need to know such information.

2.3 *Non-Use.* At all times both during and after the term of the Franchise Agreement, the Recipient will not use any Confidential Information except for the purpose of fulfilling the Recipient's legitimate obligations relating to the Franchisor's business. Recipient shall not disclose, sell or use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisee.

2.4 *Exceptions.* The obligations of confidentiality and non-use described above will not apply to information that (i) can be clearly shown by the Recipient to have been known to the Recipient on a non-confidential basis prior to its disclosure to the Recipient by the Franchisee or the Franchisor; (ii) is now, or hereafter becomes, information generally available to the public not due to any act or failure to act by the Recipient; or (iii) can be clearly shown by the Recipient to have been received by the Recipient on a non-confidential basis from a third party that is not prohibited from disclosing such information by a legal, contractual or fiduciary obligation.

2.5 *Disclosures Required by Law.* In the event that the Recipient becomes legally compelled to disclose any Confidential Information, the Recipient will (i) promptly notify the Franchisee and Franchisor that such information is required to be disclosed so that Franchisor can seek a protective order if necessary; (ii) use his or her best efforts to obtain legally binding assurance that all those who receive disclosure of such information are bound by an obligation of confidentiality, and (iii) disclose only that portion of the Confidential Information that legal counsel of the Recipient or the Franchisee advises is legally required to be disclosed.

2.6 *Return of Information.* Upon the request of the Franchisor or the Franchisee, the Recipient will promptly return to the Franchisor or the Franchisee, as the case may be, all Confidential Information and all copies in the Recipient's possession or under the Recipient's control, and the Recipient will destroy all copies on the Recipient's computers, disks and other digital storage devices.

3. *Further Undertakings.*

3.1 *Improvements.* The Recipient agrees that if the Recipient develops any concept, process, design, service, or improvement in the operation or promotion of the Franchised Business, Recipient will promptly disclose such improvement to the Franchisee or to the Franchisor and such improvement will be the property of the Franchisor and the Franchisor shall be deemed to own the improvements. Franchisor may use the Improvements and authorize other Executive Image franchisees to use them in the operation of their businesses without any obligation to compensate Recipient. Any such Improvements will also constitute Confidential Information and Franchisor will have the sole right to protect such improvements in its name or in the name of any of its affiliates by means of copyright, patent, trade secret or trademark law.

3.2 *Definition of Competitive Business.* As used in this Agreement, the term "Competitive Business" means any business that operates, or grants franchises or licenses to others to operate, a business that offers and sells commercial cleaning and building maintenance services (other than an Executive Image business operated under a franchise agreement with us or our affiliate). The restrictions of this section will not apply to the ownership of publicly traded securities that constitute less than one percent (1%) of a class of ownership interests of the issuing company.

3.3 *Noncompetition During the Term.* During the term of this Agreement, the Recipient agrees that Recipient shall not, either directly or indirectly, as a proprietor, partner, investor, lender, shareholder, director, officer, member, manager, employee, principal, agent, representative, advisor, franchisor, franchisee, consultant or otherwise, engage in any other Competitive Business or open any Competitive Business anywhere within the Territory other than as an Executive Image franchisee. Additionally, Recipient agrees not to divert or attempt to divert any business or customer of the Franchised Business to any competitor in any manner or recruit or hire any person who is an employee of Franchisor or the employee of any Executive Image business (whether company or affiliate-owned or franchised) or who has been our employee or the employee of any Executive Image business within the six-month period before such recruiting or hiring without the prior written permission of that person's employer. The purpose of this covenant is to encourage Recipient to use Recipient's best efforts to promote the Franchised Business and the Executive Image brand, its products and services, and to protect the Franchisor's Confidential Information and trade secrets.

3.4 *Noncompetition After the Term.* Recipient agrees that, except as otherwise approved in writing by Franchisor, Recipient shall not, for a period of three (3) years commencing upon the date of (a) a transfer permitted under this Agreement; (b) expiration of this Agreement; (c) termination of this Agreement (regardless of the cause for termination); (d) a final order of a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of the covenant not to compete; (e) the Recipient ceases to be employed by or to perform services for the Franchisee; or (f) any or all of the foregoing, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or legal entity: i) own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any Competitive Business that is, or is intended to be, located within the Franchisee's Territory; ii) divert or attempt to divert any present business or customer of Executive Image to any competitor, by direct or indirect inducement or otherwise; or iii) employ or seek to employ any person who is at that time employed by Franchisor or by any other franchisee of Franchisor, or otherwise directly or indirectly induce such person to leave his or her employment.

If Recipient commits a breach of this post-term covenant not-to-compete, the three (3) year restrictive period shall be tolled and start on the date that you are enjoined from competing or stop competing, whichever is later.

4. *Miscellaneous.*

4.1 *Franchisor Third-Party Beneficiary.* The Recipient and the Franchisee acknowledge and intend that the covenants contained in this Agreement will directly benefit the Franchisor, who will be a third-party beneficiary entitled to enforce the provisions of this Agreement in the Franchisor's own name without the Franchisee as a party in any action filed for such purpose, and will further be entitled to all remedies provided in Section 4.2.

4.2 *Remedies.* The Recipient acknowledges and agrees that if the Recipient fails to comply strictly with any of the above undertakings, the Franchisee and the Franchisor will suffer irreparable harm and are entitled to injunctive relief and other applicable damages against the Recipient in a court of competent jurisdiction. In the event that the Franchisee or Franchisor prevails in any such litigation, the Recipient will reimburse the Franchisee and the Franchisor (as applicable) for all costs, attorneys' fees and other expenses incurred by the Franchisee and the Franchisor in connection with such litigation.

4.3 *Notices.* All notices and other communications required or permitted by this Agreement will be in writing and will be delivered by hand, fax, overnight delivery service, or registered or certified first

class mail, to the then-current address of the Recipient known by the sender. Any such notice or other communication will be deemed given and be effective upon receipt at such address.

4.4 *Waiver.* No delay, omission or failure to exercise any right or remedy provided for in this Agreement will be deemed to be a waiver of such right or remedy or acquiescence in the event giving rise to such right or remedy.

[Franchisee]

Recipient

By _____

Print Name

Title _____

By _____
Signature

Date _____

Address

Date _____

Recipient's Spouse

Print Name

By: _____

Date: _____



E.I. FRANCHISING, INC.

MULTI-UNIT DEVELOPER AGREEMENT

DATE OF AGREEMENT:

E.I. FRANCHISING, INC.
MULTI-UNIT DEVELOPER AGREEMENT
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Schedule A – Development Schedule

Schedule B – Ownership Verification

E.I. FRANCHISING, INC.

MULTI-UNIT DEVELOPER AGREEMENT

THIS MULTI-UNIT DEVELOPER AGREEMENT (the “MUDA”) is effective on _____, _____ (“Agreement Date”) by and between E.I. Franchising, Inc. (referred to in this Agreement as “we,” “us” “Franchisor,” or “our”) and _____, whose principal address is _____, (referred to in this Agreement as “you,” “your” or “Multi-Unit Developer”).

RECITALS

WHEREAS, Franchisor and Developer are concurrently entering into a franchise agreement for the operation of an Executive Image business franchise (the “Initial Franchise Agreement”); and

WHEREAS, Developer desires to, and has applied for the right to, develop multiple Executive Image businesses as described on Exhibit A attached hereto and has applied for such a right, and Franchisor has approved Developer’s application in reliance upon all of the representations made herein and therein.

NOW, THEREFORE, Franchisor and Developer, intending to be legally bound, agree as follows:

SECTION 1 – DEFINITIONS

Except as otherwise specified or as the context may otherwise require, the terms defined in the Franchise Agreement used in this MUDA have the respective meanings set forth in the Franchise Agreement.

SECTION 2 – DEVELOPMENT RIGHTS

A. Grant of Development Rights.

Franchisor hereby grants to Developer, and Developer undertakes and accepts, upon the terms and conditions of this Agreement, the Development Rights to establish and operate the Executive Image franchises located within a defined geographic area (“Development Area”). The Development Area shall be exclusive and defined by and exist within the following zip codes or other physical, political or natural boundaries:

B. Term.

The term of this MUDA shall begin on the date first set forth above and shall expire when the Developer meets its development obligations under this MUDA (the “Term”), unless terminated earlier in accordance with the terms of this MUDA. Developer shall not have the right to renew this MUDA.

C. Retained Rights.

Subject to Section 4(A), Franchisor shall not, so long as this MUDA is in force and effect and Developer is not in default under any of the terms hereof or of any terms of the franchise agreement for any Executive Image franchises operated by Developer establish, own, or operate an Executive Image business or license others the right to establish, own, or operate an Executive Image franchise within the Development Area; provided, however, Franchisor retains the right:

- i. Operate and grant others the right to operate an Executive Image franchise anywhere outside of the Development Area;
- ii. Develop, operate and grant others the right to operate any future concepts that are not included within the franchise system at any location anywhere;
- iii. Use and license the use of other trademarks or methods which are not a part of the franchise system at any location anywhere;
- iv. Operate any business that offers veterinary services (whether under development or already in operation) included in any business acquisition at any location outside of the Development Area; and
- v. Distribute or license any goods, services, or concepts, outside of the Development Area, regardless of whether such products are authorized for Executive Image franchises or are distributed or licensed under the Proprietary Marks, through other channels of distribution, including, but not limited to the Internet or through consulting services.

SECTION 3 – FEES

A. Franchise Fees.

Simultaneously with the execution of this MUDA, Developer shall execute the Initial Franchise Agreement and shall pay a total Initial Franchise Fee of Thirty-Five Thousand Dollars (\$35,000.00) for the Executive Image business to be developed pursuant to the Initial Franchise Agreement, due when Developer signs the franchise agreement. Developer shall execute additional franchise agreements for each additional Executive Image franchise established and operated by Developer and shall pay all applicable fees, including the initial franchise fee, under each agreement.

B. Development Fee.

Upon the execution of this Development Agreement, Developer shall pay a fee (“Development Fee”) equal to the sum of (i) eighty percent (80%) of the Initial Franchise Fee for the second franchised business under the Development Schedule, (ii) seventy-five percent (75%) of the Initial Franchise Fee for the third franchised business under the Development Schedule, (iii) fifty percent (50%) of the Initial Franchise Fee for the fourth franchised business under the Development Schedule and (iv) fifty percent (50%) of the Initial

Franchise Fee for the fifth franchised business under the Development Schedule. The Development Fee paid to us pursuant to the MUDA represents the consideration for the right to establish and operate the Executive Image franchises within the Development Area. The fee is fully earned by us upon signing the MUDA and is nonrefundable.

SECTION 4 – DEVELOPMENT OF FRANCHISED BUSINESS

A. Minimum Development Obligation.

Developer shall strictly follow the Development Schedule set forth in Exhibit A, which shall provide for either three (3) or five (5) Executive Image franchise businesses. Time is of the essence. By the dates set forth within the Development Schedule, Developer shall establish and operate the number of Executive Image franchises indicated in the Development Schedule. Any Executive Image franchises that are closed during the term of this Agreement do not apply to the required number of opened and operated Executive Image franchises set forth in the Development Schedule. In the event Developer fails to strictly follow the Development Schedule set forth in Exhibit A, (i) Franchisor may establish, own, or operate an Executive Image business or license others the right to establish, own, or operate an Executive Image franchise within the Development Area and (ii) Developer shall not be entitled to any refund of any fees previously paid to Franchisor under this Agreement, including the fees described in Section 3.

B. No Obligation of Franchisor to Sign Franchise Agreements.

Franchisor is not obligated to sign additional franchise agreements with Developer and shall not execute a franchise agreement with Developer if: (a) Developer is not in compliance with all, or is in default of any, of its obligations under this MUDA or any other agreement between Franchisor and Developer; or (b) in the case of each then-existing franchise agreement, Developer, as franchisee, is not in compliance with all, or is in default of any, of its obligations under any franchise agreement or no longer meets all of Franchisor's then-current standards and requirements for becoming a Executive Image franchisee.

C. No Sub-Franchising by Developer.

Developer has no right under this Agreement to sub-license, sub-franchise, resell, or otherwise transfer any interest in any Executive Image franchise or this MUDA.

SECTION 5 – PROPRIETARY MARKS AND CONFIDENTIAL INFORMATION

A. No License Under Development Agreement.

Notwithstanding any provision to the contrary under this MUDA, this MUDA does not grant Developer any right to use the Proprietary Marks. The right to use the Proprietary Marks may only be granted by the terms of a franchise agreement. Developer shall not use any Proprietary Marks as part of any corporate or trade name or with any prefix, suffix, or other modifying words, terms designs, or symbols, or in any modifying words, terms designs or symbols, or in any modified form, nor may Developer use any Proprietary Mark in connection with any business or activity other than the business conducted by Developer pursuant to a franchise agreement or in any other manner not explicitly authorized in writing by Franchisor.

B. Confidential Information

Except as hereinafter provided, Developer shall not, during the term of this MUDA or at any time thereafter, communicate, divulge or use for the benefit of any other person or entity, any Trade Secrets or other

Confidential Information which may be communicated to Developer or of which Developer may learn by virtue of Developer's activities under this MUDA. Developer may divulge Trade Secrets and other Confidential Information only to such of its employees as deemed necessary by Developer. At Franchisor's request, Developer shall require its employees and any other person to whom Developer wishes to disclose any Trade Secrets or other Confidential Information to execute a nondisclosure agreement in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Initial Franchise Agreement.

SECTION 6 – TRANSFER

A. By Franchisor.

This MUDA and all rights hereunder may be assigned and transferred by Franchisor and, if so, shall be binding upon and inure to the benefit of Franchisor's successors and assigns; provided, however, that with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Franchisor, the assignee shall assume the obligations of Franchisor hereunder and Franchisor shall have no liability for the performance of any obligations contained in this MUDA after the effective date of such transfer or assignment.

B. By Developer.

The development rights set forth in this MUDA are personal to Developer and are granted in reliance upon the personal qualifications of Developer. Developer has represented, and hereby represents, that it is entering into this MUDA with the intention of complying with its terms and conditions and not for the purpose of resale of the development rights hereunder.

Developer, without Franchisor's prior written consent, by operation of law or otherwise, shall not sell, assign, transfer, convey, give away or encumber any part of its interest in this MUDA, its interest in the development rights granted hereby or its interest in any entity that owns any interest in such rights, and shall not offer, permit or suffer the same to be sold, assigned, transferred, conveyed, given away or encumbered in any way. Developer shall not, without the prior written consent of Franchisor, fractionalize any of the development rights granted pursuant to this MUDA. Any purported sale, assignment, transfer, conveyance, gift or encumbrance of any of Developer's rights herein not having Franchisor's express consent shall be null and void and shall constitute a material default of this MUDA.

So long as Developer is in full compliance with this MUDA, and should Franchisor not elect to exercise its right of refusal as provided in Section 6(D), Franchisor shall not unreasonably withhold its approval of an assignment or Transfer to proposed assignees or transferees if:

- Developer has complied with the requirements of Section 6(D);
- All monetary obligations owed to Franchisor by Developer are fully paid and satisfied;
- Developer (and any transferring owners, if Developer is a business entity) has executed a general release, in a form the same as or similar to the General Release attached to the Initial Franchise Agreement, of any and all claims against Franchisor, its owners, officers, directors and employees, in their corporate and individual capacities including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters incident to the termination of this MUDA or to the transfer of

Developer's interest herein or to the transfer of Developer's ownership of all or any part of the development rights. Developer will not be required to sign a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law, Indiana Code § 23-2-2.7-1(5);

- The prospective transferee has satisfied Franchisor that it meets Franchisor's management, business and financial standards, and otherwise possesses the character and capabilities, including business reputation and credit rating, as Franchisor may require to demonstrate its ability to carry out the obligations contained herein;
- Developer has provided Franchisor with a complete copy of all contracts and agreements and related documentation between Developer and the prospective transferee relating to the intended sale or transfer of the development rights;
- Developer, or the transferee, has paid to Franchisor a transfer fee in the amount of 10% of the remaining Franchise Fee for each Franchise to be developed under the MUDA;
- The transferee has obtained all necessary consents and approvals by third parties and all applicable federal, state and local laws, rules, ordinances and requirements applicable to the transfer have been complied with or satisfied; and
- Developer has, and if Developer is an entity, all of the holders of a legal and beneficial interest in Developer have, executed and delivered to Franchisor a non-competition agreement in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Initial Franchise Agreement.

C. Transfer by Death or Incapacity.

Upon the death or Incapacity (as determined by a court of competent jurisdiction) of Developer or any holder of a legal or beneficial interest in Developer, if Developer is an entity, the appropriate representative of such person (whether administrator, personal representative or trustee) will, within a reasonable time not exceeding one hundred eighty (180) days following such event, transfer such individual's interest herein or transfer such individual's ownership of all or any part of the development rights to a third party approved by Franchisor. Such Transfers, including Transfers by will or inheritance, shall be subject to the conditions for assignments and Transfers contained in this MUDA.

D. Franchisor's Right of First Refusal.

If Developer or its owners shall at any time determine to sell, assign, transfer, convey, give away or encumber the development rights under this MUDA or any of their respective ownership interests in Developer, or any of Developer's assets (except in the ordinary course of business), Developer or its owners shall first offer in writing any bona fide proposed transfer and set forth a complete description of all terms, conditions and fees of the proposed transfer in the manner prescribed by the Franchisor. Franchisor shall, for a period of thirty (30) days from the date of delivery of such offer (or if Franchisor shall request additional information, within thirty (30) days after receipt of such additional information), have the right, exercisable by written notice to Developer, to purchase such interests upon the terms and conditions

specified in the offer. Franchisor may substitute an equivalent sum of cash for any consideration other than cash specified in said notice. If Franchisor does not elect to exercise its right of first refusal, Developer may offer to transfer to third parties on the same terms and conditions as offered to Franchisor and subject to the conditions set forth in Section 6(B) of this Agreement. If Developer does not consummate the Transfer, in accordance with the terms offered to Franchisor, within three (3) months after Developer gives notice of the Transfer to Franchisor, Developer shall not make the Transfer without again first offering to make the Transfer to Franchisor. Additionally, if the terms of the offer to third parties are materially changed, such changed terms shall be deemed a new proposal subject to Franchisor's right of first refusal.

SECTION 7 – DEFAULT AND TERMINATION

Franchisor has the right to immediately terminate this MUDA by delivering a notice to Developer stating that Franchisor elects to terminate this MUDA as a result of any of the breaches set forth below:

- Developer makes or attempts to make an unauthorized sale, assignment, transfer, conveyance, gift or encumbrance of any part of its interest in this MUDA or an ownership interest in Developer;
- Developer has made any material misrepresentation or omission in its application for the development rights conferred by this Agreement;
- Developer (or any of its Principals) is convicted of or pleads no contest to a felony or other crime or offense that may adversely affect the goodwill associated with the Proprietary Marks;
- Developer makes any unauthorized use of the Proprietary Marks or unauthorized use or disclosure of the Confidential Information;
- Franchisor has delivered a notice of termination for a franchise agreement between Franchisor and Developer in accordance with its terms and conditions, or Developer has terminated a franchise agreement without cause; or
- Developer fails to comply with any other provision of the MUDA and does not correct within thirty (30) days after written notice from Franchisor.

SECTION 8 – RIGHTS AND DUTIES ON TERMINATION OR EXPIRATION

A. Loss of Development Rights.

Upon termination or expiration of this MUDA, the development rights granted to Developer under this MUDA shall automatically terminate. Developer shall have no additional rights to establish Executive Image businesses, including within the Development Area. No default under this MUDA shall constitute a default under any franchise agreement between the parties, except to the extent that any default under this MUDA constitutes a default under any franchise agreement in accordance with the terms of the franchise agreement. Notwithstanding the above, the terms and conditions of the franchise agreement must be complied with by the Developer thereunder and shall control in determining whether any default exists under such franchise agreement.

B. Amounts Owed to Franchisor.

Developer shall immediately pay to Franchisor upon termination or expiration of the MUDA any amounts owed by Developer to Franchisor that are then unpaid, plus any interest due.

C. Confidential Information.

Upon termination or expiration of this MUDA, Developer and all of its employees, agents or other representatives shall immediately sign a confidentiality agreement, if not done already, and will cease to use and shall continue to maintain the absolute confidentiality of any Trade Secrets and other Confidential Information disclosed or otherwise learned or acquired by Developer and shall not use such Trade Secrets and other Confidential Information in any other business or venture.

D. Covenant Not to Compete.

During the term and after the termination of this Agreement, Developer and any Principal of Developer, if Developer is an entity, shall be subject to all of the restrictive covenants set forth in the Initial Franchise Agreement, which covenants by this reference are incorporated herein.

E. Continuing Obligations.

All obligations of Franchisor and Developer under this MUDA that expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this MUDA and until they are satisfied in full or by their nature expire.

SECTION 9 – RELATIONSHIP OF THE PARTIES

Nothing in this MUDA is intended by the parties to create a fiduciary relationship between them, nor to constitute Developer or Developer's employees or contractors as agents, legal representatives, subsidiaries, joint ventures, partners, or employees of Franchisor for any purpose whatsoever. It is understood and agreed that Developer is an independent contractor and is in no way authorized to make any contract, warranty, or representation or to create or imply any obligation on behalf of Franchisor. Under no circumstances shall Franchisor be liable for any act, omission, contract, debt or any other obligation of Developer.

Unless otherwise specifically provided in this MUDA with respect to certain issues, whenever this MUDA requires Developer to obtain Franchisor's written consent or permits Developer to take any action or refrain from taking any action, Franchisor is free to act in its own self-interest without any obligation to act reasonably, to consider the impact on Developer or to act subject to any other standard of care limiting Franchisor's right, except as may be provided by statute or regulation.

SECTION 10 – INDEMNIFICATION

Developer shall hold harmless and indemnify Franchisor, its owners, and all of Franchisor's officers, directors, executives, managers, employees, agents, successors and assigns (collectively "Franchisor Indemnitees") from and against all losses, damages, fines, costs, expenses or liability (including attorneys' fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, that arise from, are based upon or are related to Developer's (a) development, ownership or operation of any Executive Image business; (b) violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule; (c) breach of any representation, warranty, covenant, or provision of this MUDA or any other agreement between Developer

and Franchisor; (d) defamation of Franchisor or the System; (e) acts, errors or omissions by Developer or any of its officers, directors, employees or agents, committed or incurred in connection with the recruitment of franchisees, including any negligent or intentional acts; or (f) infringement, violation or alleged infringement or violation of any Proprietary Mark, patent or copyright or any misuse of the Confidential Information.

SECTION 11 – DISPUTE RESOLUTION AND GOVERNING LAW

A. Dispute Resolution

During the term and after the termination of this Agreement, Developer and any Principal of Developer, if Developer is an entity, shall be subject to all of the dispute resolution provisions set forth in the Initial Franchise Agreement, which covenants by this reference are incorporated herein.

B. Governing Law.

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other United States federal law, this Agreement shall be interpreted under the laws of the State of Indiana and any dispute between the parties shall be governed by and determined in accordance with the internal substantive laws, and not the laws of conflict, of the State of Indiana, which laws shall prevail in the event of any conflict of law.

SECTION 12 – MISCELLANEOUS PROVISIONS

A. Owners of Developer.

Developer represents and warrants, and Franchisor enters into this MUDA in reliance upon such representation and warranty, that the individuals identified in Exhibit B as owners are the sole holders of a legal or beneficial interest (in the stated proportions) of Developer.

B. Superiority of Franchise Agreement.

Developer acknowledges that any and all franchise agreements executed by Developer are independent of this MUDA. The continued existence of any such franchise agreement shall not depend on the continuing existence of this MUDA. If any conflict shall arise in connection with this MUDA and any such franchise agreement, the latter shall have precedence and superiority over the former.

C. No Waiver.

No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Developer with any obligation or condition hereunder, and no custom nor practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms of this MUDA. Waiver by Franchisor of any particular default by Developer shall not be binding unless in writing and executed by Franchisor and shall not affect nor impair Franchisor's right with respect to any subsequent default of the same or of a different nature. Subsequent acceptance by Franchisor of any payment(s) due shall not be deemed to be a waiver by Franchisor of any preceding breach by Developer of any terms, covenants or conditions of this MUDA.

D. Injunctive Relief.

Developer acknowledges and agrees that a violation or contemplated violation of the restrictions contained in Sections 5, 8(C), or 8(D) would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law is available. Accordingly, Developer hereby consents to the entry of an injunction, without bond, prohibiting any conduct by Developer in violation of the restrictions contained in Sections 5, 8(C), or 8(D). Developer further agrees to pay all costs and expenses (including reasonable attorney's fees at all levels) incurred by Franchisor in connection with the enforcement of this MUDA.

E. Notices.

All notices, requests, demands, payments, consents and other communications required under this Agreement shall be transmitted in writing and shall be deemed to have been duly given when sent by registered or certified United States mail, postage prepaid, or other form of delivery which provides for a receipt and otherwise agreed to in writing by the parties, addressed as follows:

FRANCHISOR

E.I. Franchising, Inc.
500 S. Polk Street, Suite 14
Greenwood, IN 46143

FRANCHISEE

With a copy to:
Josh F. Brown, Esq.
Taft Stettinius & Hollister LLP
One Indiana Square, Suite 3500
Indianapolis, IN 46204

F. Entire Agreement.

THE UNDERSIGNED ACKNOWLEDGES THAT THEY, AND EACH OF THEM, HAVE READ THIS MUDA IN FULL; HAVE BEEN SUPPLIED WITH A DISCLOSURE DOCUMENT IN ACCORDANCE WITH FEDERAL AND STATE LAW; ARE COGNIZANT OF EACH AND EVERY ONE OF THE TERMS AND PROVISIONS HEREOF AND ARE AGREEABLE THERETO; THAT NO REPRESENTATIONS OR AGREEMENTS, WHETHER ORAL OR WRITTEN, EXCEPT AS SET FORTH IN THIS MUDA AND IN THE DISCLOSURE DOCUMENT, HAVE BEEN MADE OR RELIED UPON; THAT ANY AND ALL PRIOR AGREEMENTS OR UNDERSTANDINGS BETWEEN THE PARTIES CONCERNING THE SUBJECT MATTER HEREOF, WHETHER ORAL OR WRITTEN, ARE AUTOMATICALLY CANCELED BY THE EXECUTION OF THIS MUDA AND THE UNDERSIGNED HEREBY RELEASES FRANCHISOR AND ITS AGENTS AND EMPLOYEES, FROM ANY AND ALL CLAIMS, DEMANDS, AGREEMENTS AND LIABILITIES OF EVERY DESCRIPTION WHATSOEVER, WHICH THE UNDERSIGNED EVER HAD, NOW HAS OR HEREAFTER MAY HAVE, AGAINST ANY OF THE FOREGOING BY REASON OF ANY MATTER, CAUSE OR THING OCCURRING PRIOR TO THE DATE OF THIS MUDA; THAT THE SIGNATURES AFFIXED HERETO WERE AFFIXED AS THE WHOLLY VOLUNTARY ACT OF THE PERSONS WHO SIGNED THIS MUDA; AND THAT THE TERMS AND PROVISIONS OF THIS MUDA CANNOT BE CHANGED OR MODIFIED UNLESS IN WRITING SIGNED BY AN AUTHORIZED CORPORATE OFFICER OF FRANCHISOR; THAT THE UNDERSIGNED REALIZES THAT THERE CAN BE NO GUARANTY OF SUCCESS, SINCE DEVELOPER'S BUSINESS ABILITY, APTITUDE, AND INDUSTRIOUS DISPOSITION ARE PRIMARY IN DEVELOPER'S SUCCESS.

G. Severability and Modification.

If any part, section, sentence or clause of this MUDA shall be held to be indefinite, invalid or otherwise unenforceable, the provision which is indefinite, invalid or unenforceable shall be deemed deleted, and the remaining part of this MUDA shall continue in full force and effect.

H. Construction.

All terms and words used herein shall be construed to include the number and gender as the context of this MUDA may require. The parties agree that each section of this MUDA shall be construed independently of any other section or provision of this MUDA. As used in this MUDA, the words “include”, “includes” or “including” are used in a non-exclusive sense. Article and section titles used in this MUDA are for convenience only and shall not be deemed to affect the meaning or construction of any of the terms, provisions, covenants, or conditions of this MUDA.

I. Force Majeure.

Whenever a period of time is provided in this MUDA for either party to perform any act, except pay monies to Franchisor, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, terrorist acts, governmental regulation or control, pandemics, epidemics, or other causes beyond the reasonable control of the parties, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the term of this MUDA.

J. Third-Party Beneficiaries.

Anything to the contrary notwithstanding, nothing in this MUDA is intended, nor shall be deemed, to confer any rights or benefits upon any person or legal entity other than Franchisor or Developer, and their respective permitted successors and assigns.

SECTION 13 – ACKNOWLEDGMENTS

Developer hereby acknowledges the following:

- A. DEVELOPER WARRANTS AND REPRESENTS THAT DEVELOPER HAS FULL POWER AND AUTHORITY TO ENTER INTO AND BE BOUND BY THIS MUDA.
- B. DEVELOPER HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS CONTEMPLATED BY THE FRANCHISE AGREEMENT AND MUDA AND UNDERSTANDS AND ACKNOWLEDGES THAT THE BUSINESS CONTEMPLATED BY THE FRANCHISE AGREEMENT AND MUDA INVOLVES BUSINESS RISKS MAKING THE SUCCESS OF THE VENTURE PRIMARILY DEPENDENT UPON THE BUSINESS ABILITIES AND PARTICIPATION OF DEVELOPER AND ITS EFFORTS AS AN INDEPENDENT BUSINESS OPERATOR.
- C. DEVELOPER HAS NO KNOWLEDGE OF ANY REPRESENTATIONS BY FRANCHISOR OR ITS OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES, AGENTS OR SERVANTS, ABOUT THE BUSINESS CONTEMPLATED BY THE FRANCHISE AGREEMENT AND MUDA THAT ARE CONTRARY TO THE TERMS OF THIS MUDA OR THE DOCUMENTS INCORPORATED HEREIN. DEVELOPER REPRESENTS, AS AN INDUCEMENT TO

FRANCHISOR'S ENTRY INTO THIS AGREEMENT, THAT IT HAS MADE NO MISREPRESENTATIONS IN OBTAINING THIS AGREEMENT.

- D. DEVELOPER ACKNOWLEDGES THAT FRANCHISOR OR ITS AGENT HAS PROVIDED DEVELOPER WITH A FRANCHISE DISCLOSURE DOCUMENT FOURTEEN (14) CALENDAR DAYS BEFORE THE EXECUTION OF THIS MUDA, OR FOURTEEN (14) CALENDAR DAYS BEFORE ANY PAYMENT OF ANY CONSIDERATION. DEVELOPER FURTHER ACKNOWLEDGES THAT DEVELOPER HAS READ SUCH FRANCHISE DISCLOSURE DOCUMENT AND COMPLETELY UNDERSTANDS ITS CONTENTS AND REQUIREMENTS.
- E. DEVELOPER ACKNOWLEDGES THAT IT HAS HAD AMPLE OPPORTUNITY TO CONSULT WITH ITS OWN ATTORNEYS, ACCOUNTANTS AND OTHER ADVISORS AND THAT THE ATTORNEYS FOR FRANCHISOR HAVE NOT ADVISED OR REPRESENTED FRANCHISEE WITH RESPECT TO THIS MUDA OR THE RELATIONSHIP THEREBY CREATED.
- F. DEVELOPER, TOGETHER WITH ITS ADVISERS, HAS SUFFICIENT KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS TO MAKE AN INFORMED INVESTMENT DECISION WITH RESPECT TO THE FRANCHISE.

DEVELOPER IS AWARE OF THE FACT THAT OTHER PRESENT OR FUTURE DEVELOPERS OF FRANCHISOR MAY OPERATE UNDER A DIFFERENT FORM OF MUDA, AND CONSEQUENTLY THAT FRANCHISOR'S OBLIGATIONS AND RIGHTS WITH RESPECT TO ITS VARIOUS DEVELOPERS MAY DIFFER MATERIALLY IN CERTAIN CIRCUMSTANCES.

SIGNATURES CONTAINED ON THE NEXT PAGE

The parties have signed this Agreement on the dates set forth below, with effect as of the effective date as stated in the opening paragraph of this Agreement.

E.I. FRANCHISING, INC.

[Developer]

By _____

By _____

Title _____

Title _____

Date _____

Date _____

**EXHIBIT A TO THE
MULTI-UNIT DEVELOPMENT AGREEMENT**

DEVELOPMENT SCHEDULE

Franchised Business No.	Opening Date	Cumulative Number to be in Operation

**EXHIBIT B TO THE
MULTI-UNIT DEVELOPMENT AGREEMENT**

OWNERSHIP VERIFICATION

This form must be completed in order to provide the Franchisor with information regarding the type of business organization and the names and addresses of the individuals owning an interest in Developer, as well as, the percentage of said interest. Franchisor is relying on the truth and accuracy of the information set forth in awarding the MUDA to Developer.

1. Form of Entity

Franchisee is a (check one):

- A. General Partnership _____
- B. Corporation _____
- C. Limited Partnership _____
- D. Limited Liability Company _____
- E. Other _____ Specify: _____

2. Business Entity

Developer was incorporated or formed on _____ under the laws of _____. Developer has not conducted business under any name other than Developer's business entity name. The following is a list of all persons who have an ownership interest in Developer, their address, positions, and respective percentage of ownership:

NAME AND ADDRESS	POSITION	PERCENTAGE OF OWNERSHIP INTEREST

3. Governing Documents.

Developer agrees to provide Franchisor with copies of the documents and contracts governing the ownership, management and other significant aspects of the business organization such as, articles of incorporation or organization, partnership or shareholder agreements, upon the reasonable request of Franchisor.

DEVELOPER:

By: _____

Name: _____

Title: _____

FRANCHISOR:

E.I. Franchising, Inc.

By: _____

Name: _____

Title: _____

EXHIBIT F
STATE ADDENDA

EXHIBIT G
RECEIPTS

When you receive this Franchise Disclosure Document, please sign and return one copy of the receipt page to our headquarters office. We cannot process your application until we receive a properly signed receipt.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If E. I. Franchising, Inc. offers you a franchise, it must provide this disclosure document to you at least 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.

Michigan requires that we give you this disclosure document at least 10 business days before the execution of any franchise or other agreement or the payment of any consideration, whichever occurs first.

If E. I. Franchising, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state agency listed in Exhibit A, which also includes a list of our agents authorized to receive service of process.

The name, principal business address and telephone number of each seller offering the franchise is indicated below:

<i>Name</i>	<i>Address</i>	<i>Telephone Number</i>
Ray Jackson	E. I. Franchising, Inc. 500 S. Polk Street, Suite 14 Greenwood, IN 46143	317-560-9714

Other: _____

Date of Issuance: April 30, 2024

I have received the Executive Image franchise disclosure document dated April 30, 2024. The state effective dates are listed on the third page of the disclosure document. This disclosure document included the following Exhibits:

A	State Administrators and Agents for Service of Process	D	Table of Contents of Manual
B	List of Franchisees	E	Agreements
C	Financial Statements	F	State Addenda
		G	Receipts

Proposed location:

Company Name

Return this receipt to:

E. I. Franchising, Inc.
500 S. Polk Street, Suite 14
Greenwood, IN 47143

By _____
Signature

Title _____

Date _____

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If E. I. Franchising, Inc. offers you a franchise, it must provide this disclosure document to you at least 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.

Michigan requires that we give you this disclosure document at least 10 business days before the execution of any franchise or other agreement or the payment of any consideration, whichever occurs first.

If E. I. Franchising, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state agency listed in Exhibit A, which also includes a list of our agents authorized to receive service of process.

The name, principal business address and telephone number of each seller offering the franchise is indicated below:

<i>Name</i>	<i>Address</i>	<i>Telephone Number</i>
Ray Jackson	E. I. Franchising, Inc. 500 S. Polk Street, Suite 14 Greenwood, IN 46143	317-560-9714

Other: _____

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B	List of Franchisees	E	Agreements
C	Financial Statements	F	State Addenda
		G	Receipts

Proposed location:

Company Name

Return this receipt to:

By _____
Signature

E. I. Franchising, Inc.
500 S. Polk Street, Suite 14
Greenwood, IN 46143

Title _____
Date _____