FRANCHISE DISCLOSURE DOCUMENT

PURPLE FORTE LLC
An Oregon limited liability company

4439 SE Johnson Creek Boulevard
Portland, OR 97222

Mailing Address:
PO Box 16523 Portland, OR 97292

(503) 252-1495
franchise@maidsbytrade.com
www.maidsbytrade.com

We are ***PURPLE FORTE LLC*** An Oregon limited liability company. We offer franchises to qualified individuals and entities to own and operate a Maids by Trade franchise under our service marks, trade names, programs, and systems under the names "***Maids by Trade***," "***Maids by Trade - Enjoy Your Home***," and "~~***Tru-Green Clean Certified System***~~***EcoPink***[sm]" and related commercial symbols and logos. Our franchisees offer quality residential and commercial cleaning services, environmentally safe cleaning products, and ecologically friendly processes and services to the public under the Service Marks and the Maids by Trade programs and systems (the "Method of Operation").

The total investment necessary to begin operation of a Maids by Trade "Basic" franchise is **$25,000** to **$64,995**. The total investment necessary to begin operation of a Maids by Trade Optimal franchise is **$8,995** to **$34,995**. The total investment necessary to begin operation of a Maids by Trade Metro franchise is **$59,000** to **$109,995**. These estimates are only approximate. This includes the **$2,995** Basic/Optimal Franchise Initial Franchise Fee or the **$9,995** Metro Franchise Initial Franchise Fee, plus the estimated $4,000 cost for initial set up, advertising, tools, equipment, and franchise products and apparel that must be paid to us or our affiliate. Your initial investment and initial fees are more fully described in Items 5, 6 and 7 of this Disclosure Document.

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 ~~Fortino Garibay~~Fortino Garibay Bajaras at 4439 SE Johnson Creek Boulevard, Portland, OR 97222 and (503) 252-1495.

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.

ISSUANCE DATE: JANUARY 1, 2019

This Franchise Disclosure Document is effective in the states that require registration of this offering as of the dates reflected below:

This Franchise Disclosure Document is effective as of:

General FTC (for states not requiring registration) – **January 1, 2019**

States Requiring Registration (no registration effective if blank):

California:	
Florida:	
Hawaii:	
Illinois:	
Indiana:	
Kentucky:	March 6, 2017
Maryland:	
Michigan:	
Minnesota:	
Nebraska:	February 28, 2017
New York:	
North Carolina	
North Dakota:	
Rhode Island:	
South Dakota:	
Texas:	February 27, 2017
Utah:	July 12, 2018
Virginia:	
Washington:	
Wisconsin:	

STATE COVER PAGE

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

Call the state franchise administrator listed in Exhibit G for information about the franchisor or about franchising in your state.

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

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND LITIGATION ONLY IN OREGON. OUT-OF-STATE LITIGATION AND MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO SUE OR MEDIATE WITH US IN OREGON THAN IN YOUR OWN STATE.

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

3. THE FRANCHISOR IS AT AN EARLY STATE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY. .

4. THE FRANCHISOR'S FINANCIAL CONDITION, AS REFLECTED IN ITS FINANCIAL STATEMENTS (see Item 21), CALLS INTO QUESTION THE FRANCHISOR'S ABILITY TO PROVIDE SERVICES AND SUPPORT TO YOU.

5. YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM OUTLETS THAT WE OWN, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS THAT WE CONTROL.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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1.
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

We are **PURPLE FORTE LLC**. We are an Oregon limited liability company that was created on May 20, 2016. We do business under the names "**Maids by Trade**," "**Maids by Trade - Enjoy Your Home**," "**EcoPink**," and the related **Maids by Trade** logos. We do not intend to do business under any other names. Purple Forte LLC is called "us" or "we" in this Franchise Disclosure Document. "You" means the prospective purchaser of a Maids by Trade franchise, and includes owners or partners of a corporation, partnership, or other legal entity that purchases a Maids by Trade franchise.

We are the franchisor of the Maids by Trade franchise system. We license our franchisees in specified territories to own and to operate franchises under the name "Maids by Trade" and to promote and use the "EcoPink." We authorize our franchisees to promote, advertise, and sell quality residential and commercial residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly processes, equipment, packages, and services to the public and to use our Method of Operation and our service marks in the operations of the franchisee's business.

We offer three types of franchises:

A) Basic Franchise

This home based franchise is a small business operation that gives you the option to start out cleaning with the teams yourself, or to hire and supervise team members.

INCLUDES:

- Defined territory
- Startup package with all forms and contracts
- Our custom advertising campaign will deliver the first 30 clients (a "client" is a person or organization using the services you provide regardless of frequency of use; either one time or recurring appointments)
- Scheduling assistance
- ~~Payment processing & billing~~
- Custom made web page
- Continuous marketing
- Onsite start-up training (optional)

B) Optimal Franchise

This home based franchise is a small business operation that gives you the option to start out cleaning with the teams yourself, or to hire and supervise team members.

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INCLUDES:

- Defined territory
- Startup package with all forms and contracts
- Our custom advertising campaign will deliver the first 30 clients
- Scheduling assistance
- ~~Payment processing & billing~~
- Custom made web page
- Continuous marketing
- Onsite start-up training (optional)

We will invest from $16,000 to $21,000 for your franchise during the first six months of your franchise operation in marketing, internet search engine optimization, and printed advertising materials to help you get your new Optimal franchise started. In return for this investment you will pay a Royalty Fee of 12% during the initial 7-year term of your franchise agreement.

C) Metro Franchise

The Metro franchise operates from a local office and coordinates teams of house cleaners in defined territories.

INCLUDES:

- Defined territory
- Employment forms and client contracts
- Our custom advertising campaign will deliver the first 50 clients
- Scheduling assistance
- ~~Payment processing & billing~~
- Custom made web page
- Continuous marketing
- Onsite start-up training

Our principal office address is 4439 SE Johnson Creek Boulevard, Portland, OR 97222. Our mailing address is PO Box 16523 Portland, OR 97292. Our telephone number is (503) 252-1495. We have offered franchises since August 2016. We do not have any other business activities.

Our affiliate is Maids by Trade, LLC, an Oregon limited liability company formed in August 2011. It has owned and operated businesses of the type being franchised in the Portland Oregon and Vancouver Washington metropolitan area since its inception. Effective October 1, 2016, it entered into a franchise agreement with us for a single franchise that encompasses the Oregon portion of the Portland, Oregon metropolitan area. That franchise is divided into 12 operating units that are each similar in size (100,000 to 200,000 population) and operation to a large Basic/Optimal or small Metro franchise. Its principal office address also is 4439 SE Johnson Creek Blvd, Portland OR 97222 and its mailing address is PO Box 16523 Portland, OR 97292. And its telephone numbers are (503) 256-1160 and (360) 695-9394.

Neither we nor our affiliate have ever offered franchises in any other line of business. We do not operate any businesses of the type being franchised.

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We produce and sell innovative advertising and sales promotion materials. We may attempt to negotiate group discount rates for the benefit of our franchisees for wholesale residential and commercial cleaning services and environmentally safe cleaning products and related supplies and equipment.

Our registered agents for service of process are outlined in Exhibit G to this Disclosure Document.

We and our affiliate retain the right to own or operate additional Maids by Trade offices and franchises.

The market for residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly processes and services is well established throughout the United States. In some states, residential and commercial cleaning services, environmentally safe cleaning products, and ecologically friendly processes and services may be seasonal. The principal sources of direct competition for your franchise are similar businesses that provide residential and commercial cleaning services, environmentally safe cleaning products, and ecologically friendly processes and services. The principal sources of direct competition for your franchise are similar businesses, some of which are part of existing franchise chains that provide janitorial and cleaning services. These include national chains such as Service Master, Merry Maids, House Doctors, etc. and similar regional and local operations and chains. Our services are sold primarily to private persons and businesses seeking environmentally safe, professional, effective and courteous commercial or residential janitorial and cleaning services.

There are federal, state, and in some cases local regulations pertaining specifically to the residential and commercial cleaning services, environmentally safe cleaning products, and ecologically friendly processes and services. These may pertain to contractor licensing, the use and disposal of cleaning products, hazardous waste handling and disposal, etc. For example, in some states contractors providing certain specified janitorial and cleaning services must be licensed by local and state authorities, insured and bonded. Any documents, forms, and resources you receive from us must be revised by you if necessary to comply with applicable local, state, and federal laws and regulations.

Other legal regulations that apply to all businesses generally may include:

> Federal, state, and city, county, parish, borough, municipality or other local laws.
>
> Federal. Examples of federal laws are wage and hour, occupational health and safety, equal employment opportunity, hazardous materials communication to employees, hazardous waste and environmental, and the Americans with Disabilities Act.
>
> State. State laws may cover the same topics as federal laws. Examples of state laws include environmental, occupational health and safety, fire, health, and building and construction laws.
>
> Local. Local laws may cover the same topics as federal and state laws. Examples of local laws include health and sanitation, building codes, fire codes, and waste disposal.

This Disclosure Document contains a summary of some material provisions of the Franchise Agreement. However, the Franchise Agreement expresses and governs the actual legal relationship between us and you.

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The Franchise Agreement does not make you our agent, legal representative, joint venturer, partner, employee, or servant for any purpose. You will be an independent contractor and will not be authorized to make any contract, agreement, warranty or representation or to create any obligation, express or implied, for us.

2.
BUSINESS EXPERIENCE

~~FORTINO GARIBAY~~FORTINO GARIBAY BAJARAS –Manager and Chief Executive Officer

Mr. ~~Garibay~~Bajaras has been our Manager and our Chief Executive Officer since our inception. He has served as Member Manager and CEO of our affiliate Maids by Trade LLC since its inception in August 2011. From 2001 to October 2011, he was Manager and Chief Executive Officer of NW Housecleaning, LLC in Portland, Oregon.

EDSON ~~BARRERA~~GALINDO – Franchising Manager

Mr. Galindo has been our Franchise Manager since March 2017. From November 2016 to March 2017 he was Customer Service Representative for Fiserv in Phoenix, Arizona. He was Operations Manager for our affiliate Maids by Trade LLC in Portland, Oregon from July 2014 to November 2016. From August 2010 to December 2014 he was an Associate Producer and Sales Agent for Alegre TV – LLC Magazine in Portland.

~~**RAZIER CARRILLO** – Field Manager~~

~~Mr. Carrillo has been Field Manager for us and for our affiliate Maids by Trade LLC since January 2004 in Portland, Oregon.~~

TANIA MALDONADO – Office Manager

Ms. Maldonado has been Office Manager for us and for our affiliate Maids by Trade LLC since August 2012 in Portland, Oregon.

3.
LITIGATION

In the fall of 2016 we began an advertising campaign on Craigslist to sell our franchises in Oregon. It is possible but we have not been able to confirm that our employees in charge of that

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campaign decided to also offer franchises for sale in Washington unaware that prior registration in Washington was required. In February 2017, without admitting or denying wrongdoing, we entered into a Consent Order with the Washington Department of Financial Institutions that we would not offer or sell franchises in Washington absent the appropriate registration. Order Number S-16-2064-17-CO01.

Other than this Order, no litigation is required to be disclosed in this Disclosure Document. (See State Law Addendum for state-specific disclosures).

4.
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

5.
INITIAL FEES

The Initial Franchise Fee for a Basic or Optimal franchise is **$2,995**. If you are converting your existing business to a Maids by Trade franchise, the Initial Franchise Fee is **$1,499**. The Initial Franchise Fee for a Metro Franchise is **$9,995**. If you are converting your existing business to a Maids by Trade Metro franchise, the Initial Franchise Fee is **$4,999**.

The ~~only~~ first independent franchise we have sold, in Tucson, Arizona, was for an Optimal Franchise for an Initial Franchise Fee of $2,995. The franchise we have entered into with our affiliate, Maids By Trade, LLC in Portland, Oregon ~~sold, in Arizona,~~ was for a Basic Franchise for an Initial Franchise Fee of $2,995.

The Initial Franchise Fee is paid in consideration for our sales expenses, administrative overhead, return on investment, and start-up costs related to the execution of the Franchise Agreement, the opening of the Franchise, and for our lost or deferred opportunity to sell franchises in the Franchise Territory to others.

Upon execution of the Franchise Agreement you pay to us the entire Initial Franchise Fee. In addition to the Initial Franchise Fee, you must purchase your initial set up services, franchise tools, franchise equipment, initial advertising materials (lawn signs, door hangers, business cards, etc.) and franchise apparel (T-shirts, hats, jackets) from us or our affiliate. The amount of this payment to us or our affiliate for set up, tools, equipment, advertising materials and franchise apparel is generally around **$4,000**. We do not finance any portion of your initial advertising materials or franchise apparel purchases. Payment is due when you order the advertising materials and apparel from us or our affiliate.

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If you do not pass the mandatory training course to our satisfaction, we may terminate the Franchise Agreement by refunding the Initial Franchise Fee and any amounts paid for purchases of unused advertising materials and apparel from us or our affiliate. You must return the unused advertising materials and apparel to us.

You must open the franchise within **150** days after the date of the Franchise Agreement. This time requirement may be extended for multiple franchise purchases. If this obligation is not fulfilled, we may elect to terminate the Franchise Agreement and retain the Initial Franchise Fee and any amount paid for purchases of advertising materials and apparel from us or our affiliate. You must return any unused products you have obtained from us.

The initial fees are uniform except as described in this Item 5. We intend to raise the initial franchise fee after certain growth levels have been attained. The increased franchise fee and timing have not been determined as of this date.

We may offer franchises at a reduced rate to prospective franchisees who in our opinion possess the knowledge and experience to conduct business with minimal assistance from us or who are purchasing multiple franchises. Occasionally, we may grant new franchises to our owners and employees and their family members with reduced or no initial fees.

The Initial Franchise Fee is not refundable in whole or in part under any circumstances other than those listed above.

6.
OTHER FEES

Name of Fee	**Amount**	**Date Due**	**Remarks**
Weekly Royalty Fee	**6%** of your Weekly Gross Revenue - **12%** for Optimal franchises. For conversion franchises, your Weekly Gross Revenue excludes your average weekly gross revenue received over the 52 weeks immediately prior to the effective date of your franchise agreement with us.	Payable Weekly by Monday of the Following Week. We currently require you to use PopMoney for the transfer of funds for your payments to us.	This fee may be payable through automatic debit processes as outlined in the Operations Manual. If we specifically designate in writing that you are a qualified armed service veteran or minority owner, your weekly royalty fee will be reduced by 50% until you have received

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Name of Fee	Amount	Date Due	Remarks
			a total royalty credit of $10,000.
Weekly Advertising Fee	**1%** of your Weekly Gross Revenue	Payable Weekly by Monday of the Following Week.	This fee may be payable through automatic debit processes as outlined in the Operations Manual.
Local Advertising Contribution	You will spend at least a quarterly average of **5**% of your monthly Gross Revenue on your local advertising.	As Incurred	This amount is not a fee. It is spent by you on local advertising. If you do not spend an average of 5% of your Gross Revenue within a calendar quarter on local advertising, you will contribute the difference between the amount spent and the amount you should have spent to the Maids by Trade Advertising Fund.
Regional Fund Contribution	Up to **3** percent of your Gross Revenue pursuant to a vote of the franchisees in the region.	As voted and approved by your local advertising cooperative (only if franchisees in an advertising region vote to establish a Regional Fund). It will be credited towards your Local Advertising Contribution.	If at any meeting of the franchisees in an advertising region, **65** percent of the franchises ~~(Basic and Metro)~~ vote to contribute to a regional advertising program, all franchisees within that region will be obligated to make a contribution to a Regional Fund in the amount established by the vote. We may require you to execute documents that allow us to automatically take this fee out of your franchise bank accounts each week. See Item 11, below.
Additional Training	**$250** per day and you must reimburse us for our reasonable out of pocket costs.	Before opening or after you open your franchise for business.	You must give us not less than **35** days' prior written notice of your desire to receive additional training. The duration of training is negotiable depending upon your needs. You

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Name of Fee	**Amount**	**Date Due**	**Remarks**
			will not receive any compensation for services rendered by the trainee during this or any other training. We may designate qualified franchisees or master franchisees to conduct some or all of your training.
Refresher training programs and seminars	**$250** per day or then-current reasonable rates.	Upon demand	In addition to a reasonable training fee, you are exclusively responsible for paying all travel, living and other expenses and compensation of attending refresher training programs and seminars. (See Franchise Agreement, Section 3.2)
Convention and Trade Show	$500	Upon demand	If you do not attend a convention, we will deliver to you and you will pay us for all training materials, documentation, handouts, training videos, and video recordings of the activities of the convention. The price for the training materials, documentation, handouts, training videos, and video cassettes for each annual convention will be established by us from time to time but will not be less than **$500.**
Transfer of Franchise	The then current Transfer Fee that is not more than **$5,000**	Upon Transfer.	Paid when you sell your franchise according to our then current transfer fee schedule. This fee will reimburse us for

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Name of Fee	Amount	Date Due	Remarks
			reasonable legal, accounting, training, and investigation expenses that result from the transfer.
Transfer Commission	**10%** of the gross sales price if you transfer (excluding the price of real property)	Upon Transfer	You will pay us a commission if we obtain the transferee for you.
Renewal	You will reimburse us for our reasonable out-of-pocket costs concerning the renewal.	Immediately upon demand	You must pay for and successfully complete any additional training we require of you.
Step-In Right Costs	Reasonable out-of-pocket expenses and costs we incur	As Incurred	You must reimburse us for our out of pocket expenses and costs we incur if we step-in to operate your franchise pursuant to Franchise Agreement.
Late Charge	**1.5%** per month	Each month that amounts owed remain unpaid	You will not be compelled to pay late charges at a rate greater than the maximum allowed by applicable law.
Late Payment Penalty	$10 per day from the date due until paid in full.	As incurred	You will not be compelled to pay late payment penalty in an amount greater than the maximum allowed by applicable law
Relocation	You will reimburse us for our reasonable out-of-pocket costs concerning the relocation.	Prior to relocation	
Product Testing Costs	Reasonable out-of-pocket expenses and costs we incur	As incurred	You must reimburse us for our out of pocket expenses and costs we incur to test new products or sources you request for approval (See Item 8 and Franchise Agreement Section 5.1).
Audit	Our reasonable costs for the audit if you understate revenue by	Immediately upon demand	See notes below.

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Name of Fee	Amount	Date Due	Remarks
	more than 3% or fail to deliver to us required reports on time		

*Unless otherwise indicated above, all fees are imposed by and payable to us. All fees are non-refundable.

Convention and Trade Show. You are required to attend our periodic convention and trade show. We estimate that your costs for food and lodging to attend will be from $900 to $1,500. This is not a fee collected by us; these amounts are paid to third parties vendors. This estimate does not include plane fares, which vary based on your franchise location. However, if you do not attend any convention, we will deliver to you and you will pay us for all training materials, documentation, handouts, training videos, and video recordings of the activities of the convention. The price for the training materials, documentation, handouts, training videos, and video cassettes for each annual convention will be established by us from time to time but will not be less than **$500.**

Taxes. You must pay any taxes imposed as a result of your payment to us of initial or ongoing fees.

We May Return Funds to You or Use Funds for Regional Co-op Programs. We will have the right to spend all, or any portion of, the Advertising Fund for the creation of co-op advertising programs as outlined in Item 11, below.

Advertising Fee. Advertising Fee payments are in addition to and exclusive of any sums that you may decide or be required to spend on local advertising and promotion. We have sole discretion over the creative ideas, materials, endorsements, media, placement, and allocation of monies related to use of the Advertising Fee.

The Advertising Fee is used to maintain, administer, direct, prepare, and review national, regional, and local advertising materials and programs and to cover our related overhead as we in our sole discretion deem necessary. We are under no obligation to administer the Advertising Fee to ensure that expenditures are proportionate to contributions of our franchisees for any given market area or that any franchise benefits directly or proportionately from the development or placement of advertising. We are not obligated to spend all or any part of the Advertising Fee during any specific time.

Financial Position and Gross Revenue Reporting. You will deliver to us, as outlined in the Operations Manual, an itemized report of your Gross Revenue for the preceding week. The report must be in the form we designate. All Royalty Fee and Advertising Fee payments based upon the Gross Revenue for the preceding week must be submitted with the report. We may require you to prove that you have paid the required local advertising expenditures. "Revenue" means all receipts generated by the franchise from any source including sales, exchanges, repairs, services, labor, service charges, etc. Credit sales shall be calculated as of the date of sale without deduction for uncollected credit accounts. "Revenue" shall not include bona fide credits for returns of merchandise, promotional discounts, or the amounts collected and paid to appropriate governmental authorities under the provisions of any Sales Tax, Retailer's Occupation, or similar Act. The proceeds from any business interruption insurance or eminent domain recovery you receive are included in "Revenue." "Gross Revenue" means your total Revenue for each calendar week or other specified period where noted. For conversion franchises, your Weekly Gross Revenue will not include the average weekly gross revenue you received over the 52 weeks immediately prior to the effective date of your franchise agreement with us.

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Audits. We may audit your reports, books, statements, business records, cash control devices, and tax returns at any time during normal business hours. Audits will be conducted at our expense unless you understate the Gross Revenue for any reported period or periods by more than ~~5~~3 percent or unless you fail to deliver any required report of Gross Revenue or any required financial statement in a timely manner. In the event of an understatement or failure to deliver, you will reimburse us for all audit costs. These will include, among other things, the charges of any independent accountant and the travel expenses, room, board, and compensation of our employees incurred in connection with the audit. You will immediately pay all Royalty Fees, Advertising Fees, Local Advertising Contributions and late payment charges that the audit determines are owed. These payments will not prejudice any other remedies we may have under the Franchise Agreement or by law.

7.
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

EXPENDITURE	AMOUNT BASIC	AMOUNT OPTIMAL	AMOUNT METRO	PAYMENT METHOD	WHEN DUE	TO WHOM
Initial Franchise Fee	$2,995 ($1,499 for Conversion)	$2,995 ($1,499 for Conversion)	$9,995 ($4,999 for Conversion)	Cash	Paid upon execution of the Franchise Agreement.	Us
Initial Advertising and Promotional Expenses	$13,955 to $21,000	$0	$28,000 to $40,000	Cash	As Incurred	Us or Approved Suppliers
Contractor License	$0 to $1,000	$200 to $1,000	$0 to $1,000	As Incurred	Prior to Opening	State Administrators
Franchise Premises Rent	$0 to $1,500	$0 to $1,500	$1,000 to $1,500	As Incurred	As Incurred	Landlord
Utilities Deposits and Payments	$0 to $1,000	$0 to $1,000	$0 to $1,000	As Incurred	As Incurred	Utility Companies and Suppliers
Supplies and Equipment	$1,000 to $3,000	$2,000 to $4,000	$5,000 to $10,000	As Incurred	Before Opening and As Incurred	Us or Suppliers
Office Set-up	$0 to $1,000	$0 to $5,000	$1,000 to $5,000	As Incurred	Before Opening and As Incurred thereafter	Suppliers
Computer Equipment and Software	$1,000 to $2,500	$800 to $2,500	$1,000 to $2,500	As incurred	Before initial training	Third parties. See requirements under Sections 5.06, 6.05 and 10.11 of Franchise

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EXPENDITURE	AMOUNT BASIC	AMOUNT OPTIMAL	AMOUNT METRO	PAYMENT METHOD	WHEN DUE	TO WHOM
						Agreement.
Travel and Living Expenses While Training	$1,500 to $3,000	$1,000 to $2,000	$1,000 to $3,000	As Incurred	During Training	Airlines, Hotels, Restaurants, etc.
Telephone, Cell Phone, Internet, etc.	$300 to $1,000	$300 to $1,000	$300 to $1,000	As Incurred	Before Starting Operations	Suppliers
Clothing and Uniforms	$250 to $1,000	$0 to $1,000	$250 to $1,000	As Incurred	After Starting Operations	Us or Approved Suppliers
Vehicles	$0 to $15,000 (Payments $350 to $1,000 per month per vehicle)	$0 to $6,000 ($350 to $1,000 per month per vehicle)	$2,000 to $15,000 (Payments $350 to $1,000 per month per vehicle)	As Incurred	Before Opening	Leasing Company or Bank
Vehicle Wraps and Car Signs	$0 to $1,000	$0 to $1,000	$1,000 to $2,000	As Incurred	Before Opening	Us or Approved Suppliers
Licenses and Bonds	$500 to $1,000	$200 to $1,000	$500 to $1,000	As Incurred	Before Opening	Government agencies, etc.
Insurance	$500 to $1,000	$200 to $1,000	$500 to $1,000	As Incurred	Before Opening	Insurers
Miscellaneous Opening Costs	$1,000 to $3,000	$500 to $2,000	$1,000 to $5,000	As Incurred	As Incurred	Suppliers, Utilities, etc.
Additional Funds – 3 months[1]	$2,000 to $5,000	$800 to $2,000	$6,455 to $10,000	As Incurred	As Incurred	Employees, Suppliers, Utilities, etc.
TOTAL	**$25,000** to **$64,995**	**$8,995** to **$34,995**	**$59,000** to **$109,995**			

You should anticipate the preceding initial expenditures in connection with the establishment of a Maids by Trade franchised business. Additional factors related to each expenditure category are described in the following notes.

Financing sources may reduce your initial cash requirements, and the availability and terms of financing to any individual franchisee will depend upon factors including the availability of financing in general, your credit worthiness, the collateral security that you may have and policies of lending institutions concerning the type of business to be operated by you. The investment and expenditures required of actual franchisees may vary considerably from the projections outlined above, depending on many factors, including geographical area, the amount of space leased by you and the capabilities of any particular management and service team. If you are purchasing multiple franchises, you will incur the estimated initial expenditures for each franchise you operate.

Note 1: We estimate that the initial phase covered by the additional funds estimate to be approximately 3 months. The high and low range estimates are based on our owners and our

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affiliate's experience in opening and operating residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly businesses in the United States since 1997.

A. The typical franchise office will need approximately 500-1,500 square feet of space, half of which will be used for equipment and materials storage. Initially you may work out of a home office and storage location. We recommend that you do not purchase or lease warehouse or office space during the initial 3-month start-up phase. You are solely responsible for obtaining and paying for the location. The cost of purchasing or leasing an office varies with the location and size of the premises.

B. You are required to have access to a facsimile machine, telephone, internet, and reliable transportation.

C. Supplies, equipment, and inventory are required as outlined in the Operations Manual.

D. You are required to have at least one vehicle (such as Ford Transit) to be used for sales and service. Your vehicles must be in good and attractive condition. While we currently do not require new vehicles to be wrapped or signed, we may at any time require you to wrap your vehicles with our Maids by Trade vehicle wrapping package or with other signage packages we approve. Each vehicle must be able to haul our approved and environmentally safe cleaning products and equipment. The estimated purchase cost of such vehicles with wrapping and equipment is about $14,000 to $18,000.

E. ~~A minimum of **$5,000** working capital is strongly recommended.~~ You should plan on other sources of income to cover your living expenses.

You will have the other usual expenses involved in establishing a business. These expenses vary greatly. They include, but are not limited to, attorney fees, license fees, deposits, sales tax bonds where required, pre-opening advertising and recruiting expenses, employee wages, utility costs, and supply expenses.

You must pay all taxes required by local, state or federal laws related to the services furnished or used in connection with the operation of your franchise. You must obtain all permits, certificates or licenses necessary for the full and proper conduct of the franchise.

Except as provided in Item 5, any fees paid to us are not refundable. Amounts paid to any third parties may be refundable, depending upon the contracts between them and you.

We do not finance any of these initial expenses. The availability and terms of financing will depend on various factors including the availability of financing generally, your credit worthiness, security available to you, lending institution policies concerning the type of business to be operated by you, and other comparable elements.

We require no other payments.

These tables estimate your initial startup expenses. These figures represent our estimates based upon our experience and the experience of our franchisees. We do not guarantee that

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you will not have additional and different expenses than those we have identified in this table. Your actual costs will depend upon many factors, including, how well you follow our directions and suggestions, your business skill and experience, local economic conditions, the local market for your products, the location and condition of your franchise premises, the prevailing wage rates, competition, and your sales levels during the initial period.

You should review these estimates with your business advisors before you decide to purchase the franchise or to make any expenditure.

8.
RESTRICTIONS ON SOURCES OF PRODUCTS & SERVICES

We will lend to you a copy of our Operations Manual at the mandatory training course described in Item 11, below. We may amend the Operations Manual, including changes that may affect minimum requirements for your franchise operations. You will strictly follow the requirements of the Operations Manual as we amend it. You will carry out immediately all changes at your cost, unless we otherwise specify. We reasonably may designate minimum standards for operations and designate guidelines, as specified in the Operations Manual. The Operations Manual is confidential and our exclusive property.

The Operations Manual contains the Method of Operation and related specifications, standards, operating procedures, accounting and bookkeeping methods, marketing programs and ideas, advertising layouts, advertising guidelines, operation requirements, public relations guidelines, service guidelines and other rules that we may prescribe.

You must purchase all advertising materials from us or our approved suppliers to ensure uniformity and quality of the advertising. Any equipment, products, inventory, or other items that bear the Maids by Trade logo or have the words “Maids by Trade” in them must be bought from us or an approved supplier.

You must purchase all equipment, inventory, supplies, materials, products, and all other items used in your franchised business from us, from approved suppliers, or strictly following our requirements and specifications to ensure the quality and uniformity of the materials, products and services in the Maids by Trade franchise system.

All specifications that we require of you and lists of approved suppliers will be included in the Operations Manual. We will upon request provide them to approved suppliers and suppliers seeking approval. We will use our best judgment to set and modify specifications to maintain the integrity and quality of our franchise system.

We or our affiliate Maids by Trade LLC may provide environmentally safe cleaning chemicals, equipment, and supplies. We and our affiliate are currently the only approved suppliers for

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advertising materials and equipment, products, inventory, and all other items that bear the Maids by Trade name or logo. Our officer ~~Fortino Garibay~~Fortino Garibay Bajaras owns and operates our affiliate.

With advance written notice, you may request our approval to obtain products, equipment, supplies or materials from sources that we have not previously approved. We may require you to give us sufficient information, photographs, drawings, samples and other data to allow us to determine whether the items from these other sources meet our specifications and standards. These specifications and standards will relate to quality, durability, value, cleanliness, composition, strength and the suppliers' capacity and facility to supply your needs in the quantities, at the times, and with the reliability necessary for efficient operation. We may require that samples from any supplier be delivered to a designated independent testing laboratory for testing before approval and use. You will reimburse us for the actual cost of the tests. We may license any supplier that can meet or exceed our quality control requirements and standards, for a reasonable license fee, to produce and deliver Maids by Trade products to you but to no other person. Our confidential requirements, systems and formulas will be revealed to potential suppliers only after we have received reasonable evidence that the proposed supplier is trustworthy and reputable; has the capacity to consistently follow our standards, requirements and testing procedures; will maintain the confidentiality of the designs, systems and formulas; and will adequately supply your reasonable needs. We will not unreasonably withhold approval of a supplier you propose. We will notify you in writing of the approval or disapproval of any supplier you propose within 30 days of receiving written notice from you of your request for approval.

We or our agents may inspect any approved manufacturer, supplier or distributor facilities and products to assure proper production, processing, packaging, storing, and transportation. Permission for inspection will be a condition of our continued approval of any manufacturer, supplier or distributor. If we find from any inspection that a manufacturer, supplier or distributor fails to meet our specifications and standards, we will give written notice describing this failure to you and to the manufacturer, supplier or distributor, with a notice that unless the failure or deficiency is corrected within 30 days, the manufacturer, supplier or distributor will no longer be approved.

We and our affiliate may derive revenue from providing products to you. This revenue results from sales to our franchisees of products bearing our names and services marks. In fiscal year 2018, we did not receive any revenue of this type. In fiscal year 2018, our affiliate received revenues in the amount of **$0** from the sale of such products to our franchisees, which was approximately **0%** of our affiliate's total revenues. We estimate that approximately **0** to **5** percent of our affiliate's total revenues will be from products and equipment purchased from our affiliate by our franchisees. We estimate that purchases from us, our affiliate, or approved suppliers will be from **10** to **20** percent of the total purchases you make to establish your franchise. We estimate that purchases from us, our affiliate, approved suppliers will be from **10** to **15** percent of the total purchases you make to operate your franchise.

We and our affiliate may receive rebates, price adjustments, or discounts on products or services sold to you by recommended or approved suppliers.

We have established an accounting and scheduling system based upon our computer software. You are required to use our accounting and scheduling systems specified by us or otherwise approved by us in writing.

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There are no other obligations for you to purchase or lease according to specifications or from approved suppliers. Except as explained above, we have no required specifications, designated suppliers or approved suppliers for goods, services, or real estate related to your franchise business. Except as explained above, we will not derive revenue from your purchases or leases.

We currently provide material benefits to franchisees based on use of designated or approved sources including the right to renew your franchise rights and to obtain additional franchises.

We have not entered into formal purchasing or distribution cooperatives related to our franchise system. In the future, we hope to create and augment the effectiveness of cooperatives for the purchase of materials and the provision of advertising, for the benefit of the Maids by Trade franchise system.

You may not sell any products, services or activities other than those specifically recognized and approved by us as part of our franchise system without our prior written approval.

You are required to offer, promote and follow our service warrantee programs. Currently these consist of a 100% Satisfaction Guarantee. If any client is unhappy with any area you have cleaned, you are to return and re-clean it free of charge to assure client complete satisfaction. In addition, if a client is not pleased with the outcome of a cleaning, you can either offer a partial credit for future use or offer a gift certificate.

You are required to obtain and keep in force by advance payment of premium appropriate liability insurance. The insurance will include, at a minimum, the following:

A. Comprehensive general liability insurance, including and products liability, completed operations, property damage, contractual liability, independent contractors liability, owned and non-owned and hired automobile coverage, and personal injury coverage with a combined single limit of at least **$1,000,000** per occurrence and **$2,000,000** aggregate, including umbrella coverage.

B. Workers' compensation and employer's liability insurance, and other insurance required by statute or rule of the state in which the franchise is located and operated.

C. Business interruption and lost profit insurance.

D. Employer Practice liability insurance.

E. Automobile liability insurance, including owned, non-owned, leased and hired vehicle coverage, with a combined single limit of at least $1,000,000 for death, personal injury and property damage.

The insurance will not be limited in any way because of any insurance we maintain. Maintenance of the required insurance will not diminish your liability to us under the indemnities contained in this Agreement. The policy or policies will insure against our vicarious liability for actual and, unless prohibited by applicable law, punitive damages assessed against you.

We may require you to increase the minimum limits of and types of coverage to keep pace with

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regular business practice and prudent insurance custom.

The insurance will insure us, you, and our respective subsidiaries, owners, officers, directors, partners, members, employees, servants, and agents against any loss, liability, products liability, personal injury, death, or property damage that may accrue due to your operation of the Franchise. Your policies of insurance will contain a separate endorsement naming us as an additional named insured.

As disclosed in Item 7 above, we may require you to install and use accounting, scheduling, and business control computer systems approved by us. You must lease, purchase or otherwise acquire, from sources of your choice and at your expense, software and hardware (including but not limited to programs, computer terminals and Internet) which strictly conform to our specifications as outlined in Item 11, below. Your total purchase costs for these additional computer systems will range from $1,000 to $2,500.

9.
FRANCHISEE'S OBLIGATIONS

THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AND OTHER RELATED AGREEMENTS. IT WILL HELP YOU FIND MORE DETAILED INFORMATION ABOUT YOUR OBLIGATIONS IN THESE AGREEMENTS AND IN OTHER ITEMS OF THIS DISCLOSURE DOCUMENT.

OBLIGATION	**SECTION IN FRANCHISE AGREEMENT**	**DISCLOSURE DOCUMENT ITEM**
a. Site selection and acquisition or lease	Section 1.1 & 1.2	Items 6 & 12
b. Pre-opening purchases and leases	Sections 4.1, 5.1 & 8.2	Items 7 & 8
c. Site development and other pre-opening requirements	Sections 1.3, 3.1, 4.1 & 5.1	Items 7, 8 & 12
d. Initial and ongoing training	Sections 3.1 & 3.2	Items 6 & 11
e. Opening	Sections 4.1 and 5.1	Item 11
f. Fees	Sections 2.1, 2.2, 2.3, 2.4, 6.1, & 7.1	Items 5, 6 & 17
g. Compliance with standards & policies/ Operations Manual	Sections 5 & 6.3	Items 11 & 17
h. Trademarks and proprietary information	Sections 1.1, 5.1, 5.3, 5.4, 5.5, 5.8, 5.9, 6.5, 9.2 & 9.10	Items 13, 14 & 17
i. Restrictions on products and services offered	Sections 1.2, 1.5, 5.1, 5.2, 5.5, 5.6, 5.7, 5.9, 5.10, 6.3, 6.5	Items 8, 12, 13, 16 & 17
j. Warranty and customer service requirements	Sections 5.1, 5.2 & 5.5	Item 11

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k. Territorial development and sales quotas	Section 1.1	Items 7 & 12
l. Ongoing product & service purchases	Sections 2.9, 5.1, 5.2, 5.5, 5.9, 5.10 & 8.2	Items 7 & 8
m. Maintenance, appearance and remodeling requirements	Sections 1.4, 5.1, 5.2, 5.5 & 6.5	Items 7, 11 & 17
n. Insurance	Section 8.2	Item 7
o. Advertising	Sections 1.5, 2.3, 2.4, 2.6, 5.1, 5.2, 5.3, 5.4, 5.5 & 6.5	Items 9 & 11
p. Indemnification	Sections 6.7 & 8.1	Item 6
q. Owner's participation/ management/ staffing	Sections 2.9, 3, 4.1, 5, 6.5, 6.8, 7, 9.3, 9.10, 9.12 & 9.14	Items 11, 15 & 17
r. Records and reports	Sections 2.8, 5.1, 5.2 & 5.5	Items 6, 11 & 17
s. Inspections and audits	Sections 2.9, 5.1, 5.2 & 5.5	Items 6, 11 & 17
t. Transfer	Section 7	Item 17
u. Renewal	Section 6.1	Item 17
v. Post-termination obligations	Sections 5.8, 5.9, 6.5, 6.6, 6.8, 9.9, 9.10	Item 17
w. Non-competition covenants	Sections 5.8, 5.9, 6.5, 6.6, 6.8, 9.9, 9.10	Item 17
x. Dispute resolution	Sections 9.7 & 9.8	Item 17

10.
FINANCING

We do not provide direct or indirect financing and do not assist in providing financing for you. We do not guarantee any notes or financial obligations you may incur in setting up and operating your franchise.

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

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

A. Pre-Opening Obligations

Before you open your franchise, we will:

1) Designate your Franchise Territory in the Franchise Agreement before the Franchise Agreement is executed. (Franchise Agreement, Section 1.1)

2) Provide you minimum specifications and guidelines for the site of your office. We approve the site of your office; the site must be located within the Franchise Territory and typically require 500 – 1,500 square feet of space, at least half of which will be used for equipment and materials storage. You may select where to locate your office within your Franchise Territory at your own discretion, subject to our reasonable approval. We will assist you in the selection of your office site if requested by providing you with information regarding the proximity of the proposed site to other Maids by Trade locations. You must select and open your office site within 150 days after you sign the Franchise Agreement. We may terminate the Franchise Agreement if you do not do so.

   We do not guarantee success for any location you select. We will not be liable for any consequences of your choice of any franchise site. Any site recommendation or approval we make is not a representation that any particular site is available or legally appropriate for use as a franchise site. It is your responsibility to investigate all applicable zoning, licensing, leasing and other requirements for any proposed site. (Franchise Agreement, Sections 1.1 and Section 1.3)

3) Provide initial orientation and training to you and your required manager(s). (Franchise Agreement, Section 3.1).

4) Assist you in complying with local laws and regulations to enable you to operate your franchised business.

5) Provide the Operations Manual. (Franchise Agreement, Section 5.1).

   The table of contents for our Operations Manual as of the date of this Disclosure Document is found in this Item.

6) Give you a list of any approved or designated suppliers. (Franchise Agreement, Section 5.1)

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Time to Open

The typical length of time between the signing of the Franchise Agreement or first payment of consideration for the Franchise and the opening of the Franchise for business is about 30 to 90 days. You are expected to complete the mandatory training and commence your franchise business operations within **150** days after you sign the franchise agreement. Factors that may affect this time are finding and negotiating for the Franchise Premises, arranging for the training session, equipping the Franchise, obtaining initial inventory, financing and business permit requirements, and your personal operational needs. Any failure caused by a war or civil disturbance, a natural disaster, a labor dispute, shortages or other events beyond your reasonable control will be excused for a time that is reasonable under the circumstances.

If the commencement of operation obligation is not fulfilled, we may terminate the Franchise Agreement and retain the Initial Franchise Fee. You then are required to return any product or equipment you have obtained from us. (Franchise Agreement, Section 4.1).

Operations Manual Table of Contents

The Operations Manual is confidential and remains our property. It contains mandatory and suggested specifications, standards and procedures. In the Operations Manual we provide templates for various forms and documents but it is your responsibility to confirm the utility, legality, validity, completeness, and applicability of these forms and documents in your franchise territory. You must to report to us any problems with or changes to be made to them. We may modify the Operations Manual, but the modifications will not alter your basic status and rights under the franchise agreement. The revisions may include advancements and developments in supplies, products, equipment, sales, marketing, operational techniques, and other items and procedures used for the operation of the franchise. The Table of Contents of the current version of the Operations Manual consists of approximately **123** pages and includes:

Maids by Trade Operations Manual
Table of Contents

1. Introduction
Manual Organization and Disclaimer ……..…….....……...…….. 5 - 7

2. The Maids by Trade Brand
Company Background ……...……...…….. 8 - 15

3. Franchise Setup
Intro and Procedures ……...……...…….. 16 - 25

4. Human Resources
Employment Basics ……...……...……. 29 - 50

5. Clientele
Client Relations, Sales, and Damages ….……...……..... 51 - 70

6. The Product
Service Options ……...……...……. 71 - 72

7. Record Keeping
Bookkeeping, Accounting and Audits ……..…….. 73 - 75

8. Business Operations
Procedures, Management, Communications and Forms ……..…..……..…….. 76 - 102

9. Safety

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Accidents and MSDS ……..……...……..……..…..…….. 103 - 106

10. Brand Propagation
Marketing, Guidelines, Social Media and Networking ……..……..…..…….. 107 - 115

11. Words of Caution
Territory, Selling & Accounts ……..……..……..…..…….. 116 - 119

12. Franchisee's Support System
Resources, Support and Conclusion ……..……...……..…..…. 120 - 123

Training

We will give you an approximately 5 to 6 day training and familiarization program before the start of your business at our headquarters, currently in Portland, Oregon, or at one of our company-owned locations, or at another location that we designate. We will conduct approximately 3-5 days of training on-site in your Franchise Territory (Franchise Agreement, Section 3.1). The initial training program is included in the Initial Franchise Fee. Accommodations, travel, room, board, and wage expenses during this period are borne by you. The training program must be completed by all franchisees, unless, at our reasonable discretion, based upon a franchisee's experience, it is deemed unnecessary. The current agenda for the training includes:

TRAINING PROGRAM

Subject	**Material**	**Time/ On-The-Job**	**Time/Class**	**Location***
Introduction to System	Operations Manual	1 Hours	3 Hours	Portland, Oregon
Business Operations and Office	Operations Manual	6 Hours	6 Hours	Portland, Oregon
Estimates	Operations Manual	4 Hour	4 Hour	Portland, Oregon
Accounting	Operations Manual	2 Hour	2 Hour	Portland, Oregon
Billing	Operations Manual	2 Hour	2 Hour	Portland, Oregon
Environmental Protection	Operations Manual	2 Hours	4 Hours	Portland, Oregon
Safety	Operations Manual	1 Hour	1 Hour	Portland, Oregon
Supervising	Operations Manual	3 Hour	1 Hour	Portland, Oregon
Risk Management	Operations Manual	1 Hour	1 Hour	Portland, Oregon
Sales and Promotion	Operations Manual	2 Hours	2 Hours	Portland, Oregon
Advertising	Operations Manual	2 Hours	2 Hours	Portland, Oregon

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Subject	Material	Time/ On-The-Job	Time/Class	Location*
Providing Services & Cleaning	Operations Manual	10 Hours	2 Hours	Portland, Oregon
Equipment Maintenance	Operations Manual	3 Hour	1 Hour	Portland, Oregon
Human Resources	Operations Manual	2 Hour	2 Hour	Portland, Oregon
Quality Control	Operations Manual	3 Hour	1 Hour	Portland, Oregon
Conclusion and Testing	Operations Manual	0 Hours	2 Hours	Portland, Oregon

* The Training Schedule may be amended**.** The training program consists of the described training materials, selling aids, and professional consultation. Training will cover environmental protection, employee guidelines, customer relations, general business operations, franchise system management, bookkeeping and financial management, equipment operations, increasing sales at your location and assisting in creating relationships with your customers. The initial training program is included in the Initial Franchise Fee. Accommodations, travel, room, board and wage expenses during this period are borne by you. The training program must be completed by all franchisees unless, at our reasonable discretion, based upon a franchisee's experience, it is deemed unnecessary.

Our lead trainer is ~~Fortino Garibay~~Fortino Garibay Bajaras. Mr. ~~Garibay~~Bajaras has been working in residential and commercial cleaning services, environmentally safe cleaning products, and ecologically friendly processes industry since 1997. Additional background information of Mr. ~~Garibay~~Bajaras is disclosed in Item 2, above. He will use Maids by Trade personnel and department managers to assist him with the training. We use the Operations Manual for instructional material.

You must request to schedule a training session for your or the manager at least 35 days before the session is to start. Training is scheduled and held on an “as needed” basis depending on the number of franchisees requesting training in a particular time frame and the franchisor’s training personnel’s availability. The training session must be completed no later than 2 weeks before the scheduled date of the opening of the franchise.

You or any designated full-time manager must complete the initial mandatory training program to our satisfaction or we may terminate the Franchise Agreement upon refunding the Initial Franchise Fee. You are encouraged to attend the training session as soon as possible after executing the Franchise Agreement and before incurring any costs or expenses related to the opening of the Franchise. We will not be liable for your costs or expenses if we terminate the Franchise Agreement because you or the manager fails to complete the mandatory training to our satisfaction.

You are responsible for all expenses you and your employees incur to attend the initial training, including transportation, meals, accommodations and entertainment.

You, or one of your employees, must complete initial training within 90 days of the date of the franchise agreement.

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If you desire to have more than two individuals receive initial training, these additional individuals will be accommodated at our convenience. We reserve the right to charge a reasonable fee for the provision of the training regardless of when and where the individuals participate in initial training.

We may at any time during initial training inform you that an individual attending training on your behalf is not suitable due to criminal activities, disruptive behavior, poor attendance or other reasons. Upon that notice, our obligations to train that individual will be deemed to have been discharged.

If the franchise is managed by any persons other than you, you must notify us of the identity of the managers. Each manager as hired must successfully complete the mandatory training program within one month after being hired. You will pay for this training at our then current fee.

Although not required by agreement, we may, at our discretion or upon your request, provide other supervision, assistance, and services before the opening of your business; such as literature, advertising materials, displays, flyers, additional training assistance and a selection of inventory and supplies.

B. Our Obligations DURING the Operation of Your Franchise Business

After you open your franchise, we will:

1) At your option and upon not less than thirty-five days' prior written notice to us, you may receive additional training at our training center or at other agreed upon locations. All expenses of this training will be borne by you, including but not limited to your travel, lodging, meals, compensation, and our reasonable costs and expenses including a reasonable training fee at our then current rates. This additional training consists of visits to our franchises, work experience and observation of franchise operations. The duration of training is negotiable depending upon your needs. You will not receive any compensation for services rendered by the trainee during this or any other training. (Franchise Agreement, Section 3.2).
2) From time to time we may provide refresher training programs or seminars and may require that you or your managers attend and complete them to our satisfaction. These programs and seminars will be held at locations we designate and will be provided without charge to you. You will be exclusively responsible for paying all travel, living and other expenses and compensation of attending these programs and seminars. Each year, you or the designated managers of your Franchise will be required to attend, or complete online, up to **40** hours of programs and seminars, depending upon program and seminar availability. In addition, we may deem it appropriate or necessary to provide additional training and supervision to you and your managers and employees at your franchise location. If so, you will fully participate in and complete this additional training and supervision, including additional or revised training programs and processes that may be added to the Operations Manual in the future. We may charge a reasonable Training Fee for these additional training sessions. (Franchise Agreement, Section 3.2)
3) Administer our advertising program and formulate and conduct national and regional promotion programs.

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4) Inspect the Franchise and conduct activities to ensure compliance with the terms of the Franchise Agreement and Operations Manual to assure consistent quality and service throughout our franchise system. (Franchise Agreement, Sections 2.9 and 5).

5) Inspect the facilities of your manufacturers, suppliers, and distributors and notify you and the manufacturers, suppliers, and distributors in writing of any failure to meet our specifications and standards. (Franchise Agreement, Sections 2.9 and 5).

6) The Franchise Agreement allows us, to the extent permitted by relevant law, to establish price ceilings or minimum or maximum allowable prices on the products and services you offer and sell. Except as so specified by us or as otherwise required in the franchise agreement and in the Operations Manual, you may determine the prices at which you sell products and services, as well as the terms and conditions of sale.

   We may advise or offer guidance to you relative to your prices for the goods and services you offer for sale that in our judgment constitute good business practices. This guidance will be based on our experience and the experience of our franchisees and an analysis of the costs of the products and services and the prices charged by our competitors.

7) We may provide other supervision, assistance or services although we are not bound by the Franchise Agreement or any related agreement to do so. These may include among other things: advertising materials, literature, additional assistance in training, promotional materials, bulletins on new products or services, and new sales and marketing techniques or developments.

Advertising

Currently we promote our franchises through print, internet, and direct mail media. Advertising programs may be implemented locally and regionally through advertising cooperatives. We may use in-house advertising departments and may use regional advertising agencies. We may provide to you advertising materials and point of sales aids for you to use in your local advertising and promotional efforts. We will use your Advertising Fee to place advertising in geographic areas, in media, at times and using products and services we deem to be in the best interest of our franchisees and our franchise system.

In your franchise agreement you specifically consent to release for publication and use in all of our advertising programs and materials: your name and photos and video images taken by our authorized employees and agents and any media representatives for news and publicity purposes. This may include television, newspaper, magazine article, social media sites (MySpace, Facebook, Twitter, etc.), and Maids by Trade publications (newsletters, flyers, brochures, internet pages, etc.). You also agree to allow the publication or broadcast of your name in connection with any photos or video images taken and you understand that you will not receive numeration for the use of your name and photos and images. You understand that photos and videos for the media, social media, and the internet may be used in publications and web sites outside of our control.

Advertising Funds

We will administer the capital we receive as Advertising Fees and direct all regional and national advertising programs with sole discretion over the creative ideas, materials, endorsements, placement, and allocation of overhead expenses. We may use the Advertising Fee to maintain, administer, direct, prepare, and review national, regional, or local advertising materials and

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programs as we, in our sole discretion, deem proper. We are under no obligation to administer the Advertising Fee to ensure that expenditures are proportionate to contributions of franchisees for any given market area or that any franchise benefits directly or proportionately from the development or placement of advertising. We shall not be obligated to spend all or any part of the Fees we receive during any specific period.

Each of our company-owned Maids by Trade operations (including those owned by our affiliate) offering products and services similar to our franchisees will make contributions to the Advertising Fund equivalent to the contribution percentage required of our franchisees.

Any Advertising Fees not used in the fiscal year in which they were contributed will be applied and used for advertising expenses in the following year.

We do not use any of the Advertising Fee to advertise our franchise opportunity, although we will place notices that franchises are available on advertising materials and on the internet. While advertising materials note that franchises are available from us, no advertising fees or assessments we collect from our franchisees are used for advertising that is principally a solicitation for the sale of franchises.

Summary of Advertising Fee Contributions and Expenses for Fiscal Year 2018

Expenses:	Advertising	$ 1,200	11.8%
	Brand Propagation	$ 5,629	55.3%
	New Exploratory Research	$ 71	0.6%
	New Market Research	$ 3,282	32.3%
Total expenses:		**$10,182**	**100%**
Fund contributions:		$**16,006**	**100%**
Excess of contributions over expenses:		$ 5,824	36.4%

The Advertising Fees are administered by us. The Advertising Fees are not audited. Neither we nor any of our parents, affiliates, or owners receives any payment for providing goods or services paid for by the Advertising Fees. You may obtain an accounting of the Advertising Fees and expenditures upon written request to us.

Local Advertising Expenditures

In addition to your obligation to pay to the Advertising Fees, each calendar quarter you must spend in your local market a monthly average of at least **5%** of your Gross Revenue to advertise and promote your Franchise (the "Local Advertising Contribution"). You will report the nature, extent, and amount of these local expenditures in the form and at the times we require in the Operations Manual.

Promotional Materials

You will submit to us all advertising copy and other advertising and promotional materials before you use them in your local advertising program. You will not use any advertising copy or other promotional material until we approve it. You specifically acknowledge and agree that any web site will be deemed "advertising" under the Franchise Agreement and will be subject to, among other things, our approval, restrictions, and requirements outlined in the Operations Manual. The term "web site" means an interactive electronic document contained in a network of computers linked by communications software you operate or authorize others to operate that

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refers to the franchised business, proprietary marks, us, or the Method of Operation. The term web site includes, but is not limited to, Internet and World Wide Web home pages and Social Media.

Advertising Cooperatives

We may designate local, regional, or national advertising coverage areas for the development of cooperative local or regional advertising and promotional programs. An "advertising coverage area" is defined as the area covered by a particular advertising medium such as television, radio, or other medium, as recognized in the media industry. We will designate the geographic boundaries of cooperative advertising and promotional programs and the respective advertising coverage areas of these programs.

We will promptly notify you and our other franchisees of the establishment, modification, and geographical boundaries of regional advertising regions. We may require all franchisees located within each advertising region to meet periodically for the purpose of creating and establishing regional advertising programs. Each franchise and each operation we or our affiliate own and operate will be entitled to one vote at these meetings. For the purpose of this subsection, each operation we own will be deemed to be a franchise.

If at any meeting of the franchisees in an advertising region, **65** percent of the franchises ~~(Basic and Metro)~~ vote to contribute to a regional advertising program, all franchisees within that region will be obligated to make a contribution to a regional fund in the amount established by the vote (the "Regional Fund"). No advertising region may require any franchisee in that region to make a contribution to a Regional Fund in excess of **3** percent of that franchisee's Gross Revenue. Your contributions to regional cooperative advertising or promotional programs will be credited toward the minimum monthly local advertising and promotional expenditure required in Franchise Agreement, Section 2. "Advertising coverage area" is defined as the area covered by a particular advertising medium such as television, radio, or other medium, as recognized in the industry. At the time a cooperative local or regional advertising or promotional program is developed, we will provide to you a list of all open Maids by Trade franchises within your advertising coverage area.

We will administer each Regional Fund in the same manner and upon the same terms and conditions as the Advertising Fee outlined in this Item 11. (Franchise Agreement, Section 2.3). There are no other written governing documents that govern any cooperative advertising program. No Regional Fund will be audited. However, we will prepare annual financial statements that you may obtain upon written request to us.

Your contributions must be paid to the cooperative administrator we designate, when and in the same manner as the Royalty Fee and Advertising Fee payments are paid to us. Please refer to Items 6, 8, and 9 for more information about our advertising programs.

Other than the Advertising Fees and the Regional Funds described above, there are no other funds in which you must participate.

Computer Systems

We will require you to have a computer system that you use exclusively for your franchise business with client relations, bookkeeping, communications, accounting, and business control

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capacities. You must lease, purchase, or otherwise acquire, from sources of your choice and at your expense, software and hardware which strictly conform to our specifications. We will give you at least 90 days' written notice, describing the hardware, software, and upgrading requirements of the system before you are obligated to initially install the computer systems. Conforming computer systems, hardware, and software generally cost between $500 and $1,500.

You must use our proprietary software and reporting systems. To ensure consistency throughout the franchise system, you will be required to use our software for all estimating. This software is included in the Initial Franchise Fee. (Franchise Agreement, Sections 5.10)

You must have a lap top computer and cell phone. You must also have a wireless card for your lap top computer to remotely connect to the internet. We require that your computer and communications systems include the following hardware and software:

HARDWARE

- 1 Newer Model Computer of your choice with reasonable storage and up to date standards~~Intel Core i3 or equivalent~~
- Internet Access of your choice
- ~~2GB ram~~
- ~~Win Fax~~
- ~~1 3 m Printer Cable~~
- 1 Multi-function color printer of your choice~~(Print, copy, scan, fax; twain driver; network enabled; wireless; duplex printing- (two sided); e-print; color printing; minimum 20ppm)~~
- ~~A minimum of at least one computer workstation for each shift employee~~
- ~~Network Server~~
- Smartphone and Dedicated Business Line.~~2 i-Pad or laptop computers~~

SOFTWARE

- 1 Quickbooks online~~– Pro 2013~~
- Google Drive~~1 Microsoft Office Professional 2010 or more recent~~
- ~~1 Windows 7 Professional~~
- Client Relations Management
- GPS
- Social Media
- Email

~~**OTHER**~~

~~Wireless Card for lap top computers~~
~~Internet access~~

We may require you to use an information processing and communication system that is fully compatible with any program or system which we, in our sole discretion, may employ. If we require, you must record and transmit all financial information using this system and our designated communication vendors. We may at our discretion change standards for reporting to

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provide effective technology for the entire system. We will have full ability to poll your data, system, and related information by means of direct access whether in person or by telephone/modem. We will have access to all of your data and there will be no contractual limitation on our right to access your information or data for marketing, data analysis, auditing, etc. We will not implement any electronic system that will disrupt or damage your electronic system, and our access will be read-only.

Currently, none of the hardware or software you are required to obtain is proprietary to us. Any hardware and software that is functionally equivalent and fully compatible to that listed may be used, except for your estimating software.

You must pay for upgrades to your hardware and software. We may require you to update or upgrade hardware and software during the term of the agreement. This hardware and software is used for communications, accounting and record keeping. We may have and require independent access to and use of the information and data on your computer systems. There are no contractual limits on such access and use.

E-Problem Disclaimer: Computer systems are vulnerable in varying degrees to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, the Year 2000 and similar date related problems, and attacks by hackers and other unauthorized intruders ("E-Problems"). We have taken reasonable steps so that E-Problems will not materially affect our business. We do not guarantee that information or communication systems that we or others supply will not be vulnerable to E-Problems. It is your responsibility to protect yourself from E-Problems. You should also take reasonable steps to verify that your suppliers, lenders, landlords, customers, and governmental agencies on which you rely have reasonable protection from E-problems. This may include taking reasonable steps to secure your systems including firewalls, password protection, and anti-virus systems, and to provide backup systems.

12.
TERRITORY

Franchise Territory

We will grant you a specific territory within which you will operate your franchised business (the “Franchise Territory” or “Territory”). A typical Basic or Optimal franchise territory consists of approximately **55,000** to **100,000** persons. A typical Metro Franchise territory consists of approximately **200,000** to **300,000** persons. The exact location of the Franchise Territory offered to you will depend upon our market analysis, market penetration plans, and franchise placement strategies. Your approval will also be considered in designating the Franchise Territory. Among the factors we consider to determine the feasibility of possible franchise territory locations are population demographics and other businesses in the area pursuant to census and chamber of commerce information.

The Franchise Territory is identified in Section 1.1 of the Franchise Agreement. Before you sign the Franchise Agreement, the geographical boundaries of your Franchise Territory will be

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described in the Franchise Agreement. The Franchise Territory will be identified using geographical or political boundaries.

So long as the Franchise Agreement is in force and you are not in default in any material provision of the Agreement, we will not establish or allow others to establish a Maids by Trade business within your Franchise Territory. You may not establish or operate any other Maids by Trade establishment without executing a separate franchise agreement for that facility.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. However, as stated above, we will not place or authorize anyone else to operate a Maids by Trade franchise within your Franchise Territory.

You may not promote or conduct your business outside the Franchise Territory without our prior written consent.

Relocation

You must receive our written permission before you relocate your franchise. Any relocation will be at your sole expense. You must satisfy our then current franchise placement and demographics criteria, as expressed in the Operations Manual.

Continuation of Your Franchise

Continuation of your franchise is not dependent upon achievement of a certain sales value, market penetration, or any other contingency. There are no other circumstances that permit us to modify or alter your territorial rights during the term in your Franchise Agreement.

First Right of Purchase and Right of First Refusal

You do not receive the right to acquire additional franchises or grant sub franchises within the Franchise Territory or in contiguous territories. You have not been extended options, rights of first refusal, or similar rights to acquire additional franchises or grant sub franchises within the Franchise Territory or in contiguous territories.

Minimum Sales Quota

There are no minimum sales quotas required by us or in your Franchise Agreement.

Our Use of the Service Marks and *Maids by Trade* Products and Services

We retain all rights not specifically granted to you in the Franchise Agreement. This includes our right to use or license the use of our service marks and trademarks to others. Neither we nor our affiliates are restricted from participating in other distribution methods, whether or not within the Franchise Territory, including Internet, other forms of media now or in the future developed, wholesale and mail order channels under marks and product configurations different than those offered through your franchise.

We retain the sole right to market on the Internet, including all use of web sites, domain names, URL's, linking, meta-tags, advertising, auction sites, e-commerce, social media, and co-branding arrangements. You will provide us content for our Internet marketing, and follow our

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Intranet and Internet usage requirements. We also retain the sole right to use the Service Marks on the Internet, including on web sites, as domain names, directory addresses, meta-tags, and in connection with linking, advertising, co-branding, social media, and other arrangements. We retain the right to approve any linking or other use of our web site. You may not establish a presence on or market using the Internet except as we may specify, and only with our prior written consent. We intend that any franchisee web site be accessed only through our home page. Subject to the terms of use on our web site, we may gather, develop and use in any lawful manner information about any visitor to the web site, including but not limited to your customers, franchisees or prospective franchisees regardless of whether they were referred to you via the web site or were otherwise in contact with you.

We have not established and do not intend to establish other franchises or company-owned outlets selling similar products or services under a different method of operation, trade name or trademark.

We may purchase or be purchased by, or merge or combine with, competing businesses, wherever located.

Your Use of the Service Marks and *Maids by Trade* Products and Services

Except with our prior written permission, you will not place under any circumstances advertisements using the Service Marks in or originating from any area other than the Franchise Territory.

Except as otherwise provided in the Franchise Agreement or the Operations Manual, you may not directly market to, solicit or service customers whose principal home address or place of business is outside the Franchise Territory. You may not advertise in any media whose primary circulation is outside the Franchise Territory, except with our prior written permission and the prior written consent of any of our franchisees whose territory is reached by that media. All Internet marketing is part of our marketing programs described in the Operations Manual and defined in the Franchise Agreement, and must be coordinated through us and approved by us. You may not market independently on the Internet or acquire an independent Internet domain name or web site. You may not solicit or accept orders outside your Franchise Territory under other channels of distribution (such as the Internet, other forms of media now or in the future developed, wholesale and mail order channels) without our prior written approval.

Only we may place national or regional advertising.

13.
TRADEMARKS

Our affiliate has a registration on the Principal Register of the U.S. Patent and Trademark Office for our “Maids by Trade” logo. It assigned that registration to us (USPTO #900378594, September 22, 2016):

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Mark:	Maids by Trade Logo
Registration Number:	4189776
Registration Date:	August 14, 2012

We have registered the name “Maids by Trade” on the Principle Register of the U.S. Patent and Trademark Office.

Mark:	**“**Maids by Trade”
Registration Number:	5,203,683
Registration Date:	May 16, 2017

We have registered the name “Maids by Trade” on the Principle Register of the U.S. Patent and Trademark Office.

Mark:	**“**EcoPink”
Application Number:	88081643
ApplicationDate:	August 16, 2018

We and our affiliate also claim common law rights to the name "**Maids by Trade**” and “**EcoPink[sm]”.**

We will allow you to use these and all other trade names, trademarks, service marks, and logos we now own or may in the future develop for our franchise system. We refer to all these commercial symbols as the "Service Marks."

The Service Marks are our exclusive property. You will immediately notify us of any infringement of, or challenge to, your use of the Service Marks. We will have sole discretion to take or not to take action, as we deem appropriate. We have sole discretion as to whether to defend you against or indemnify you for expenses or damages incurred due to claims of infringement or unfair competition arising out of your use of the Service Marks.

You must follow our rules when you use the Service Marks. You may not use the Service Marks in any manner we have not authorized in writing.

All goodwill associated with the Service Marks, including any goodwill that might be deemed to have arisen through your activities, will accrue directly and exclusively to our and our affiliate’s benefit, except as otherwise provided by applicable law.

You may not use or give others permission to use the Service Marks, or any colorable imitation of them, combined with any other words or phrases.

We may change or modify any part of the Service Marks at our sole discretion. You will accept, use and protect, for the purposes of the franchise, all changes and modifications as if they were

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a part of the Service Marks at the time the franchise agreement is executed. You will bear all costs and expenses that may be reasonably necessary because of these changes or modifications. Under no circumstances will we be liable to you for any damages, costs, losses, or detriments related to of these changes or modifications.

There are no presently effective determinations of the Patent Office, the trademark administrator of any state or any court, any pending interference, opposition or cancellation proceeding and any pending material litigation involving the Service Marks in any state.

There are no agreements that concern our rights to use or license the use of the Service Marks. We know of no infringing uses that could materially affect your use of the Service Marks.

We claim common law rights to the Service Marks and any other marks used by us in interstate commerce in the United States. This claim is based upon our widespread use of the names in interstate commerce.

14.
PATENTS, COPYRIGHT, AND PROPRIETARY INFORMATION

We intend to affix a statutory notice of copyright to our Operations Manual, to most of our advertising products, and to our materials and service products, and to all modifications and additions to them. There are no determinations, agreements, infringements or obligations currently affecting these notices or copyrights. You have no rights to the copyrighted material. You are granted the right and are required to use the copyrighted items only with your operation of the franchise during the term of your franchise agreement.

The Operations Manual is described in Item 11. Although we have not filed applications for copyright registration, all copyrighted materials are our property. Item 11 describes limits on use of the copyrighted materials by you and your employees. You must contact us immediately if you learn of any unauthorized use of our proprietary information. You must also agree to not contest our rights to and interest in our copyrights and other proprietary information.

We have no patents material to your franchise.

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

We recommend that you or one of your owners if you are a corporation or partnership, participate fully in the actual day-to-day operation of the franchise business. However, you are not required to participate in the day-to-day operations of your franchise by the Franchise Agreement or any other contractual obligation with us. You may designate a Manager to assume responsibility for day-to-day operations. We do not impose any restrictions on who may serve as a Manager of your franchise; however you should exercise reasonable care in selecting your employees. Any Managers you employ to help you to operate the franchise must successfully complete the mandatory training program described in Item 11. Your manager is not required to have an equity interest in your franchise. The Manager and all of your owners must agree to be bound by the confidentiality and non-competition provisions of the Franchise Agreement in writing.

Each of your owners must assume and agree to discharge all of your obligations under the franchise agreement.

Our Step-In Rights. As outlined in Section 6.7 of the Franchise Agreement, to prevent any interruption of the franchised business that would cause harm to the franchise and to our franchise system and lessen their value, we may step in to operate the franchise when we deem necessary. Reasons may include our determination that: you are incapable of operating the franchise; you are absent or incapacitated because of illness or death; you have failed to pay when due any taxes or assessments against the franchise or property used in connection with the franchise; you have failed to pay when due any liens or encumbrances of every kind placed upon or against your business property; or we decide that operational problems require us to operate the franchise for a time.

All Revenue derived from our operation of the franchise will be for your account. We may pay from that Revenue all expenses, debts, and liabilities we incur during our operation of the franchise. We will keep in a separate account all Revenue generated by the operation of your business, less the expenses of the business, including reasonable compensation and expenses for us and our representatives.

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16.
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require that you use, offer, and sell only those products and services that we approve in writing. (See Item 9) You must offer all products and services that we designate as required by our franchisees. We reserve the right, without limitation, to modify, delete, and add to the authorized products and services. You must comply within a time we deem reasonable with any requirement we impose to modify the vehicles, residential and commercial cleaning services, environmentally safe cleaning products and handy services, shop layout, furnishings, fixtures, equipment, decorations, and decor. ~~In any calendar year, such modifications will not result in direct out-of-pocket costs to you of more than **$2,000,** with a total maximum cap of not more than **$5,000** over the term of the Franchise Agreement.~~

We require you to offer, promote, and honor all installation and service warranties and guarantees we specify in the Operations Manual.

The Franchise Agreement allows us, to the extent permitted by relevant law, to establish price ceilings or minimum or maximum allowable prices on the products and services you offer and sell. Except as so specified by us or as otherwise required in the franchise agreement and in the Operations Manual, you may determine the prices at which you sell products and services, as well as the terms and conditions of sale.

We may advise or offer guidance to you relative to your prices for the goods and services you offer for sale that in our judgment constitute good business practices. This guidance will be based on our experience and the experience of our franchisees and an analysis of the costs of the products and services and the prices charged by our competitors.

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	**Section in Franchise**	**Summary**

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	Agreement	
a. Term of Franchise	Section 1.1	**7** years
b. Renewal or Extension of Term	Section 6.1	If you are in good standing, you may renew for periods of **5** years under the terms of our then current franchise agreement forms that may have materially different terms and conditions than your original contract.
c. Requirements for Renewal	Section 6.1	"Renewal" means that you, upon the expiration of the original term of the franchise agreement, have the right to enter into a new agreement according to our then-current franchise agreement forms that may have materially different terms and conditions than your original contract. You must give notice at least three and not more than 6 months before expiration of the initial term; faithfully perform under the initial agreement; refurbish the Franchise and replace obsolete equipment; sign general release; and sign a new agreement. There is no renewal fee but you do have to pay our costs related to the renewal and pay for and successfully complete any required additional training.
d. Termination by You	Section 6.2	You may terminate the Franchise Agreement if you comply with the terms of the Franchise Agreement and if we substantially breach any material provision of the Agreement and fail to cure or reasonably to begin to cure that breach within **30** days after receipt of written notice specifying the breach. Termination will be effective **10** days after you deliver to us written notice of termination for our failure to cure within the allowed period.

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e. Termination by Us Without Cause	None	We cannot terminate unless you are in default
f. Termination by Us With Cause	Section 6.3	We can terminate only if you default.
g. "Cause" Defined – Curable	Section 6.3(A)	You have 30 days to cure any default not listed in Section 6.3.
h. "Cause" Defined – Non-curable	Section 6.3(B)	Bankruptcy and insolvency, abandonment, repeated default, misrepresentations, levy of execution, criminal conviction, noncompliance with laws, non-payment of fees, repeated under reporting of sales, disclosure of information.
i. Your Duties and Obligations on Termination or Non-renewal	Section 6.5 & 6.8	De-identification, return of manuals, release of phone numbers and listings, de-identification of your franchise equipment and premises, payment of sums owed, confidentiality, and non-competition.
j. Assignment of Contract By Us	Section 7.1	There are no restrictions on our right to transfer.
k. "Transfer" by You – Definition	Section 7.1	Restrictions apply if you sell, transfer, assign, encumber, give, lease, or sublease (collectively called "transfer") the whole or any part of: the franchise agreement, substantial assets of the franchise, or ownership or control of you.
l. Our Approval of Your Transfer	Section 7.1	We have the right to approve all transfers.
m. Conditions for Our Approval of Transfer	Section 7.1	The transferee must qualify as a franchisee, he must assume your obligations, you may not be in default, the transferee must successfully complete the mandatory training, the current assignment fee which is not more than $2,000 plus 10%

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		percent of the proposed purchase price if we find the transferee for you. The transferee must sign a new franchise agreement on our then current terms, and you must release us.
n. Our Right of First Refusal to Acquire Your Business	Section 7.3	If you receive an offer, we will have the right to purchase on the same terms and conditions as offered to you, **30**-day notice and right to decide.
o. Our Option to Purchase Your Business	Section 7.3	You will give us the right of first purchase before soliciting offers from a third party if you choose to sell your franchise business. You agree to notify us in writing if you desire to sell or transfer any interest in you or in your franchised business. We will elect to exercise our option to purchase within **30** business days after our receipt of your written notification. If we offer you an amount that you do not agree to, you may try to sell to a third party. You are obligated before any transfer to a third party to comply with all criteria outlined in the paragraphs related to First Right of Refusal.
p. Your Death or Disability	Section 7.2	Within **180** days, your heirs, beneficiaries, devisees or legal representatives may apply to continue to operate the franchise, or transfer Franchise interest.
q. Non-Competition Covenants During the Term of the Franchise	Sections 5.8 & 5.9	You may not disclose confidential information or compete.
r. Non-Competition Covenants After the Franchise is Terminated or Expires	Sections 5.9 & 6.8	No competition is allowed for **720** days within the Territory, within a 100-mile radius of the Territory, within a 100-mile radius of any location where we operate or have granted the franchise to operate a Maids by Trade business, and within the United States of America.

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s. Modification of the Agreement	Sections 5.5 and 9.7	We may modify the Operating Manual. Modifications to the language of the Franchise Agreement require the signed written agreement of the parties.
t. Integration/Merger Clause	Sections 5.1, 5.5, & 9.7	Subject to relevant state laws, only the terms of the Franchise Agreement and Operations Manual are binding. Any other promises may not be enforceable.
u. Dispute Resolution by Arbitration or Mediation	Section 9.8	Except for certain claims, all disputes must be mediated in accordance with the provisions the Franchise Agreement.
v. Choice of Forum	Section 9.8	Mediation and litigation must be in Portland, Oregon, except as stated in State Addenda to this disclosure document.
w. Choice of Law	Section 9.8	Oregon law applies except as otherwise provided in the Franchise Agreement and except in those states whose franchise laws require exclusive application subject to relevant state laws and except to the extent governed by the United States Trademark Act.

See State Law Addendum for additional, state-specific disclosures.

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18.
PUBLIC FIGURES

No public figures are involved in our franchise program.

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 this Item 19 may only be given 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.

Financial Performance Representation

The following reflect the historical financial performance of the franchise owned by our affiliate Maids By Trade, LLC in the Portland Oregon metropolitan market. That franchise is divided into 12 operating units that are each similar in size (100,000 to 200,000 population) and operation to a large Basic/Optimal or small Metro franchise. These provide the annual (January through December) gross revenues by operating unit in 2016 and 2017 and (August 2017 through July) 2018.

	2016:	**2017**:	**2018**
NW/N Portland -	$259,830.75	$298,452.43	$284,719.61
SE Portland -	$413,164.60	$545,355.69	$562,581.55
SW Portland -	$261,165.58	$274,504.91	$281,295.37
NE Portland -	$295,869.24	$311,124.04	$320,861.01
SW not Portland -	$42,625.78	$65,277.68	$62,792.92
Hillsboro -	$3,130.41	$8,111.06	$11,168.65
Beaverton -	$52,149.00	$72,170.42	$78,703.00
Gresham -	$16,461.03	$20,925.91	$29,397.92
Clackamas -	$66,738.38	$78,622.64	$87,022.15
Vancouver -	$16,364.34	$19,885.52	$19,341.81
Camas -	$5,009.00	$4,231	$567.00
Brush Prairie -	$1,368.00	$1,082	$1,134.00
TOTAL -	**$1,433,876.11**	**$1,699,743.30**	**$1,739,584.99**

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Material Assumptions

This reflects the financial performance of our affiliate's retail operation in the Portland-Vancouver-Hillsboro, Oregon-Washington metropolitan area (population approximately 2,225,000 people, 865,000 households, and 550,000 families). This area has been divided into four separate operations as reflected in Item 20, below. A "client" is a person or organization using Maid by Trade services regardless of frequency of use; either one time or recurring appointments.

Financial Performance Representation

The following reflect the historical financial performance of our affiliate and its predecessor in the Portland Oregon metropolitan market and of our franchisees in the Tucson and Scottsdale Arizona markets. These provide the average charge for one-time, monthly, bi-weekly, and weekly service to customers and the percentage of customers in each category from ~~October 1, 2016 to September 30, 2017~~August 2017 to July 2018.

Portland, Oregon Average Monthly Value by Category:

One-time Client Average = $360
Monthly Client Average = $225
Biweekly Client Average = $360
Weekly Client Average = $720

Portland, Oregon Monthly Average Percentage of Clients by Category:

One-time Client Average = 17.~~8~~76%
Monthly Client Average = 24.056~~.9~~%
Biweekly Client Average = 52.99~~48.12~~%
Weekly Client Average = 5.207~~.12~~%

Tucson, Arizona Average Monthly Value by Category:

One-time Client Average = $280
Monthly Client Average = $175
Biweekly Client Average = $280
Weekly Client Average = $490

Tucson, Arizona Monthly Average Percentage of Clients by Category:

One-time Client Average = 4~~9~~1%
Monthly Client Average = 15~~2~~%
Biweekly Client Average = 30~~28~~%
Weekly Client Average = 6~~9~~%

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Scottsdale, Arizona Average Monthly Value by Category:

One-time Client Average = $280
Monthly Client Average = $175
Biweekly Client Average = $280
Weekly Client Average = $490

Scottsdale, Arizona Monthly Average Percentage of Clients by Category:

One-time Client Average = 85%
Monthly Client Average = 0%
Biweekly Client Average = 15%
Weekly Client Average = 0%

Material Assumptions

This reflects the financial performance of our affiliate's retail operation in the Portland-Vancouver-Hillsboro, Oregon-Washington metropolitan area (population approximately 2,225,000 people, 865,000 households, and 550,000 families) and our franchisee's retail operation in the Tucson, Arizona metropolitan area (population approximately 980,263 people, 388,660 households, and 243,167 families). These operations are reflected in Item 20, below.

You will incur costs and expenses not identified in this information. The revenue of our affiliate's locations may differ from franchisee owned locations. Your individual financial results are likely to differ from the results stated in this item since you will have less experience in sales and operations in our system. In addition there are many other reasons why your operating results may differ including: your geographical location may be where our names and concepts are not currently known, you may encounter significant competition in your market area, your current market conditions may be different than those encountered in the Portland metropolitan area.

THE CHARACTERISTICS OF THIS INFORMATION MAY DIFFER SUBSTANTIALLY FROM YOUR FRANCHISE DEPENDING ON YOUR PREVIOUS BUSINESS AND MANAGEMENT EXPERIENCE, COMPETITION IN YOUR AREA, LENGTH OF TIME THAT OUR AFFILIATE HAS OPERATED AS COMPARED TO YOUR FRANCHISE, AND THE SERVICES OR GOODS SOLD IN YOUR FRANCHISE AS COMPARED TO THE INCLUDED INFORMATION. THE SALES, PROFITS AND EARNINGS OF AN INDIVIDUAL FRANCHISEE MAY VARY GREATLY DEPENDING ON THESE AND A WIDE VARIETY OF OTHER FACTORS, INCLUDING THE LOCATION OF THE FRANCHISE TERRITORY, POPULATION DEMOGRAPHICS, ECONOMIC AND MARKET CONDITIONS, LABOR AND PRODUCT COSTS, ETC.

YOUR INDIVIDUAL FINANCIAL RESULTS MAY DIFFER SUBSTANTIALLY FROM THE RESULTS DISCLOSED IN THIS ITEM 19. THESE RESULTS SHOULD NOT BE CONSIDERED AS THE ACTUAL OR POTENTIAL SALES, PROFITS OR EARNINGS THAT WILL BE REALIZED BY ANY FRANCHISE. WE DO NOT REPRESENT THAT ANY FRANCHISEE CAN EXPECT TO ATTAIN THESE SALES, PROFITS OR EARNINGS.

Written substantiation for this financial performance representation is available to you upon reasonable written request.

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We recommend that you make your own independent investigation to determine whether or not the franchise may be profitable, and consult with an attorney and other advisors prior to executing the Franchise Agreement.

Statement required by California Law:

> *"These earnings claims figures do not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your (franchised business). Franchisees or former franchisees, listed in the offering circular, may be one source of this information."*

20.
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
SYSTEM WIDE OUTLET SUMMARY
As of July 31 for Years 2016, 2017, and 2018

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2016	0	1	+1
	2017	1	1	0
	2018	1	2	+1
Company or Affiliate Owned	2016	1	1	0
	2017	1	1	0
	2018	1	1	0
Total Outlets	**2016**	**1**	**2**	**+1**
	2017	**2**	**2**	**0**
	2018	**2**	**3**	**+1**

* "Company-owned" outlets are owned and operated by our affiliate Maids by Trade LLC. Effective October 1, 2016, it entered into a franchise agreement with us for a single franchise that encompasses the Oregon portion of the Portland, Oregon metropolitan area.

Table No. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (other than the Franchisor)
As of July 31 for Years 2016, 2017, and 2018

Column 1 State	Column 2 Year	Column 3 Number of Transfers

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Column 1 State	Column 2 Year	Column 3 Number of Transfers
Arizona	2016	0
	2017	0
	2018	0
Oregon	2016	0
	2017	0
	2018	0
Washington	2016	0
	2017	0
	2018	0
Canada	2016	0
	2017	0
	2018	0
Total	**2016**	**0**
	2017	0
	2018	0

Table No. 3
STATUS OF FRANCHISED OUTLETS
As of July 31 for Years 2016, 2017, and 2018

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
Arizona	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	1	0	0	0	0	2
California	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
Oregon	2016	0	0*	0	0	0	0	0*
	2017	0*	0	0	0	0	0	0*
	2018	0*	0	0	0	0	0	0*
Washington	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
Total	**2016**	**0***	**1**	**0**	**0**	**0**	**0**	**1**
	2017	**1**	**0**	**0**	**0**	**0**	**0**	**1***
	2018	**1**	**1**	**0**	**0**	**0**	**0**	**2***

* The Portland Oregon franchise is owned by our affiliate Maids by Trade LLC as disclosed in Table 4.

Table No. 4
STATUS OF COMPANY-OWNED OUTLETS
As of July 31 for Years 2016, 2017, and 2018

Column 1	Column 2	Column 3 Outlets at	Column 4 Outlets	Column 5 Outlets Reacquired	Column 6 Outlets	Column 7 Outlets Sold to	Column 8 Outlets at

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State	Year	the Start of the Year	Opened	from Franchisees	Closed	Franchisees	End of Year
Oregon	2016	1*	0	0	0	0	1
	2017	1*	0	0	0	0	1
	2018	1*	0	0	0	0	1
Washington	2016	0*	0	0	0	0	1
	2017	0*	0	0	0	0	1
	2018	0*	0	0	0	0	1
Total	**2016**	**1***	**0**	**0**	**0**	**0**	**1**
	2017	**1***	**0**	**0**	**0**	**0**	**1**
	2018	**1***	**0**	**0**	**0**	**0**	**1**

* These "company-owned" outlets are owned and operated by our affiliate company, Maids by Trade LLC. Effective October 1, 2016 the Portland Oregon operations were turned into a single franchise owned by our affiliate. It does not actively pursue business in Vancouver, Washington at this time by may do so in the future.

Table No. 5
Projected Openings as of January 1, 2019

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Current Fiscal Year
Arizona	0	0	0
California	0	0	0
Colorado	0	0	0
Idaho	0	1	0
Montana	0	0	0
Nevada	0	0	0
New Mexico	0	0	0
Oregon	0	2	0
Texas	0	0	0
Utah	0	0	0
Washington	0	1	0
Wyoming	0	0	0
Canada	0	0	0
Mexico	0	0	0
TOTALS	**0**	**4**	**0**

* NOTE: These are projections of the number of new franchises we expect will open in the next fiscal year. It is, however, only a projection. The chart shows those states which we consider priority states; however, we do not plan to sell franchises in all of those states in the upcoming year. We continue to look for new franchisees throughout the United States and will open locations in any state in which we find qualified purchasers. Therefore, the actual number of new franchisees in any state that open in the next fiscal year could vary from the number described above.

The following is a complete listing of all of our current franchisees and the addresses and telephone numbers of all of their operations as of **January 1, 2019**:

Territory	State	Name	Business Address	Phone
Scottsdale	Arizona	Mirjana Kesic	2406 S. 24th, Suite E105-A, Phoenix, AZ 85034	(480) 527-0071
Tucson	Arizona	Celia Rivera	2650 N. Oracle Rd Suite 211 Tucson, AZ 85705	(520) 233-7934
Portland	Oregon	Maids by Trade LLC*	4439 SE Johnson Creek Blvd, Portland OR 97222 PO Box 16523, Portland OR 97292	(503) 252-1495

* Our affiliate Maids by Trade LLC.

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The following is a list of the name, city and state, and the current 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 **10** weeks of the date of this Disclosure Document. **None**

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

During the last three fiscal years, in some instances, current and former franchisees may have signed provisions restricting their ability to speak openly about their experience with our franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. In addition,, we sign agreements with current and former franchisees that include confidentiality clauses that protect our intellectual property and our proprietary information. The confidentiality clauses in these agreements may also relate to specific negotiated franchise agreement terms and conditions.

The following is a list, to the extent known by us, of the names, addresses, telephone numbers, email address and Web address of each trademark-specific franchisee organization associated with the franchise system being offered which we have created, sponsored or endorsed: **None**

The following is a list of any independent franchisee organizations that have asked to be included in this disclosure document: **None**.

21.
FINANCIAL STATEMENTS

Attached to this Disclosure Document are our audited financial statements as of July 31, 2018 and 2017. Our fiscal year-end is July 31.

We were organized on May 20, 2016 and therefore do not have three-years of financial statements as otherwise required. We are using the phase-in option for audited financial statements available under the FTC rule and state specific rules.

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22.
CONTRACTS

Attached are copies of the Franchise Agreement, the State Law Addendum, and all other related agreements you may have to sign when you purchase your franchise. The standard form release agreement that you will be required to sign in certain instances, such as for a transfer or renewal, is found in section 9.9 of the Franchise Agreement.

23.
RECEIPTS

Attached to this Disclosure Document are two Receipt pages. They are duplicates that evidence your receipt of this Disclosure Document – the first is to be retained by you, the other by us (Exhibit I).

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EXHIBIT A

TO

PURPLE FORTE LLC

DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

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PURPLE FORTE LLC
Audited Financial Statements

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Purple Forte LLC

Financial Statements

July 31, 2018 and 2017

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WINKEL CPA

ACCOUNTING AND ADVISORY SERVICES

Independent Auditor's Report

To the Board of Directors
Purple Forte, LLC
Portland, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of Purple Forte, LLC, which comprise the balance sheets as of July 31, 2018 and 2017, and the related statements of income and changes in members' equity and cash flows for the year ended July 31, 2018 and the period from May 1, 2016 through July 31, 2017, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Richard Winkel, CPA
PO Box 91637
Portland, OR 97291

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fax: (888) 739-8185
email: rwinkel@winkelcpa.com

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In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Purple Forte, LLC as of July 31, 2018 and 2017 and the results of their operations and their cash flows for the year ended July 31, 2018 and the period from May 1, 2016 through July 31, 2017 in accordance with accounting principles generally accepted in the United States of America.

Richard Winkel, CPA

Richard Winkel, CPA
December 4, 2018

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Purple Forte, LLC

Balance Sheets

July 31, 2018 and 2017

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash	$ 8,037	$ 26,825
Accounts receivable, related party	10,230	15,476
Total current assets	18,267	42,301
Intangible asset	10,000	10,000
TOTAL ASSETS	$ 28,267	$ 52,301
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 250	$ 1,304
Accrued payroll	2,517	-
Deferred franchise revenue	2,995	-
Franchisee prepayments	805	-
TOTAL LIABILITIES	6,567	1,304
MEMBERS' EQUITY	21,700	50,997
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 28,267	$ 52,301

The accompanying notes are an integral part of these financial statements.

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Purple Forte, LLC

Statements of Income and Changes in Members' Equity

For the Year Ended July 31, 2018 and
The Period From May 1, 2016 Through July 31, 2017

	2018	2017
REVENUE		
Royalty income	$ 90,925	$ 67,768
Other income	-	1,149
TOTAL REVENUE	90,925	68,917
OPERATING EXPENSES		
Salaries and payroll taxes	25,795	-
Advertising and promotion	11,046	11,363
Professional services	13,026	10,187
Supplies	4,191	6,311
Travel	1,358	2,953
General and administrative expenditures	4,946	2,111
TOTAL OPERATING EXPENSES	60,362	32,925
NET INCOME	30,563	35,992
Members' equity, beginning of year	50,997	-
Capital contributions	-	20,005
Member distributions	(59,860)	(5,000)
Members' equity, end of year	$ 21,700	$ 50,997

The accompanying notes are an integral part of these financial statements.

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Purple Forte, LLC

Statements of Cash Flows

For the Year Ended July 31, 2018 and
For the Period From May 1, 2016 Through July 31, 2017

	2018	2017
Cash Flows Provided by Operating Activities		
Net income	$ 30,563	$ 35,992
Adjustments to reconcile net income to net cash provided by operating activities:		
Change in operating assets and liabilities		
Accounts receivable	5,246	(15,476)
Accounts payable	(1,054)	1,304
Accrued payroll	2,517	-
Deferred franchise revenue	2,995	-
Franchisee prepayments	805	-
Net cash provided by operating activities	41,072	21,820
Cash flows from investing activities:		
Purchase of intangible asset	-	(10,000)
Net cash used in investing activities	-	(10,000)
Cash flows from financing activities:		
Member contributions	-	20,005
Member draws	(59,860)	(5,000)
Net cash (used in) provided by financing activities	(59,860)	15,005
Net change in cash and cash equivalents	(18,788)	26,825
Cash and cash equivalents, beginning of year	26,825	-
Cash and cash equivalents, end of year	$ 8,037	$ 26,825

The accompanying notes are an integral part of these financial statements.

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Purple Forte, LLC

NOTES TO FINANCIAL STATEMENTS

July 31, 2018 and 2017

NOTE A – ORGANIZATION

Purple Forte, LLC (the "Company") was organized in the state of Oregon to sell and support franchisees of Maids By Trade. The franchisees operate house cleaning franchises under the terms of a franchise agreement.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies applied in the preparation of the accompanying financial statements follows.

Cash and Cash Equivalents

The Company considers all highly liquid investments available for current use with maturities of three months or less at the time of purchase to be cash equivalents.

Revenue Recognition

Individual franchise sales and services are performed from one office in Portland, Oregon. The Company enters into service franchise agreements, which grant the franchisee the right to use the "Maids By Trade" name, service marks, marketing and business techniques and systems in the franchisee's operations. During the year ended July 31, 2018 the Company sold one franchise that was not in operations as of July 31, 2018 and recognized franchise fees from two franchises of $90,925. During the period ended July 31, 2017, the Company sold two individual franchises and recognized revenues from one franchise from franchise fees of $67,768.

The Company provides the franchisee with billing and advertising support and charges the franchisees a percentage of billings for these services. In accordance with FASB ASC 952-605-25 *Franchisors – Revenue Recognition*, the Company recognizes revenue from the sale of franchises after initial obligations are completed.

Accounts Receivable

Accounts receivable represent amounts due from franchisees are recorded at the calculated amount based on weekly billings and do not bear interest.

The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. The Company regularly evaluates the collectability by monitoring past due balances. If it is determined that a franchisee may be unable to meet its financial obligations, a specific reserve is established based on the amount the Company expects to recover. An additional amount is recorded based on aging of accounts receivable and the Company's historical collection experience and existing economic conditions. Receivables are written off against the allowance for doubtful accounts when management has determined that the receivable will not be collected. Management has determined that no allowance is necessary at July 31, 2018 or 2017.

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NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising Expenses

Advertising and promotion costs are expensed when incurred. Total advertising expenses were $11,046 and $11,363 for the years ended July 31, 2018 and 2017, respectively.

Fair Value Instruments

The carrying value of the Company's receivables and accounts payable approximate market value as of July 31, 2018 and 2017 due to the short-term nature of the instruments.

Income Taxes

The Company, with the consent of its members, has elected to be taxed as a partnership under the Internal Revenue Code. Generally, a Partnership does not pay income taxes on its taxable income. Instead, the owners of a Partnership are taxed individually on their proportionate share of the Company's taxable income. Therefore, no current provision for federal and state income tax has been included in these financial statements.

The Company follows accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. These standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions. It requires an entity to recognize the financial statement impact of tax position when it is more likely than not that the position would not be sustained if examined by a taxing authority. Management has determined that the Company has no uncertain tax positions as of July 31, 2018 and 2017. The Company's federal and state income tax returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitations on those tax returns. In general, the federal and state income tax returns have a three-year statute of limitations.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE C – INTANGIBLE ASSET

In September 2016 the Company purchased the trademark to Maids By Trade for $10,000.

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Purple Forte, LLC

NOTES TO FINANCIAL STATEMENTS

July 31, 2018 and 2017

NOTE D – RELATED PARTY TRANSACTIONS

The Company's owner also owns a franchise in Portland, Oregon. During the year ended July 31, 2018, the Company earned $85,230 from the owner's franchise. During the period ended July 31, 2017, the Company earned $67,768 in royalties from the owner's franchise. At July 31, 2018 and 2017, the Company had accounts receivable of $10,230 and $15,436, respectively, from the owner's franchise.

NOTE E – SUBSEQUENT EVENT

The Company did not have any subsequent events through December 4, 2018 which is the date the financial statements were available to be issued, for events requiring recording or disclosure in the financial statements for the year ended July 31, 2018

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Franchise Disclosure Document Exhibit B

PURPLE FORTE LLC

FRANCHISE AGREEMENT

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F R A N C H I S E A G R E E M E N T

THIS AGREEMENT has been entered this ___ day of _____, 201__. It is by and between **PURPLE FORTE LLC**, An Oregon limited liability company, ("we, us") and _____and_____and _____ (jointly and severally "you").

For purposes of this Agreement "you" may include an individual, corporation, partnership, limited liability company or other legal entity. "You" includes any corporation, partnership, limited liability company, individual, combination of individuals, or other legal entity that owns a majority interest of you, or in which you own a majority interest. The term "you" will include all persons who succeed to your interest by transfer or by operation of law.

We have certain rights to, have registered in various jurisdictions, and intend to continue to develop names, trademarks, service marks, logos, commercial symbols, and styles. These include, but are not limited to "**Maids by Trade**," "**Maids by Trade - Enjoy Your Home**, and "~~**Tru-Green Clean Certified System**~~**EcoPink**" (the "Service Marks"). We own valuable goodwill and have valuable expertise, confidential information, methods, procedures, techniques, uniform standards, operations manuals, inventory control guidelines, systems, layouts, merchandise, and materials. These are connected with the operation, promotion, and advertising of businesses that offer quality residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly services to the public under the Service Marks (the "Method of Operation").

You desire us to train you and to authorize you to operate a high-caliber Maids by Trade franchise to offer and sell high-quality quality residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly processes and related products to the public and to use our Method of Operation and Service Marks. We are willing to grant you such a franchise on the terms and conditions set forth in this Agreement.

You acknowledge that this Agreement was accompanied by a Franchise Disclosure Document, which you received at the earlier of (1) the first personal meeting with us (in Maryland, New York and Rhode Island); or (2) 14 calendar days before signing any franchise or related agreement or making any payment with the franchisor or an affiliate in connection with the franchise sale

In addition, you acknowledge either:

- receipt of this Agreement containing all substantive terms at the time of delivery of the Franchise Disclosure Document; or

- if we unilaterally or materially altered the terms and conditions of our standard franchise agreement or any related agreements attached to the Franchise Disclosure Document, you acknowledge that you received a complete and final copy of this Agreement and its exhibits not less than **7** calendar days before you signed this Agreement.

You have read this Agreement and our Franchise Disclosure Document. You understand and accept the terms, conditions and covenants contained in this Agreement. They are necessary

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to maintain our high standards of quality, service and uniformity at all franchises. They protect and preserve the goodwill of the Service Marks and the confidentiality and value of the Method of Operation.

You acknowledge that the terms of our franchise offerings may have in the past or may in the future materially differ from the terms of this Agreement.

You realize that entering into this Agreement will obligate you to operate your franchise in strict accordance and conformity with the standards, specifications and procedures as set forth in the Operations Manual that we will loan to you. You furthermore realize that there is a risk in owning any business venture including this one and that running a business can be very hard work. If you operate your Maids by Trade Franchise below the standards we require, customers who patronize that Maids by Trade franchise location will be less likely to patronize other Maids by Trade locations. This would damage the business of others. It will be difficult for us to obtain new franchisees if a prospective purchaser observes that you do not maintain the required standards.

We expressly disclaim the making of and you acknowledge that you have not received or relied upon, any warranty or guaranty, express or implied, as to the revenues, profits or success of the business venture contemplated by this Franchise Agreement, except those representations specifically disclosed in our Franchise Disclosure Document. You acknowledge that you have read this Agreement and our Franchise Disclosure Document and that you have no knowledge of any representations by us, or our officers, directors, shareholders, employees or agents that are contrary to the statements made in our Franchise Disclosure Document or to the terms of this Agreement. We do not furnish nor do we authorize our salespersons to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of any Maids by Trade operation that is inconsistent with disclosures in our Franchise Disclosure Document. Actual results vary from unit to unit and we cannot estimate the results of any particular franchise.

THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, the parties agree as follows:

1 GRANT OF FRANCHISE AND FRANCHISE TERRITORY

1.1 **Grant of Franchise and Franchise Territory**. We grant to you, and you accept from us, the franchise, license, and privilege to use the Service Marks, the Method of Operation, and merchandise bearing the Service Marks, for **7** years from the date of this Agreement (the “Franchise”). This grant solely is for the operation by you of one Maids by Trade residential and commercial residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly processes franchise at the location and in the geographical territory identified in the attached Exhibit 1 ("the Franchise Territory").

We offer three~~wo~~ types of franchises, of which you are purchasing the following [mark applicable blank]:

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_____ **Basic Franchise - $2,995 Initial Fee ($1,499 for Conversion)**

INCLUDES:

- Defined territory
- Startup package with all forms and contracts
- Our custom advertising campaign will deliver the first 30 clients (a "client" is a person or organization using the services you provide regardless of frequency of use; either one time or recurring appointments)
- Scheduling assistance
- ~~Payment processing & billing~~
- Custom made web page
- Continuous marketing
- Onsite start-up training (optional)

_____ **Optimal Franchise - $2,995 Initial Fee ($1,499 for Conversion)**

INCLUDES:

- Defined territory
- Startup package with all forms and contracts
- Our custom advertising campaign will deliver the first 30 clients
- Scheduling assistance
- ~~Payment processing & billing~~
- Custom made web page
- Continuous marketing
- Onsite start-up training (optional)

We will invest from $16,000 to $21,000 for your franchise during the first six months of your franchise operation in marketing, internet search engine optimization, and printed advertising materials. In return for this investment you will pay a Royalty Fee of 12% during the initial 7-year term of this Agreement.

_____ **Metro Franchise - $9,995 Initial Fee ($4,999 for Conversion)**

INCLUDES:

- Defined territory
- Employment forms and client contracts
- Our custom advertising campaign will deliver the first 50 clients
- Scheduling assistance
- ~~Payment processing & billing~~
- Custom made web page
- Continuous marketing
- Onsite start-up training

If either the Franchise Territory or the location for your franchised operations has not been determined when this Agreement is executed, you are responsible for selecting the site for your franchise within the area designated in Exhibit 1. The Franchise Territory and your franchise site

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must be in the United States of America, legally available pursuant to state and federal franchise and business opportunity disclosure and registration laws and pursuant to our contractual commitments (including those with our other franchisees) and in compliance with our franchise placement, market development and demographic criteria.

We will analyze your market area, to help you determine site feasibility and to help you in selection of the franchise location. In analyzing a proposed site, we examine its general location, distance from warehouse, traffic patterns, parking, size, physical characteristics, proximity to competing businesses, lease terms, sign visibility, neighborhood economic profile, population density and accessibility. The exact determination of the location for the franchise premises will depend upon our approval and your and our market analysis, market penetration plans and franchise placement strategies and existing franchise commitments. You must obtain our prior written approval for the site of the franchise premises and your lease related to it. Our response to your request for approval of a site will be given within **30** days after we receive your written request.

If you and we cannot agree on a site for your franchise premises, we may terminate the Franchise Agreement by refunding to you the Initial Franchise Fee and any amounts paid for purchases of products and supplies from us or our manufacturing affiliate (you must return the products and supplies to us or our affiliate).

During the term of this Agreement, and provided that you are not in default under this Agreement, we agree not to establish, or license anyone else to establish, any business using the Service Marks or the Method of Operation within the Franchise Territory, without your prior written consent. However, we may purchase or be purchased by, or merge or combine with, competing businesses, wherever located. Any locations that we acquire within the Franchise Territory as part of, and contemporaneous with, the acquisition of a chain of at least 3 or more shops regardless of their location (whether within or outside of your territorial boundaries) if, at the time of the acquisition, all shops in the chain do business under the same trade name or marks. Following the acquisition, we may convert any of the locations that lie within the Franchise Territory to the Method of Operation and operate it for ourselves, permit one of our affiliates to operate it, or allow the then-current owner to operate it under a franchise license from us.

Some Maids by Trade franchises may be placed at a location where another, separate business is operated under another business name, such as a construction contractor business or material supply store. If the Franchise Premises is at that type of location, it will be deemed “co-branded” for the purposes of this Agreement. [Exhibit ___ to this Agreement is the “Co-Branding Addendum” for operation of the Franchise Premises.] If the Franchise Premises is located in a co-branded location, the exact basis and calculation of gross revenue will follow the requirements and procedures we outline in the Operations Manual. If the Franchise Premises is in a co-branded location, you will obtain and keep, or make arrangements for us to have access to, a complete and accurate set of books and records of the operation of all businesses operated at and all business done through the co-branded location, although Revenue will be limited to Maids by Trade related receipts. If the Franchise Premises is located in a co-branded location, we may enter upon the Franchise Premises at reasonable times to interview co-branded partners and to inspect and copy any books, records and documents related to the co-

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branded location in order to verify your compliance with the terms of the Franchise Agreement. The Operations Manual contains additional information about co-branded locations.

You may not establish or operate any other Maids by Trade establishment without executing a separate Franchise Agreement for that facility.]

1.2 **Franchise Premises**. You will operate the Franchise at and from a specific location within the Franchise Territory. All land, buildings, and improvements at the location, including parking, are called the "Franchise Premises." You will use the Franchise Premises for:

A. The storage of residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly equipment, inventory, materials and products used in association with your Franchise.

B. Where crews might meet at the beginning of the day before they go to their jobsites.

C. Maintenance of telephone, fax, email or postal address for the Franchise.

D. Advertisement of the address, telephone, fax, email or any other contact information for your location.

E. Showroom and customer meetings

F. Generation of revenues for the Franchise.

If not determined when this Agreement is executed, you are responsible for selecting the site for the Franchise Premises within the area designated in Exhibit 1 and in accordance with this Agreement.

Relocation of the Franchise Premises will require our prior written approval.

1.3 **Assistance in Site Location**. You are responsible to find the location of the Franchise Premises within the Franchise Territory. If you request assistance in selecting a site for the Franchise Premises, we will provide reasonable assistance in finding a location acceptable to you; however, the final choice of location is up to you and solely your decision. We do not guarantee success for any franchise territory or franchise premises locations you select. We will not be liable for any consequences of your choice of any franchise site. Any site recommendation or approval we make is not a representation that any particular site is available or legally appropriate for use as a franchise site. It is your responsibility to investigate all applicable zoning, licensing, leasing and other requirements for any proposed site. You must ensure that the site you select complies with these requirements.

You acknowledge and agree that any location we select or approve, and any lease we approve will be approved solely on the basis and with the understanding that it meets our minimum

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acceptable criteria. The criteria are not a representation or guarantee that the location will be successful or that the terms of the lease are reasonable. You acknowledge that you are responsible for reviewing and determining the appropriateness and desirability of the lease and of the location. We will have no liability with respect to the selection or approval of a location or any lease for the Premises, nor liability with respect to any site recommendations we make.

You will pay all out-of-pocket expenses for travel, meals, and lodging we incur to help you locate sites and to negotiate a lease for you. You will bear all other site selection and negotiation expenses.

Before you enter a lease or purchase agreement for the Franchise Premises, you will submit the lease or purchase documents to us for approval. Lease documents must include the Franchise Premises Lease Agreement Rider attached in Exhibit 2 or otherwise include an assignment of the lease in a form we approve, pursuant to which we may assume the lease as provided in Section 4, below.

1.4 **Franchise Premises Development**. You will be responsible to construct, remodel, furnish, decorate and equip the Franchise Premises.

A. We will furnish to you standard construction plans and a schedule of residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly equipment and materials packages for the Franchise Premises. Final construction and site plans must be prepared by an architect we approve. All costs for site-specific plans will be your responsibility. Site plans, and any modifications to them, must be approved in writing by us prior to construction. All approvals will be solely within our discretion to maintain a uniform image and decor, consistent with Maids by Trade franchise system concepts.

B. Any construction and remodeling must be done in a sound and workmanlike manner in compliance with applicable codes and regulations. You will cause all construction and development work to conform to the applicable lease requirements and applicable law, including all government and utility permit requirements (such as, for example, zoning, sanitation, building, utility and sign permits). You will complete development of the Franchise Premises diligently, expeditiously and in a first-class manner at your sole expense. We will have access to the Franchise Premises to inspect the work and performance by your construction personnel. You will obtain all customary contractors' lien waivers for the work performed.

C. You will comply with the standards and specifications we establish for vehicles, residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly services, architectural design, shop layout, equipment, furnishings and fixtures, among other things. These may include signs, lighting, flooring, mechanical systems,

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electrical systems, plumbing, carpentry, wall coverings, ceiling treatments, exhaust/ventilation systems, service and preparation and storage areas, general trade dress components and any other improvements that we permit you to install and use in the Franchise Premises, together with such other information as may be specified in the Operations Manual. Modifications or variations require our prior written consent.

D. You will comply within a time we deem reasonable with any requirement we impose to modify the vehicles, residential and commercial cleaning services, environmentally safe cleaning products and handy services, shop layout, furnishings, fixtures, equipment, decorations, and decor. ~~In any calendar year, such modifications will not result in direct out-of-pocket costs to you of more than **$2,000,** with a total maximum cap of not more than **$5,000** over the term of this Agreement.~~

E. All vehicles, vehicle wrapping, equipment, and materials will conform to our specifications as adopted from time to time. If we require any changes in or additions, you will modify, replace or add to your existing vehicles, vehicle wrapping, equipment and materials at your sole expense.

1.5 **Relocation of the Franchise** You will not relocate the Franchise Territory or Franchise Premises without our prior written approval. Any relocation will be at your sole expense. This Agreement will govern your operations at any replacement Franchise location. You may decide to relocate the Franchise for the following reasons:

- If the lease for the site of the Franchise Premises expires or terminates and cannot be renewed during the term of this Agreement,
- the site is destroyed, condemned or otherwise rendered unusable,
- in your and our judgment there is a change in character of the location of the Franchise sufficiently detrimental to your business potential to warrant its relocation, or
- you reasonably decide to relocate the Franchise for cause.

If so, you may relocate the Franchise to another available location, if:

A. you are not in breach of this Agreement;

B. your lease was not ended by the lessor because of your breach of the lease agreement;

C. you evidence to our satisfaction your ability to obtain and commence operations at the new location within a time we deem reasonable after you vacate the original location;

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D. you develop, construct, remodel, furnish, decorate and equip, at your sole expense, the new location according to our then current specifications and standards;

E. you pay all reasonable out-of-pocket expenses we incur because of the relocation. The term "Franchise Territory" and “Franchise Premises" will include the relocated business site; and

F. you satisfy our then current franchise placement and demographics criteria, as expressed in the Operations Manual.

1.6 **You Will Not Advertise Outside Territory**. Except with our prior written permission, you will not place under any circumstances advertisements using the Service Marks in or originating from any area other than the Franchise Territory.

Except as otherwise provided in this Agreement or the Operations Manual, you may not directly market to or solicit customers whose principal home address or place of business is outside the Franchise Territory. You may not advertise in any media whose primary circulation is outside the Franchise Territory, except with our prior written permission. All Internet marketing is part of our multi-area marketing programs described in the Operations Manual and defined below, and must be coordinated through us and approved by us. You may not market independently on the Internet or acquire an independent Internet domain name or web site. You may not independently market using any digital, electronic or computerized form or any form of media now or in the future developed (e.g. materials to be made available through the internet, interactive electronic transmissions, etc.). If you have an existing client that is located outside the Franchise Territory, you may solicit and serve that client for Maids by Trade products and services. For the purposes of this Agreement, “Internet" means any of one or more local or global interactive communications media, that is now available, or that may become available, and includes Web sites and domain names. Unless the context otherwise indicates, Internet includes methods of accessing limited access electronic networks, such as Social Media, Intranets, Extranets, and WANs.

Only we may place national or regional advertising.

1.7 **Existence of Divergent Forms of Franchise Contracts**. You acknowledge that we may have offered franchises to others in the past and may offer franchises in the future the terms of which may have varied materially from those set forth in this Agreement.

1.8 **Rights We Reserve**. We retain all rights not specifically granted to you under this Agreement. Except as otherwise provided in this Agreement, we retain the right, in our sole discretion and without granting any right to you:

A. to use or license the use of the Service Marks or any other trademarks, service marks, logos or commercial symbols in connection with the sale of any services or products other than those directly contemplated being used, offered, or sold by you under this Agreement. We expressly reserve

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the right to sell, or earn rebates and fees from the sale by others licensed or authorized by us to sell, proprietary products on a wholesale basis for use in preparing products that will not carry a Maids by Trade brand.

B. to operate and grant to others the right to operate Maids by Trade businesses outside the Franchise Territory on such terms and conditions as we deem appropriate.

C. to sell products or services anywhere, through channels of distribution other than the Maids by Trade business currently reserved to you in the Franchise Territory, including Internet, Social Media, other forms of media now or in the future developed, wholesale and mail order channels. The Internet and Social Media are channels of distribution reserved exclusively to us, and you may not independently market on the Internet, through Social Media, or conduct e-commerce except as otherwise allowed by us in the Operations Manual.

D. to establish, operate, own or franchise any business, including competitive businesses, outside of the Franchise Territory.

1.9 **Nonexclusive**. We reserve the right to market, solicit sales, and sell, lease, rent or otherwise dispose of franchise products to any person or customer we want. These include national accounts, commercial customers, franchisees, end users or any other customer we may select. We may exercise our right directly or indirectly by or through independent contractors that may include franchisees, dealers, and brokers. You acknowledge that we have made no representation concerning exclusivity in any geographic territory or for any customer segment.

1.10 **Maximum Pricing**. We will be permitted, to the extent permitted by relevant law, to establish price ceilings or minimum or maximum allowable prices on the products and services you offer and sell. Except as so specified by us or as otherwise required in this Agreement and in the Operations Manual, you may determine the prices at which you sell products and services, as well as the terms and conditions of sale.

We may advise or offer guidance to you relative to your prices for the goods and services you offer for sale that in our judgment constitute good business practices. This guidance will be based on our experience and the experience of our franchisees and an analysis of the costs of the products and services and the prices charged by our competitors.

2 PAYMENT OF FEES AND OTHER FINANCIAL REQUIREMENTS

2.1 **Initial Franchise Fee and Initial Purchases**. The Initial Franchise Fee is **$**_____. Contemporaneously with the execution of this Agreement, you have paid to us the Initial Franchise Fee. The Initial Franchise Fee is paid in consideration of our sales expenses, administrative overhead, return on investment, and start-up costs related to the execution of this

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Agreement and the opening of the Franchise and for our lost or deferred opportunity to sell franchises in the Franchise Territory to others.

In addition to the Initial Franchise Fee, you must purchase your initial advertising materials (lawn signs, door hangers, business cards, etc.) and franchise apparel (T-shirts, hats, jackets) from us or our affiliate.

Except as provided in Sections 3.1 and 4.1 below, none of the Initial Franchise Fee is refundable.

2.2 **Weekly Royalty Fee**. You will pay to us a Royalty Fee equal to **6%** (**12%** if this Agreement is for an Optimal Franchise) of the total Gross Revenue for the preceding week. This fee is due weekly in the manner specified from time to time in the Operations Manual described in Section 5, below.

If we have specifically designated in writing that you are a qualified armed service veteran or minority owner, your weekly royalty fee will be reduced by 50% until you have received a total Royalty credit of $10,000.

This payment may be required to be made by automatic account withdrawal or other automatic processes we reasonably specify in the Operations Manual, such as check, cash, certified check, money order, credit or debit card, automatic pre-authorized payment plan, electronic funds transfer or the Internet, including processes whereby we are authorized by you to remove the payment directly from your bank account.

2.3 **Weekly Advertising Fee**. You will pay to us an Advertising Fee equal to **1%** of the total Gross Revenue for the preceding week. This fee is due weekly in the manner specified below or as otherwise prescribed from time to time in the Operations Manual described in Section 5, below.

This payment may be required to be made by automatic account withdrawal or other automatic processes we reasonably specify in the Operations Manual, such as check, cash, certified check, money order, credit or debit card, automatic pre-authorized payment plan, electronic funds transfer or the Internet, including processes whereby we are authorized by you to remove the payment directly from your bank account.

We may use all contributions and any earnings from the Advertising Fee we receive from you in local, regional, national, Internet, or international advertising for:

A. maintaining, administering, researching, directing, preparing and placing advertising and promotional activities (including, among other things, the costs of preparing and conducting television, radio, magazine and newspaper advertising campaigns, public relations programs and press releases);

B. direct mail and outdoor billboard advertising;

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C. marketing research and development;

D. marketing surveys and public relations activities;

E. development and maintenance of any Internet or e-commerce programs;

F. marketing materials;

G. decor and promotional materials;

H. artwork; advertising services;

I. training and conventions related to marketing, customer service and sales augmentation;

J. production and distribution of periodic newsletters to provide you with industry news, suggestions, and advice on franchise operations; and

K. our reasonable salaries, accounting, collection, legal and other costs related to all of the above.

Our internal artwork, advertising, promotion and newsletter production costs and associated administrative costs are paid from the Advertising Fees. These will be calculated at our cost as established from time to time.
We will use your Advertising Fee to place advertising in geographic areas, in media, at times and using products and services we deem to be in the best interest of our franchisees and Maids by Trade franchise system.

2.4 **Advertising Fund**. We have organized an Advertising Fund (the "Advertising Fund") in which we will place the advertising fees we receive from our franchisees. You recognize the value of advertising and the importance of the standardization of advertising and promotion to the furtherance of the goodwill and the public image of the Maids by Trade system and the Method of Operation.

The Advertising Fund will be administered by us. We will direct all regional and national advertising programs. We will have sole discretion over the creative concepts, materials, endorsements, placement, and allocation of moneys from the Advertising Fund. The Advertising Fund will be used to maintain, administer, direct, prepare, and review national, regional, or local advertising materials and programs as we will in our sole discretion deem proper. It also will be used to cover our costs of collecting and administrating the advertising fees we collect from our franchisees, including incurred legal fees. The Advertising Fund will be used to pay for joint marketing programs, including programs with our suppliers, sister corporations and co-branding partners. We are under no obligation to administer the Advertising Fund to ensure that expenditures are proportionate to contributions of franchisees for any given market area or that any franchise benefits directly or proportionately from the development or

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placement of advertising. We will not be obligated to spend all or any part of the Advertising Fund during any specific period of time. Upon your written request, we will provide to you the most recent annual accounting of the Advertising Fund.

The Advertising Fund may be used for marketing, advertising, public relations, production and media expenses related to promotion of the Service Marks, our franchise system and our products and services. The Advertising Fund may also be used for operational, administrative, office, rent, automobile, and collection expenses. We will not use any part of the Advertising Fund for franchise sales, but may include references to the availability of franchises in materials produced and placed in media by the Advertising Fund.

We may create an advertising advisory board made up of Maids by Trade franchisees. These franchisees will make recommendations on your behalf as to types of advertising, promotion and public relations. We will use these and other recommendations which we feel are appropriate when drafting a budget and program each year for the Advertising Fund.

We anticipate that all contributions and earnings of the Advertising Fund will be expended for the advertising and promotional purposes during the taxable year within which the contributions and earnings are received. If, however, excess amounts remain in the Advertising Fund at the end of such taxable year, all expenditures in the following taxable year(s) will come first from earnings and contributions from the prior year and next out of earnings in the current year.

A. We Will Administratively Segregate Advertising Contributions. The Advertising Fund will be administered as follows:

1. We will administratively segregate all Advertising Fund contributions paid to us by our franchisees All payments to the Advertising Fund will be deposited in our general operating account; will be commingled with our general operating funds; and will be deemed to be our asset, subject however to our obligation to spend it in accordance with the terms of this Agreement.
2. We will furnish to you annual financial statements of the Advertising Fund. Our books and records relating to the Advertising Fund will be available for your inspection during our normal business hours, upon reasonable notice.
3. If the Advertising Fund has excess money, we may borrow from the Advertising Fund and will pay interest to the Advertising Fund equal to the rate at which we may borrow on our line of credit or, if none exists, at the prime rate. If the Advertising Fund borrows money from us, it will be charged and will pay interest to us on the same basis.
4. Although we intend the Advertising Fund to be of perpetual duration, we maintain the right to terminate the Advertising Fund. The Advertising Fund will not be terminated, however, until all monies in the Advertising Fund have been expended.
5. An accounting of Advertising Fund contribution and expenditures will be prepared annually and will be made available to you upon request.

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Such accounting may include an audit of the contributions to and expenditures of the Advertising Fund prepared by an independent certified public accountant selected by us, at the Advertising Fund's expense.

B. You are Not a Third Party Beneficiary of the Advertising Fund. We will have the sole right to enforce the obligations of you and all our other franchisees, who contribute to the Advertising Fund. Neither you nor any other of our franchisees who are obligated to contribute to the Advertising Fund will be deemed a third party beneficiary with respect to the Advertising Fund or have any right to enforce any obligation to contribute to the Advertising Fund.

C. Permitted Uses of Advertising Fund. We will make disbursements from the Advertising Fund for the purpose of national, regional or local advertising, public relations, marketing, market research and promotional campaigns designed to promote and enhance the value of the Service Marks and general public recognition and acceptance of the Service Marks. The Advertising Fund may also be used to support the administration and operation of the Advertising Fund, including operational, administrative, office, rent, automobile, and collection expenses. We will be entitled to reimbursement from the Advertising Fund for our actual administrative expenses incurred in connection with the administration of the Advertising Fund, which will not exceed **15%** of the annual gross contribution to the Advertising Fund, and such other actual costs and expenses as may be incurred in connection with the programs paid for by the Advertising Fund.

D. Discretion in Use of Advertising Fund. In our sole subjective discretion exercised in good faith, we will determine the cost, form of media, content, format, production, timing (including regional or local concentration and seasonal exposure), location and all other matters relating to the advertising, public relations, marketing, market research and promotional campaigns. In our sole discretion, we will have the right to spend the Advertising Fund in any geographic area that we, in good faith, deem appropriate, regardless of the geographic distribution of our franchises. We may use portions of the Advertising Fund as we deem appropriate as a contribution to joint or collective advertising campaigns [of our direct or indirect parent corporations or subsidiaries], of the suppliers of franchise equipment, inventory and supplies.

E. Reimbursement for Excess Expenditures. If our Advertising Fund contributions in any one calendar year exceed the total amount required to be contributed by us to the Advertising Fund during that calendar year, we will have the right to be reimbursed to the extent of such excess contributions from any amounts subsequently contributed to the Advertising Fund or to use such excess as a credit against our future required contributions. If the contributions to the Advertising Fund exceed the expenditures from the Advertising Fund in any calendar year, such excess will be retained in the Advertising Fund and expended in subsequent years.

F. We Will Allocate in Good Faith. In good faith, we will attempt to spend the Advertising Fund in geographic areas so as to equitably reflect the contributions made to the

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Advertising Fund by you and all similarly situated franchisees. You acknowledge that geographic allocation cannot be effected with precision, and we will not be liable to you, or our other franchisees for failure to make geographic allocation with precision.

G. We May Return Funds to You or Use Funds for Regional Co-op Programs. We will have the right to spend all, or any portion of, the Advertising Fund for the following purposes:

1. for regional or local co-op advertising or promotional programs provided, however, that such programs will be available to all similarly situated franchisees; and,

2. if in our sole judgment, you or any other franchisee is located in a geographic territory not adequately serviced by our national or regional advertising programs, we may rebate all or a portion of the Advertising Fund Payment paid by that franchisee for use by that franchisee for local advertising. Expenditures by that franchisee will be in addition to the local advertising requirements set forth in this Agreement.

2.5 **Advertising Standards**.

A. Establishment of Advertising Programs. At any time and from time to time, we will have the right to create or modify advertising regions for the purpose of establishing regional advertising, marketing and promotional programs. We will promptly notify you and our other franchisees, of the establishment, modification and geographical boundaries of regional advertising regions. We may require all franchisees located within each geographic region to meet periodically for the purpose of creating and establishing regional advertising programs. Each franchise unit, and each unit we own and operate, will be entitled to one vote at these meetings. For the purpose of this subsection, each unit we own will be deemed to be a franchise.

If at any meeting of the franchisees in an advertising region, **65%** of the franchises ~~(Basic and Metro)~~ vote to contribute to a regional advertising program, all franchises within that region will be obligated to make a contribution to a regional advertising fund in the amount established by the vote (the "Regional Fund"). No advertising region may require any franchisee in that region to make a contribution to a Regional Fund in excess of **3%** of that franchisee's Gross Revenue. The contributions will be credited against each franchisee's Local Advertising Contribution.

We will administer each Regional Fund in the same manner and upon the same terms and conditions as the Advertising Fund established above. You agree to participate in and contribute your share to the cooperative advertising and promotional programs in your advertising coverage area. We will have the right to approve or disapprove the content of all advertising. Your contributions to cooperative advertising promotional programs may be taken as a credit toward the monthly local advertising and promotional expenditure required in this Agreement. "Advertising coverage area" will be defined as the area covered by the particular advertising

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medium (television, radio, or other medium) as recognized in the industry. In the event of a disagreement, our determination of the coverage area will be final.

B. Sales Leads/National and International Accounts. We will alert you to any national accounts we acquire which may have locations in the Franchise Territory. We will also refer to you any leads who call our national toll free number that are located in the Franchise Territory. We will page, ~~fax,~~ e-mail or telephone this information to you.

We will maintain your name on certain bidder's lists for large corporations and government agencies in order to provide you with the opportunity to expand your business in the Franchise Territory.

To the extent that we enter into an agreement to provide materials or services to any national or international account which has a location within your Franchise Territory, we may offer you the right to service that account at that location at the terms upon which we and the national or international account have agreed. If, for any reason, you elect not to service a national or international account that is offered to you, we may, in our sole discretion, service such account or appoint any other party to service that account.

C. Obligation to Deliver Price Lists. You will deliver to us current price lists of all goods and services you sell in, at or through the Franchise. We will have the right to rely upon the accuracy of the price lists, and may use the information to advertise, market and promote the Franchise, and the goods and services you sell. At any time, you may amend, modify or change the price list by notifying us in writing. Price changes will not be effective for a period of 30 days after the notification, to enable us to modify advertising or promotional materials we use to advertise your goods or services. You will adhere to the price lists while they are effective. We may establish the prices at which you sell goods and services.

D. We May Advertise "Suggested Retail Prices". In national or regional advertising programs, we may include "suggested retail prices" for the goods or services sold by you and our other franchisees. We will include within all our advertising the phrase "available at participating locations only" or other cautionary language to advise the consumer that the suggested retail prices may not be adhered to by all our franchisees. We may compel you to charge "suggested retail prices" to the extent permitted by state and federal laws and regulations.

E. Discount Programs. From time to time we may develop and market special discount or free coupon programs. You will have the right, but not the obligation, to participate in these programs. We will notify you of the creation and provisions of a discount or coupon program. Within **5** days after receipt of the notice, you will advise us whether or not you wish to participate in that program. If you notify us that you wish to participate, you will adhere to all provisions of the program. If you elect to be excluded from a program, we will have the right to advise consumers, by advertising, sales solicitation or otherwise, that you are not a participant. You will not be entitled to the benefits of that program. We will establish the discount or coupon programs in our sole discretion, and will not have any obligation to consult

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or confer with you or any other of our franchisees with respect to the nature, content or amount of any discount or coupon established pursuant to any program.

We may develop and market special promotional items which will be made available to you at our cost plus a reasonable mark up. You will maintain a representative inventory of such promotional items to meet public demand. You will have the right to purchase alternative promotional items provided that alternative goods conform to our specifications and quality standards. You must fully and accurately participate in, honor, accept and redeem all promotional and marketing materials that we authorize.

When required by relevant law, you will have the right, but not the obligation, to participate in these programs. We will notify you of the creation and provisions of each program. Within **5** days after receipt of the notice, you will advise us whether or not you wish to participate in that program. If you notify us that you wish to participate, you will adhere to all provisions of the program. If you elect to be excluded from a program, we will have the right to advise consumers, by advertising, sales solicitation or otherwise, that you are not a participant. You will not be entitled to the benefits of that program. We may establish the programs in our sole discretion, and will have no obligation to consult or confer with you or any other of our franchisees with respect to the nature, content or price of any promotional item established pursuant to any program.

F. Your Obligation to Advertise Locally. In addition to your obligation to pay Advertising Fees to us, each month you will spend in your local market at least **5%** of your Gross Revenue to advertise and promote the Franchise (the "Local Advertising Contribution"). You will report the nature, extent and amount of these local expenditures, in the form and at the times we require in the Operations Manual. If you do not spend all your Local Advertising Contribution within a calendar year on local advertising, you will contribute the difference between the amount expended and the amount you should have expended to the Advertising Fund.

G. You Are to Advertise Following Operations Manual~~in Yellow Pages~~. You will advertise the Franchise in the ~~yellow page telephone directories that service~~ the Franchise Territory~~. This advertisement will be~~ in the form and ~~have~~ with the content specified from time to time in the Operations Manual.

H. You Are to Use Local Advertising Materials We Supply. From time to time, we will supply to you an Advertising component to the Operations Manual which will contain samples of local advertisements we approve. You will use only the advertising materials contained in the Operations Manual, and may not, without our prior written consent, place any advertisement, in any media, which materially varies from the form and content of the approved advertisements in the Operations Manual.

I. Approval of Your Local Advertising and Website and E-Commerce and Social Media. You will submit to us all advertising copy and other advertising and promotional

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materials, public relations programs and press releases, radio and television advertising, specialty and novelty items, signs, boxes, bags and papers before you use them in your local advertising program. You will not use any advertising copy, public relations program, press release or other promotional material until we approve it. As a condition of our approval, you must permit us and our other franchisees that we authorize to use your materials without compensation to you. Your failure to conform to our provisions or requirements and subsequent non-action by us to require you to cure or remedy your failures and defaults will not be deemed a waiver of future or additional failures and defaults by you under this provision or any other provision of this Agreement.

All Internet marketing is part of our marketing programs described in the Operations Manual and defined below, and must be coordinated through us and approved by us. You may not market independently on the Internet or acquire an independent Internet domain name or web site. You may not independently market using any digital, electronic or computerized form or any form of media now or in the future developed (e.g. materials to be made available through the internet, interactive electronic transmissions, etc.). For the purposes of this Agreement, "Internet" means any of one or more local or global interactive communications media, that is now available, or that may become available, and successor technology to the internet and or wireless communication, and includes web sites and domain names and social media, and the successor technology to internet, web sites, web page or wireless communication and social media. Unless the context otherwise indicates, Internet includes, but is not limited to, online document completion and purchasing systems, and methods of accessing limited access electronic networks, such as Intranets, Extranets, and WANs.

You specifically acknowledge and agree that placing any information related to the Franchise or the Franchise Premises on a web site or in social media will be deemed "advertising" under this Agreement and will be subject to (among other things) our approval. (As used in this Agreement, the term "web site" means an interactive electronic document, contained in a network of computers linked by communications software that you operate or authorize others to operate and that refers to the franchise, proprietary marks, us or the Method of Operation. The term web site includes, but is not limited to, Internet and World Wide Web home pages.) In connection to any web site and in social media, you agree to the following:

1. We will allow you to establish a web page as part of our web site.

2. You will not establish or use any other web site or web page or social media without our prior written approval.

3. Before establishing the web page or any other web site, you will submit to us a sample of the content, format and information in the form and manner we may reasonably require.

4. In addition to any other applicable requirements, you will comply with our standards and specifications for web sites and social media as prescribed by us from time to time in the Operations Manual or otherwise in writing or on a franchisee forum intranet system. By "Intranet" we mean all communications

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systems utilized by us to communicate with you and our other franchisees, or by which you report data or information to us, or receive data, information or other materials from us. This includes, as applicable, as many different systems or processes as may in fact be used from time to time, including any banking remote or Internet access system.

5. You will use only approved key words, meta tags and titles pertaining to our industry. We will e-mail or respond via facsimile approved key words, meta tags and titles upon your request by e-mail or facsimile.

. You may only offer approved products or services on your web page or site or social media. Any web site or social media changes made without our approval will put you in default of this Franchise Agreement.

. 6. We retain the sole right to market on the Internet, including all use of web sites, social media, domain names, URL's, linking, meta-tags, advertising, auction sites, e-commerce, and co-branding arrangements. You will provide us content for our Internet marketing, and follow our Intranet and Internet usage requirements. We also retain the sole right to use the Service Marks on the Internet and social media, including on web sites, as domain names, directory addresses, meta-tags, and in connection with linking, advertising, co-branding, and other arrangements. We retain the right to approve any linking or other use of our web site. You may not establish a presence on or market using the Internet except as we may specify, and only with our prior written consent. We intend that all franchisee web sites be accessed only through our home page and must be coordinated through us and approved by us.

7. If you want to independently advertise or promote in any media (including the Internet), you must obtain our prior written approval, except when using materials and media previously approved by us.

8. Subject to the terms of use on our web site and social media, we may gather, develop and use in any lawful manner information about any visitor to the web site or social media, including but not limited to your customers, franchisees or prospective franchisees regardless of whether they were referred to you via the web site or were otherwise in contact with you.

9. We have established or may establish in the future an intranet or comparable on-line facility. You must use it in the manner we require. You understand and agree that we may elect to provide certain assistance, deliver information and materials or otherwise communicate with you via the Internet or the intranet. At your sole expense, you will maintain and update as needed all computer system requirements and services necessary to access the Internet and the intranet in the manner we require. You are required to have DSL or other high speed Internet service to your business or home office where you will be able to access

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downloads from us of advertising materials, operations manual revisions, training materials and corporate news.

J. Varying Advertising Contributions. You understand that certain of our other franchisees do or will operate under different agreements with us. These franchisees may be required to contribute to the Advertising Fund, if at all, at rates that differ from the rate provided in this Agreement or based on formulae that differ from the formulae provided in this Agreement. We do not represent that you or other franchisees will contribute to or benefit from the Advertising Fund equally.

K. You Consent to Our Use of Your Name and Image. You consent to release for publication and use in all of our advertising programs and materials: your name and photos and video images taken by our authorized employees and agents and any media representatives for news and publicity purposes. This may include television, newspaper, magazine article, social media sites (MySpace, Facebook, Twitter, etc.), and Maids by Trade publications (newsletters, flyers, brochures, internet pages, etc.). You also agree to allow the publication or broadcast of your name in connection with any photos or video images taken and you understand that you will not receive numeration for the use of your name and photos and images. You understand that photos and videos for the media, social media, and the internet may be used in publications and web sites outside of our control.

2.6 **"Revenue" Defined**. "Revenue" means all receipts generated by the Franchise from any source, including, but not limited to, sales, rentals, vending, exchanges, repairs, services, labor, service charges, service contracts, any other type of remuneration, gift, contra-deal, barter of products or services, charity, payment in kind, or any other benefit or value that is received or deferred to be received, and excludes discounts, refunds, and sales taxes Credit transactions will be included in Revenue as of the date of the transaction without deduction for uncollected credit accounts. The proceeds from any business interruption insurance or eminent domain recovery you receive will be included in "Revenue." "Gross Revenue" means the total Revenue for any calendar period as relevant. If the Franchise Premises is located in the premises of another business or other co-branded location, the exact basis and calculation of Gross Revenue will follow the requirements and procedures we outline in the Operations Manual to take into consideration the needs and requirements of the co-branded location although Revenue will be limited to Maids by Trade related receipts. The exact basis and calculation of gross receipts will follow the requirements and procedures outlined in the Operations Manual to take into consideration the needs and requirements of the co-branded location. You will obtain and keep, or make arrangements for us to have access to a complete and accurate set of books and records of the operation of all businesses operating at and all business done through the co-branded location although gross receipts will be limited to Maids by Trade related sales.

For conversion franchises, your Weekly Gross Revenue will not include the average weekly gross revenue you received over the 52 weeks immediately prior to the effective date of your franchise agreement with us.

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2.7 **You Will Pay Taxes and Indebtedness**. You will pay all taxes, assessments, liens, encumbrances, accounts, and other debts, regardless of their nature, assessed against you, the Franchise Premises, or inventory, materials, fixtures, and residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly processes used in the Franchise. Payment will be made when due and before delinquent except when being contested in good faith by appropriate proceedings. If we are charged with any tax by the authorized taxing authority of any state or political subdivision, including taxes on sales made to or licenses granted to you, or sales made by you through the Franchise you will pay these taxes. You will pay to us promptly and when due the amount of all sales taxes, personal property taxes and similar taxes imposed upon, required to be collected, or on account of collection by us of the Initial Franchise Fee, the Royalty Fee, or any other payments you make to us pursuant to this Agreement.

You acknowledge that one of the benefits accruing to you and all of our other franchisees is the economy of mass purchasing power made available through us. Your failure to pay or repeated delay in making prompt payment in accordance with the terms of the invoice or statements rendered to you for payments due, or misdirection of supplies or other abuses will result in a loss of credit standing and goodwill and a loss of benefits derived to us and other franchisees using the Method of Operation. You expressly agree to promptly make all product purchase payments on invoices and statements rendered to you in accordance with the terms of the invoices and statements and to make timely remittances of rent as required on your lease. You authorize us to communicate with all the lease holders, suppliers, distributors, manufacturers and vendors with whom you do business and you authorize them to communicate with us regarding all aspects of your purchases from and dealings with them. You authorize us to instruct the suppliers, distributors, manufacturers and vendors (and you instruct them to comply with our instruction) to immediately cease sales and deliveries to you upon the occurrence of any default by you under this Agreement.

You will, at our option, execute the forms and documents we deem necessary to appoint us as your true and lawful attorney-in-fact with full power and authority for the sole purpose of obtaining any and all returns and reports filed by you with any state or federal taxing authority relating to the Franchise.

2.8 **Royalty Fees, Advertising Fees, Local Advertising Contributions, and Other Sums to Be Paid Promptly**. You will not set off any claim for damages or money due to you from us against any payments to be paid by you to us under this Agreement or any related agreement between the parties. No endorsement or statement on any check or payment of any sum less than the full sum due from you to us will be construed as an acknowledgment of payment in full or as an accord and satisfaction. We will have the right to accept any check or payment without prejudice to our rights to recover the balance due or to pursue any other remedy available to us.

Upon your failure to pay us as and when due, we may, at our election, deduct the unpaid sums from any monies or credit we hold for your account. You agree that you will not withhold payment of any amounts due to us on the grounds of any alleged non-performance by us, or in the event of any dispute or a claim by you, or for any other reason whatsoever.

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A late charge will be added to any sums to be paid under this Agreement that remain unpaid after the date due. The late charge will equal **1.5%** per month. These late charges and late payment penalties will not exceed any limits placed upon late charges and late payment penalties by applicable local laws.

Our acceptance of late charges will not constitute a waiver of the breach created by your non-payment of any amount when due. Notwithstanding the payment of any late charges, we may exercise any rights or remedies granted by this Agreement upon your breach or any rights or remedies otherwise granted by law.

Nothing contained in this Agreement obligates us to accept any payments after due or to commit to extend credit to or otherwise finance your operation of the Franchise. You acknowledge that failure to pay all amounts when due will constitute grounds for termination of this Agreement.

2.9 **Records**. You will keep a complete and accurate set of books and records of the operation of the Franchise, produce monthly financial statements in accordance with generally accepted accounting principles and practices for each calendar month and furnish copies of these statements to us within **30** days after the end of each quarter.

You will furnish to us as outlined in the Operations Manual an itemized report of the Gross Revenue for the prior week. This report must be certified by you to be true and correct. The report will be in the form and will include such supporting documentation as we may reasonably demand from time to time. All Royalty and Advertising Fees due based upon the Gross Revenue for the preceding week will accompany the report. If you fail to deliver any report in a timely fashion, we may unilaterally estimate the Royalty and Advertising Fees you owe and we may draw such fees from your accounts pursuant to automatic account withdrawal or other automatic processes we reasonably specify in the Operations Manual. The estimates will based upon your historically reported Gross Revenue and our experience with other franchised and company owned locations. These withdrawals will be adjusted to reflect actual amounts owed, once reasonably determined. If the Franchise Premises is in a co-branded location, you will obtain and keep, or make arrangements for us to have access to, a complete and accurate set of books and records of the operation of all businesses operated at and all business done through the co-branded location, although Revenue will be limited to Maids by Trade related receipts.

You will keep records of all business done and Revenue received through the Franchise. These records will include, but are not limited to, order sheets, cash register tapes, sales agreement forms, daily sales summaries, tax returns, financial statements, and invoices. You will date, file in consecutive order, retain for a period of **5** years, and make available to us for inspection and audit all of your records.

Our right to inspect will include the right to examine you books, tax returns and records of other businesses owned, in whole or in part, or operated by you to determine whether all revenue to be reported by you has been properly reported and that appropriate fees and contributions have

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been paid. We may establish a uniform list of accounts and a uniform bookkeeping system for all of our franchisees. You agree to maintain your books and records in the manner we require.

You will submit to us financial and operational reports and information as we may require to (i) provide you with consultation and advice in accordance with this Agreement; (ii) monitor your compliance with the obligations to pay fees on actual Gross Revenue; (iii) monitor performance under this Agreement generally and your purchases, revenue, operating costs, expenses and profitability; (iv) develop chain-wide statistics; (v) develop new operating procedures; (vi) develop new proprietary products, remove unsuccessful authorized products, including unsuccessful proprietary products, and improve and enhance the Method of Operation; and (vii) implement changes in the Method of Operation to respond to competitive and marketplace changes.

You will submit to us a list of all shareholders, members, partners or other owners of the franchise business and the respective interests held by each as of the end of each fiscal year. Provided, however, if your shares are publicly traded, the list of shareholders required will include only those owning **5%** or more of the shares outstanding. The required report will be submitted to us within **90** days after the end of your fiscal year.

You authorize (and agree to execute any other documents deemed necessary to effect authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors, landlords, lessors, and other persons or entities with which you do business to disclose to us any requested financial information in their possession relating to you or the Franchise or the Franchise Premises. You authorize us to disclose data from
your reports and information, if we determine, in our sole and absolute discretion, that such disclosure is necessary or advisable, which disclosure may include disclosure to prospective or existing franchisees or other third parties.

2.10 **Audits**. We may audit your reports, books, statements, business records, cash control devices, and tax returns at any time during normal business hours. Audits will be conducted at our expense unless you understate the Gross Revenue for any reported period or periods by more than **3%** or unless you fail to deliver any required report of Gross Revenue or any required financial statement in a timely manner, or fail to allow us access to your computers, accounting system and bank accounts as required by the Operations Manual. In the event of an understatement or failure to deliver, you will reimburse us for all audit costs. These will include, among other things, the charges of any independent accountant and the travel expenses, room, board, and compensation of our employees incurred in connection with the audit. You will immediately pay all Royalty Fees, Advertising Fees, Local Advertising Contributions and late payment charges that the audit determines are owed. These payments will not prejudice any other remedies we may have under this Agreement or by law. Our right to audit will include the right to examine the books, tax returns and records of other businesses that you own or operate, in whole or in part, to determine whether all revenue to be reported by you has been properly reported and that appropriate fees and contributions have been paid.

2.11 **You are to Pay all Franchise Costs**. All the costs of the Franchise, including opening and operating costs, will be your sole obligation. We will have no costs, liability or

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expense whatsoever with respect to your opening and operation of the Franchise. You will not use or employ the Service Marks in performing any activity or incurring any obligation or indebtedness in a manner that could result in making us liable for them. You are responsible for any employee wages and compensation, payroll taxes and other required withholding, worker's compensation and benefits. You will control your own employees and contractors. You will take all steps necessary to maintain a safe and healthy environment for your workers and customers.

You will pay all of the operating expenses of your franchise business in a timely manner. You understand and agree that your failure to do so could materially harm the reputation of Method of Operation and of the Service Marks and our ability and the ability of our franchisees to obtain favorable purchase, lease or finance terms. If you have a bona fide dispute with any supplier or vendor which you believe justifies non-payment or partial payment, you must promptly notify the supplier or vendor of the particulars of your claim and diligently pursue resolution of the claim or prosecution of appropriate legal action. Any trade debt which remains unpaid for more than 30 days after the date it is due will constitute a breach of this Agreement unless, before the end of the 30-day period (i) you and the supplier or vendor agree to alternative payment terms; or (ii) you initiate appropriate legal action to contest the trade debt. We will have no liability for your debts or obligations to third parties.

2.12 **Attendance at Conventions**. We may hold conventions for the franchisees that make up our franchise system. These conventions may be held at a different location each time. They include programs on sales and marketing techniques, performance specifications, advertising programs, training suggestions, and committee elections, among other things. Your attendance at each convention is **required.** You will bear all expenses of attending, including travel, lodging, meals and entertainment. For any convention that you do not attend, we will deliver to you and you will pay us for all training materials, documentation, handouts, training videos, and video recordings of the activities of the convention. The price for the training materials, documentation, handouts, training videos, and video recordings for each annual convention will be established by us from time to time but will not be less than **$500**.

2.13 **Application of Payments**. We have the right, in our sole discretion, to apply any payment from you to any past due indebtedness you owe to us or our affiliates, whether from monthly fee payments, purchases, late payment charges, or for any other reason. This section will apply regardless of how you may designate a particular payment is to be applied.

For the purposes of this Agreement, and all other instruments and agreements relating to it, we will have the right to treat any payment received from you as payment on account. We may apply any monies received from you in the following priority:

a) to the payment of any sales or use taxes required to be paid in connection with any dealings between you and us pursuant to this Agreement;

b) to the payment of interest on overdue amounts;

c) to the payment of accrued late charges;

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d) to the payment of overdue or outstanding amounts;

e) to the payment of current Royalty Fees;

f) to the payment of current Advertising Fees;

g) to the payment of the purchase price for all or any items you purchase from us or Maids by Trade suppliers,

h) to the payment of rent and any other amounts payable by you to us, and

i) to the payment of all attorney's fees and costs of collection associated with the collection of any sum,

in any order that we, in our discretion, decide and notwithstanding any contrary designations by you as to the application your payments.

2.14 **Access to Bank Accounts, Computer Records and Business and Client Files.** We will require that you execute a release allowing us to access your bank accounts, as well as the bank accounts of any other business owned by you, in whole or in part ("in whole or in part" means any business in which you or any family member owns any interest whatsoever, whether equitable or legal, except publicly traded companies not engaged in our industry or in the practice of law), or operated by you (whether sole proprietorships, corporations, partnerships or limited liability companies) to determine whether all Revenue to be reported by you has been properly reported and that appropriate fees and contributions have been paid. We may establish a manner or mechanism for access to such bank accounts and you will provide such authorization or release as may be required to permit such access. You agree to maintain your banking relationships in the manner we require. We may require you to place your franchise business account with the bank which we designate, and which we may change from time to time.

We will require that you allow us to access all computers in your Franchise location, including any laptop or temporary computer or peripheral, all data stored in them. We will access such equipment either in person at any time during normal business hours, or remotely through an internet connection to determine compliance with all of our policies and procedures and with the requirements of the Operations Manual. Remote access may be accomplished at any time of day and on any day of the week. We may access your computers remotely without notice to you, either before or after the access. We may establish a manner or mechanism for access to such electronic records and equipment, and you will provide such equipment, access rights, authorizations or permissions as may be required to permit such access. You agree to maintain your computer systems in the manner we require.

You will inform your employees and managers that they can expect no privacy in the computers, files or papers in your Franchise Store, or in any computer, papers or files which they bring to your Franchise Store, and that their assigned computer, their personal computer and any

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container containing papers or files, whether stored on paper or by electronic media, are subject to inspection at any time by you or us.

3 TRAINING

3.1 **Mandatory Training**. We will provide a mandatory training course for you or your franchise manager at a location we will designate. This training course will cover all aspects of the operation of the Franchise, including use of our computer software and reporting systems, estimating, sales financial controls, marketing techniques, marketing plans and techniques, administration and bookkeeping controls, service methods, deployment of labor, and maintenance of quality standards. You or the manager will complete the course no later than **2** weeks before opening the Franchise for business and within six months of the date of this Agreement.

You must ask us to schedule a training session for you or the manager at least **35** days before the session is to start. You or the manager must complete this mandatory training program to our exclusive satisfaction or we may terminate this Agreement upon refunding all of the Initial Franchise Fee. You are encouraged to begin training before incurring any costs or expenses related to the planned opening of the Franchise. We will not be liable for any costs or expenses you incur if we terminate this Agreement because you or your manager fails to satisfactorily complete the mandatory training course.

You will pay the transportation, board and lodging expenses you or the manager incur related to this training, including transportation, meals, accommodations and entertainment. Depending upon our analysis of your training needs, generally the training course will be not less than **3** days long. Training and training materials may be delivered in the formats or media we choose. This may include course books or training exercises on paper, video, CD-ROM or other electronic format, via web cast or an intranet.

If the Franchise is managed by any persons other than you, you will notify us of these managers. Each manager you hire must successfully complete the mandatory training program within **one** month after being hired. You will bear all costs of the training, including a reasonable training fee at our then current rates. Each of your employees will complete a training program as prescribed in the Operations Manual. All training programs for your employees will be conducted under the direction of you or your designated manager who has successfully completed the mandatory training course. Many small businesses fail when the owner does not take an active day-to-day role in the operation and management of the business. If you do not act as the daily manager at the business location you must have in your employ a manager who runs your day to day operations. We strongly recommend that all individual franchisees and all partners and owners of franchisee entities devote their full time and best efforts to the day to day operation of the franchise with no operational or management commitments in other businesses except other franchises offered by us.

Individuals:

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If you will be operating your franchise as an individual, you must devote your full time and best efforts to the day to day operation of your franchise with no operational or management commitments in other businesses except other franchises offered by us.

Partnerships:

If you will be operating your franchise as a partnership, one or more partners must participate in the actual day to day operation of your franchise or you must have in your employ a manager who runs your day to day operations. The partner or partners who are in charge of running your franchise or your manager must have successfully completed our training course.

Corporations, Limited Liability Companies:

If you will be operating your franchise as a corporation, limited liability company, or other legal entity, you must have in your employ a general manager. This general manager can be you, any member of your board, an officer of your corporation or member of your limited liability company. The general manager who is in charge of running your franchise must have successfully completed our training course.

Managers/Training:

No matter what form of business you decide to use, the person assigned to running the day to day operations of the business must have completed our training course and must, in our view, have a sufficient command of the English language to serve customers and conduct business with us, with suppliers and with other parties. Anyone in your employ who is a manager or crew leader of your franchise operations must also have completed our required training course.

Other Businesses

You may continue to operate other businesses in which you are engaged as of the date of this Agreement that are family owned. If you continue to operate other businesses, you must employ separate personnel for the management, businesses, and marketing services under one or more trading designations separate from the Service Marks, and maintain separate offices. You may not operate any business from your Franchise Store except your franchise business without our express written consent in advance, which we are free to withhold for any or no reason.

3.2 **Supplemental Training**. At any one time during the term of this Agreement, after the Franchise has opened for business and upon not less than **35** days prior written notice to us, we will provide the full-time services of a trainer at the Franchise Premises for up to **2** work days to assist with employee training, form use, store decor, merchandise display, sales assistance, and use of the Operations Manual. We will bear the trainer's expenses for this assistance.

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At your option and upon not less than **35** days' prior written notice to us, you may receive additional training at our training center or at other agreed upon locations. All expenses of this training will be borne by you, including but not limited to your travel, lodging, meals, compensation, and our reasonable costs and expenses including a reasonable training fee at our then current rates.

This additional training consists of visits to our franchises, work experience, and observation of franchise operations. The duration of training is negotiable depending upon your needs. You will not receive any compensation for services rendered by the trainee during this or any other training. We may designate qualified franchisees or master franchisees to conduct some or all of your training.

From time to time we may provide refresher training programs or seminars and may require that you or your managers attend and complete them to our satisfaction. These programs and seminars will be held at locations we designate and will be provided without charge to you. You will be exclusively responsible for paying all travel, living and other expenses and compensation of attending these programs and seminars. Each year, you or the designated managers of your Franchise will be required to attend up to **40** hours of programs and seminars, depending upon program and seminar availability. In addition, we may deem it appropriate or necessary to provide additional training and supervision to you and your managers and employees at your franchise location. If so, you will fully participate in and complete this additional training and supervision, including additional or revised training programs and processes that may be added to the Operations Manual in the future.

As and when we request, you will cooperate with our reasonable request to allow us to conduct training of new franchisees in the Franchise Premises so that they can experience a live, working environment without compensation from us as long as the training does not interfere with your operations or the experience of your customers. We will indemnify you from all costs and liabilities related to this training and you will not be liable to pay the trainers or the trainees for any services provided to you or to your customers during or as a result of this training.

4 COMMENCEMENT OF OPERATIONS

4.1 **Time to Complete Training and Commence Operation**. You or your manager will complete to our exclusive satisfaction the mandatory training defined above, find a site location that is acceptable to you and approved by us, and commence full and continuous operation of the Franchise within **150** days after execution of this Agreement. Prior to commencing operation, you will procure all necessary licenses, permits and improvements and purchase initial inventory. Any failure to commence operation caused by a war or civil disturbance, a natural disaster, a labor dispute, shortages or other events beyond your reasonable control will be excused for a period of time that is reasonable under the circumstances.

If this training, site location and commencement of operation obligation is not fulfilled, we may terminate this Agreement and retain the Initial Franchise Fee.

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4.2 **You Are to Obtain Permits and Licenses**. Prior to commencing business operations, you will obtain all local permits and licenses necessary to operate the Franchise, including relevant contractors licenses. You will comply with all of the provisions of all other applicable federal, state or local statutes, rules or ordinances.

5 FRANCHISE STANDARDS OF OPERATION

5.1 **Operations Manual, Minimum Inventory, Supplies, Decor, Plans and Specifications, and Public Relations**. Our industry is highly competitive. Continuous efforts to maintain, update and improve the Method of Operation are essential. The developments we will make for the benefit of our franchise system as a whole are contemplated throughout the term of this Agreement. The continuous development of the Method of Operation in this manner is an important and beneficial aspect of the relationship you want to have with us. We agree to lend to you a copy of the **Maids by Trade** Operations Manual (the "Operations Manual") once you have paid to us the Initial Franchise Fee, in full. The Operations Manual describes the Method of Operation, including specifications, standards, operating procedures, accounting and bookkeeping methods, marketing ideas, inventory requirements and control techniques, plans and specifications, fixture and decor requirements, co-branding requirements, public relations and other rules that we may prescribe from time to time and identify as part of the Operations Manual. Among other things, the Operations Manual may contain information, requirements and standards related to:

- Planning and consulting
- Site selection assistance
- Permitting and zoning assistance
- Hiring and employee management training and assistance
- Facility design assistance
- Tenant build-out assistance
- Furnishing and fixture design and standards
- Equipment standards and assistance
- Computer programs for estimating, point of sale, marketing, accounting, scheduling and reporting
- Inventory management assistance and training
- Written operations standards and assistance
- Initial and ongoing operational training
- Management and employee training
- Marketing and advertising
- Standards, ongoing training and ongoing support
- Insurance guidance and standards
- Warranty and customer guarantee programs

The Operations Manual includes materials in whatever form (including electronic) we provide to you that describe the guidelines, advice, and requirements regarding the operation of your franchise, including user manuals and related instruction materials. It includes amendments, supplements, and new documents made and identified by us as part of the Operations Manual. The Operations Manual may be delivered to you by hard paper copy, computer diskette, CD-

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ROM, via an intranet or other downloading mechanism to your computer or via another medium chosen at our discretion.

The Operations Manual is and will remain confidential and our exclusive property. You will not disclose, copy, or duplicate any part of the Operations Manual for any reason. Nothing in this Agreement may be construed as an incorporation of the terms of the Operations Manual or as making the Operations Manual part of this Agreement. The Operations Manual, in part, may consist of confidential:

A. manual or manuals, and

B. any Intranet or password protected portion of an Internet site, and

C. any other embodiment of the Methods of Operation, including notices of new standards and techniques including all media identified by us as part of the Operations Manual, and

D. any amendments, supplements, derivative works, and replacements; whether embodied in electronic or other media.

We develop minimum requirements for service, estimating, products, merchandise, inventory, supplies, stationery, business forms, advertising, decor, plans and specifications, materials, fixtures, and signs, among other things. These requirements are outlined in the Operations Manual. You will purchase all initial inventory items and additional items specified from time to time in the Operations Manual. We may amend the Operations Manual, including changes which may affect minimum requirements for your franchise operations. You will strictly adhere to the requirements of the Operations Manual as we amend it from time to time. You will implement immediately all changes at your cost, unless we otherwise specify. We reasonably may restrict you from producing, stocking, and selling certain services and goods, from time to time, as specified in the Operations Manual.

In the Operations Manual we provide templates for various forms and documents but it is your responsibility to confirm the utility, legality, validity, completeness, and applicability of these forms and documents in the Franchise Territory. You must to report to us any problems with or changes to be made to them.

You must purchase items that bear the Service Marks from us or suppliers we approve from time to time. Proprietary items and supplies may be private labeled by us or our affiliates.

We or our affiliates retain the right to make a reasonable profit on any items, supplies and materials you buy from us or our affiliates. We may also make a reasonable profit on supplies we or our affiliates purchase in bulk quantities and sell to you.

We or our affiliates may obtain money, goods, services, or other benefits from persons and entities with whom you do business, on account of that business with you. These may include rebates, refunds, commissions, co-operative payments, or discounts. We will accumulate them,

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annually account to the Maids by Trade franchise system for them and either add them to the Advertising Fund, use them for programs that benefit all franchisees such as conventions and administration of purchasing programs, use them to provide supplemental training and promotional services to Maids by Trade franchisees, or return them at reasonable times to all Maids by Trade franchisees pro rata, based upon the volume of related business.

There are no required quotas as to quantity of purchases you must make from us or from approved vendors. You must only have enough supplies on hand to meet customer demand. If you elect to purchase residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly equipment, inventory, and supply items from us or our affiliates at our then current prices, payment must be made when you place your order. The items we offer may include among other things residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly equipment, merchandise, and supplies that bear the Service Marks. You may offer these Trademark bearing items only through the Franchise.

Any products and goods sold, licensed, or leased by or through us to you will be sold, licensed, or leased in accordance with the terms expressly set forth in the Operations Manual or as otherwise provided for in writing by us or the manufacturer of the products and goods. **EXCEPT AS EXCLUSIVELY SET FORTH IN WRITING AND SIGNED BY US, WE MAKE NO EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE PRODUCTS AND GOODS, AND ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT RESTRICTED TO, THE IMPLIED WARRANTY OF TITLE AND THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXPRESSLY DISCLAIMED. UNDER NO CIRCUMSTANCES WILL OUR LIABILITY IN CONNECTION WITH ANY PRODUCTS OR GOODS EXCEED THE DOLLAR AMOUNT OF THE PURCHASE PRICE OR LICENSE FEE PAID BY YOU FOR THE PRODUCTS OR GOODS. IN NO EVENT WILL WE BE LIABLE TO ANY PARTY, INCLUDING BUT NOT LIMITED TO, YOU AND YOUR CUSTOMERS, FOR ANY TORT DAMAGES OR INDIRECT, SPECIAL, GENERAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS OR ANTICIPATED PROFITS AND LOSS OF GOODWILL, ARISING IN CONNECTION WITH THE USE OF (OR INABILITY TO USE) THE PRODUCTS OR GOODS FOR ANY PURPOSE WHATSOEVER, EVEN IF WE ARE AWARE OR HAVE BEEN ADVISED OF THE POSSIBILITY OF POTENTIAL LOSS OR DAMAGES**.

We will not be liable to you if we are unable to deliver residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly equipment, inventory or supply items to you because of any loss, damage, or delay caused by strikes, riots, fire, insurrection, war, elements, embargoes, failure of carriers, inability to obtain transportation facilities, forces majeure, acts of God or of the public enemy, or any other cause beyond our control.

You will purchase all products, supplies and materials required for the operation of the Franchise from manufacturers, suppliers or distributors approved by us. All specifications that we require of you and lists of approved suppliers will be included in the Operations Manual. We

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will use our best judgment to set and modify specifications in order to maintain the integrity and quality of the franchise system.

You must sell, offer for sale, distribute or deliver only such services or products that meet the specifications and standards of quality and quantity in the Operations Manual. You must sell or offer to sell all approved items and services. You must refrain from deviating from our standards and specifications and must discontinue selling or offering for sale any such items as we may, in our discretion, disapprove in writing at any time.

You are required to maintain an inventory of authorized and approved equipment and supplies sufficient in quantity to satisfy customer demand.

You agree to offer the warranty and customer guarantee programs we set out in the Operations Manual. You will promptly notify us of any warranty or guarantee claim and will commence all work within a reasonable time-frame. All warranty and guarantee work must be performed pursuant to the Operations Manual and under the Service Marks. You will pay all costs and expenses incurred from warranty claims related to work you originally perform.

With advance written notice, you may request our approval to obtain products, supplies or materials from sources that we have not previously approved. We may require you to give us sufficient information, photographs, drawings, samples, and other data to allow us to determine whether the items from these other sources meet our specifications and standards, as established from time to time. These specifications and standards will relate to quality, taste, texture, composition, absorbency, strength, finish and appearance, and the suppliers' capacity and facility to supply your needs in the quantities, at the times, and with the reliability necessary for efficient operation and at competitive prices. We may require that samples from any supplier be delivered to a designated independent testing laboratory for testing prior to approval and use. You will reimburse us for the actual cost of the tests. We will license any supplier that can meet or exceed our quality control and confidential formula requirements and standards, for a reasonable license fee, to produce and deliver products to you but to no other person. Our confidential manufacturing requirements, residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly equipment, designs, systems and formulas will be disclosed to potential suppliers only after we have received reasonable evidence that the proposed supplier is trustworthy and reputable; has the capacity to consistently adhere to our standards, requirements and testing procedures; will maintain the confidentiality of the designs, systems and formulas; and will adequately supply your reasonable needs. We may require a Confidentiality and Non-Disclosure Agreement signed by the proposed supplier prior to release of any confidential information. We will not unreasonably withhold approval of a supplier you propose. We will notify you in writing of the approval or disapproval of any supplier you propose within 30 days of our receipt from you of your written notice of request for approval. However, we reserve the right to designate exclusive suppliers (including third parties, us or our affiliates) for any products or services to ensure quality and uniformity of products, services, production, shipping and storage for the benefit of the franchise system. From time to time we or our agents may inspect any proposed or approved manufacturer's, supplier's or distributor's facilities and products to assure proper production, processing, packaging, storing, and transportation. Permission for inspection will be a condition

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of our continued approval of any manufacturer, supplier or distributor. If we determine that a manufacturer, supplier or distributor fails to meet our specifications and standards, we will give written notice describing this failure to you and to the manufacturer, supplier or distributor, together with a notice that unless the failure or deficiency is corrected within **30** days, the manufacturer, supplier or distributor will no longer be approved.

One of the benefits accruing to you and all our other franchisees is the economy of mass purchasing power made available through us. Your failure to pay or repeated delay to make prompt payment in accordance with the terms of the invoices and statements for payments due on your purchases of fixtures, signs, residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly equipment, products, supplies and other inventory items, or you misdirection of supplies or other abuse of our approved suppliers, distributors and manufacturers, will result in a loss of credit standing and goodwill and benefits otherwise available to us and our other franchisees. You expressly agree to promptly pay all such invoices and statements in accordance with their terms. You authorize us to communicate with all the suppliers, distributors, manufacturers and vendors with whom you do business and you authorize them to communicate with us regarding all aspects of your purchases from and dealings with them. You authorize us to instruct the suppliers, distributors, manufacturers and vendors (and you instruct them to comply with our instruction) to immediately cease sales and deliveries to you upon the occurrence of any default by you under this Agreement.

5.2 **Standards to Be Maintained**. You will follow the Method of Operation and maintain standards for products, merchandising, and service that we prescribe.

A. You will operate the Franchise in a clean, orderly, and respectable manner in strict compliance with this Agreement and the Operations Manual. The Franchise Premises will be used only as a Maids by Trade Franchise. You will only use signs, residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly fixtures, equipment, materials, products, inventory, decor, plans, and services that conform to our specifications to conduct the franchise. You acknowledge that the mandatory standards, specifications and policies we establish are not aimed at the day-to-day operation of your business, which will solely be within your control, but are merely intended to preserve the goodwill of the Method of Operation and of the Service Marks.

You may only use trucks and cargo vans which are free of any rust and dents. You will wash your vehicles at least once every two weeks. Your vehicles will only be used for Franchise purposes and will not be used for any other reason. We must approve the vehicles you use for your Franchise. You will maintain your vehicles in good repair and operating condition. You will adhere to our vehicle requirements and standards, including our requirements for the purchase of new vehicles and the application of signs and wrapping. While we currently do not require new vehicles to be wrapped or signed, we may at any time require you to wrap your vehicles with our Maids by Trade vehicle wrapping package or with other signage packages we approve.

B. You will maintain signs approved by us on the Franchise Premises and on vehicles you use in your franchise operations and to identify locations where you are

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conducting franchise services. These signs must comply with local sign ordinances, regulations and laws. The signs will describe you only as a franchisee operating pursuant to this Agreement. You will apply only decals and logos approved by us on your vehicles, signs and residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly equipment. You will keep your signs clean and legible and free of tears, paint problems, punctures, cuts, and graffiti.

C. We may inspect the Franchise at reasonable times to verify your compliance with the terms of this Agreement. To do so, we may:

1. Inspect the Franchise;

2. Observe your operation of the franchise business for any consecutive or intermittent periods we deem necessary;

3. Select items, products and other materials, services, residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly equipment and materials, operations and supplies for test of content and evaluation purposes to make certain that they are satisfactory and meet our quality control provisions and performance standards;

4. Interview your personnel, customers, vendors and co-branded partners; and

5. Inspect and copy any books, records and documents related to the operation of the franchise, the co-branded location and any other franchise information we may require.

6. Photograph and make video or digital recordings of your franchise operations and your employees and customers at all reasonable times. We will have the right to use these photographs and videos or digital recordings for such purposes as we deem appropriate, including, but not limited to, use in training, advertising, marketing and promotional materials, and as evidence in any court or arbitration proceeding.

You and anyone acting as your agent will cooperate fully with us and our agents in connection with these inspections, observations, and interviews. You expressly waive any rights of privacy or confidentiality you have with your personnel, customers, vendors and co-branded partners in reference to these inspections, observations and interviews.

D. You will comply with all applicable ordinances, regulations, bylaws, laws, and statutes. You will not permit unlawful activities through the Franchise and will not sell, exchange, offer, hold, show, rent, or permit to be sold, exchanged, offered, held, shown, or

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rented any material or service you know or reasonably suspect to have been obtained in violation of law or to be otherwise illegal.

You will secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchise and will operate the Franchise in full compliance with all applicable ordinances and regulations, including without limitation, all government laws and regulations relating to occupational hazards and health, EEOC laws, Americans with Disabilities Act, copyright laws protecting owners of artistic works, consumer protection, trade regulations, workers compensation, unemployment insurance and withholding, and payment of federal and state income taxes, social security taxes and sales, use and property taxes.

Any documents, forms, and resources your receive from us must be revised by you if necessary to comply with applicable local, state, and federal laws and regulations.

E. You will not install or use any vending machines, juke boxes, games or musical devices on the Franchise Premises without our prior written approval.

F. You will not offer, sell or dispense any products or services or activities other than those we specifically recognize and approve in writing.

G. We may employ professional shopping services to monitor your compliance with this Agreement. You will repurchase merchandise and otherwise fully reimburse these shopping services for goods, services, and other items they receive, lease, or buy from you in the process of verifying compliance. You will hold us harmless from any such charges incurred by any shopping service. We will pay all other charges made by the shopping services.

H. You, at your expense, will maintain the interior and exterior of the Franchise and your vehicles, residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly equipment and furnishings in good repair, attractive appearance, and sound operating condition in compliance with the Operations Manual. At our request, you will make necessary repairs to the Franchise Premises in order to maintain uniform appearance and to protect the reputation of the Service Marks. You will commence all repairs and changes within a reasonable time after notice from us, and you will proceed with due diligence until completion. You will not make any change in the layout and decor of the Franchise Premises without our prior written approval.

If you do not maintain the Franchise or your vehicles as required, after notice to you, we at our option may make the necessary maintenance and repairs and charge the cost to you. If we make or direct the making of repairs, we will not incur any liability to you, including but not limited to, liability for interruption of your business during the course of making the maintenance and repairs.

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I. You will keep your franchise open for business every day of the year, except holidays we designate, during the hours specified or approved in writing by us We may change these requirements from time to time as designated in the Operations Manual.

J. At all times you will insure that your copy of the Operations Manual and any other manuals given to you are kept current and up to date with the amendments and updates we provide to you. In the event of any dispute as to the contents of the Operations Manual, the terms of our master copies maintained at our principal place of business will be controlling.

K. We will provide regular consultation and advice to you in reference to issues we determine may be important to your franchise operations or in response to your inquiries about specific administrative and operating issues you bring to our attention. We will have sole discretion to determine the method for communicating this consultation and advice, which may differ from the methods we use for others of our franchisees. For example, consultation and advice may be provided by telephone, in writing (including electronically), on-site in person, or by other means.

5.3 **Service Marks, Operations Manual, and Method of Operation Are Our Exclusive Property**. You agree that the Service Marks, Operations Manual, and Method of Operation are our sole and exclusive property. Except for the Franchise granted to you by this Agreement, nothing in this Agreement or any other agreement will give you or others any right, title, or interest whatsoever in or to the Service Marks, Operations Manual, or Method of Operation. Your license to use the Service Marks is non-exclusive. We, in our sole discretion, may operate under the Service Marks and may grant licenses to others to use the Service Marks on any terms and conditions we deem appropriate. In those states and nations where applicable, you agree to execute on request all documents necessary to record you as a registered user of the Service Marks. You will not use the Service Marks as part of any electronic mail address or in any electronic mail message except in accordance with the Operations Manual and only for purposes of the franchise.

You will immediately notify us of any infringement of, or challenge to, your use of the Service Marks or any marks identical to or confusingly similar to the Service Marks, including any claims of infringement or unfair competition. While we will make reasonable efforts to protect your rights to use the Service Marks, we will have sole discretion to take or not to take action, as we deem appropriate. If we undertake the defense or prosecution of any litigation or administrative action involving you or any litigation or administrative action involving the Service Marks or the Method of Operation, you agree to execute any and all documents and to do all acts and things that in the opinion of our counsel are necessary or advisable to carry out the defense or prosecution. This may be done either in our name or in your name, as we will elect. We will not be required to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the Service Marks or if the proceeding is resolved unfavorably to you. Instead, at any time, you will modify or discontinue use of any franchise names or Service Marks, or will use one or more substitute names or marks, if we so direct in writing at any time. Our sole obligation in this event will be to reimburse you for your tangible costs in complying with our direction (i.e., cost of changing signs,

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stationery, etc.). Under no circumstances will we be liable to you for any other damages, costs, losses, rights, or detriments related to any modification, discontinuance, or substitution. All obligations or requirements imposed upon you relating to the Service Marks will apply with equal force to any modified or substituted names or marks.

You will not contest, directly or indirectly: our ownership, title, right, or interest in the Service Marks, the Operations Manual, or the Method of Operation; or our exclusive right to register, use, or license others to use the Service Marks, Operations Manual, and Method of Operation. You will not advertise or use the Service Marks without following our then current guidelines and requirements. These may include, but will not be limited to, the placement of appropriate © or ® copyright and registration marks, or the designations TM or SM, where applicable.

Any and all goodwill associated with the Service Marks, including any goodwill that might be deemed to have arisen through your activities, will accrue directly and exclusively to our benefit, except as otherwise provided by applicable law. You appoint us as your agent and attorney-in-fact to amend or cancel any registered user or business name filings obtained by you or on your behalf that involve or pertain to the Service Marks.

You will not use the Service Marks on products or services that come from any source other than us or sources we approve in writing except for products you prepare or produce pursuant to the Operations Manual and the Method of Operation.

We make no representation or warranty, express or implied, as to the use, exclusive ownership, validity or enforceability of the Service Marks.

We and you will use reasonable best efforts to continuously improve the products, processes and services used in the Method of Operation and to develop new products, processes and services for use as part of the Method of Operation. All the improvements, inventions and developments you make, develop or create for use in the Method of Operation will be our property and we alone will hold any patent, trademark registration or other form of protection for those improvements, inventions, developments, processes, methods and practices.

5.4 **You Will Not Use Names or Marks in Combination**. Except as provided in this Agreement, you will not use or give others permission to use the Service Marks, or any colorable imitation of them, combined with any other words or phrases. You and your owners, officers, and agents will not form or participate in the formation of any company, firm, corporation, or other entity having a name containing the words of the Service Marks. You may not combine or associate any name or symbol of the Service Marks with any other name or word in any advertising or sign. You may not use the Services Marks in naming or labeling any account with any vendor, service provider or bank. The Service Marks must be used in exact conformity with specifications we set in the Operations Manual.

5.5 **Service Marks, Operations Manual, and Method of Operation May Be Changed**. You acknowledge that the Service Marks, Operations Manual, and Method of Operation, including any future amendments or modifications to them, have substantial value, and that the conditions, restrictions, covenants not to compete, and other limitations imposed by

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this Agreement are necessary, equitable, and reasonable for the general benefit of you, us, and others enjoying any lawful economic interest in the Service Marks, Operations Manual, and Method of Operation.

You understand and agree that the Method of Operation must not remain static if it is to meet presently unforeseen future changes in technology, competitive circumstances, demographics, consumer trends, social trends and other marketplace variables and to best serve the interests of you, us and our other franchisees. We may add to, subtract from, change or modify any part of the Service Marks, Operations Manual, or Method of Operation from time to time at our sole discretion, This may include changes to the products, equipment, signage, trade dress, décor, design, appearance, operations, programs, services, methods, standards, forms, policies and procedures of the Method of Operation or abandoning the Method of Operation altogether in favor of another system in connection with a merger, acquisition, or other business reason. You will accept, use, and protect, for the purposes of this Agreement, all additions, subtractions, changes and modifications as if they were a part of the Service Marks, Operations Manual, and Method of Operation at the time this Agreement is executed. You will bear all costs and expenses which may be reasonably necessary as a result of such changes or modifications. Except as otherwise provided in this Agreement, under no circumstances will we be liable to you for any damages, costs, losses, or detriments relating to or directly or indirectly resulting from these changes or modifications.

Changes in the Operations Manual may include required use of new or modified Service Marks, expansion of existing services, introduction of new services or programs, compliance with new techniques, standards, specifications and procedures and other developments of the Method of Operation (collectively "Developments"). Every component of the Operations Manual, as it now exists and may in the future be changed is important to both us and our franchisees and to the operation of all of our franchises. Accordingly, you will accept, implement, use and display all Developments as if they were a part of the Operations Manual at the time of execution of this Agreement and to make all expenditures, including any payments to us or to our affiliates or subsidiaries required by it in connection with any Development, and do (and refrain from doing) all things reasonably required in connection with that Development. Any payments you are required to make to us or to our affiliates or subsidiaries, for Developments will represent either:

your contribution, on the same basis as our other franchises, to the cost of the Developments, or

a reasonable approximation of the value of the Developments to your Franchise.

Complete and detailed uniformity of the Service Marks, Operations Manual, and Method of Operation under the varying conditions to be experienced by our franchisees may not be possible or practicable. Therefore we reserve the right, at our discretion, to accommodate your special needs, or those of any other of our franchisees. These needs may result from the peculiarities of a particular site or location, density of population, population demographics, business potential, population of trade area, existing business practices, requirements of local law or local customers, landlord requirements, or any other condition which we deem to be important to the successful operation of the franchisee's business. From time to time, we may

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allow certain franchisees to depart from normal system standards and routines to experiment with or test new products, residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly equipment, designs, and procedures. In no event will any variance or testing be deemed a waiver of any of our rights, or an excuse for you to not perform any of your duties under this Agreement. We may require you at any time to commence full compliance with the Operations Manual and the Method of Operation. We will not be required to grant any variance to you under any circumstances. You will not require us to disclose or grant to you a like or similar variation.

5.6 **Employees**. You are exclusively responsible to train and make sure your employees and independent contractors meet the standards, specifications and procedures outlined in the Operations Manual. You will hire only efficient, competent, sober and courteous employees for the conduct of the franchise business and will pay their wages, commissions, piece work and any other compensation justly due with no liability on our part.

A. You will control your own employees and independent contractors. We will not have the power to hire, fire, direct, supervise, or discipline them. You will maintain employee records to show clearly that you and your employees are not our employees.

B. You must comply with all state and federal laws in respect to your employees. You acknowledge that you have had ample opportunity to investigate these and other laws applicable to your business with your own independent legal counsel before signing this Agreement. You must indemnify and hold us legally harmless from any of your violations of such laws.

C. You must pay special attention to federal and state wage and hour laws with respect to your employees. You must comply with all such laws and pay your employees properly. You are responsible for any employee wages and compensation, payroll taxes and other required withholding, worker's compensation and benefits. You are responsible for any employee wages and compensation, payroll taxes and other required withholding, worker's compensation and benefits.

D. You are exclusively responsible to monitor the scheduling, performance, efficiency, and efficacy of your employees and independent contractors and to make adjustments to improve the results of their efforts.

E. If you decide to share employees or independent contractors with other franchisees, then you will indemnity and hold legally harmless us (and our affiliates, officers, directors, employees and agents) from any claims, losses, attorney fees and damages resulting from such activities. You acknowledge that this provision does not constitute an endorsement to share employees with other franchisees.

F. You are responsible to train and to make sure your employees and independent contractors meet the standards, specifications and recommendations outlined in the Operations Manual, including those related to appearance, customer service, background checks, and drug testing (as applicable). You are required to hire and maintain sufficient

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staff in order to handle customer volume at all times. You will ensure that your employees present a neat and clean appearance and render friendly, efficient, sober and courteous service to your customers.

G. All employees and independent contractors whose duties include customer service must have sufficient literacy and fluency in the English language to serve the public.

H. You may not hire any employee or independent contractor who has been found guilty of any charges of fiduciary misconduct, any form of unlawful sexual conduct, any felony of any kind, or any similar charges that reflect negatively on the person's moral turpitude and character.

I. All revenues generated under this Agreement from all business activities of the Franchise must be paid directly to you and not directly to your employee or independent contractor.

5.7 **You Will Not Communicate Confidential Information**. You specifically acknowledge that you will receive valuable specialized and confidential information, including information regarding our operational, sales, promotional and marketing methods and techniques, operating procedures, processes, practices, lists of suppliers, customer lists, manuals, marketing and sales techniques and strategies, and the Method of Operation. Unless required by court order or applicable law, you agree not to copy, download to internet, intranet, modem, fax, e-mail, mail or send any confidential material or divulge any material directly or indirectly to any other person or enterprise outside of the Maids by Trade system. During the term of this Agreement and after it expires or is terminated, you will never communicate, fax, e-mail, post on an internet electronic bulletin board, divulge or use in any other manner, either for your benefit or the benefit or any other person, persons, partnerships, associations, companies or corporations any confidential or proprietary information, knowledge or know-how concerning the Method of Operation or any information we have communicated to you in written, verbal or electronic form, including intranet passwords, for the operation of your franchise.

You will assure that all communications and media connections with us and with your customers and access to financial information (especially bank account and credit card information) are at all times kept secure. This includes wireless, cable, internet, broadband or other communications and media connections. Your security measures must be in compliance with all legal requirements and, particularly, with all security requirements of the relevant banks and issuing credit card companies.

The Method of Operation includes valuable proprietary and confidential information. Unless required by court order or applicable law, you agree to not communicate or divulge the contents of our Operations Manuals or any other information related to the Method of Operation or to the operation of the Franchise or our franchise system to any person or entity except those we authorize in writing to receive the information. You agree that these contents and information are confidential. They include information that is our exclusive property, and you may only use them in the Franchise subject to the provisions and duration of this Agreement. You agree to fully and strictly adhere to all security procedures we prescribe for maintaining the confidentiality of the information. You agree to disclose information to your employees only to the extent

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necessary to perform the franchise business. You will not reverse engineer, decompile or disassemble any items embodying the Method of Operation or our confidential information.

The Method of Operation is a technologically advanced program of accounting, identification procedures, management systems, techniques and business operations and systems that would, if used by other persons, firms or entities, give a substantial competitive advantage which we presently enjoy. Any and all information, knowledge and know how, not generally known about the Method of Operation and our products, services, standards, specifications, systems, procedures and techniques, including information, manuals, contracts, customer data, supplier data, financial data, price lists, methods, techniques, processes, compilations, formulas, programs or patterns related to the operation of a Maids by Trade franchise and its products and services and any other information or material that we may designate as confidential, will be deemed confidential for purposes of this Agreement. This will not apply to information which you can demonstrate came to your attention prior to disclosure by us, or which is or has become a part of the public domain through publication or communication by others. Our confidential information is licensed, not sold, to you. You will not reverse engineer, decompile or disassemble any item that embodies confidential information. The Operations Manual may contain guidelines to protect confidential information [and trade secrets], including limited access to the information on a need to know basis, locking of offices and computer files, placement of appropriate legends on materials, limited access for copying and scanning, pass-word protection, and encryption. You will conduct periodic meetings with your managers and employees to instruct them on their responsibilities to maintain the confidentiality of our information, including severance interviews with terminated employees in which they acknowledge in writing their post-employment confidentiality obligations.

You will require as a condition of the employment of your employees and anyone else providing services to you that they maintain and protect our confidential and proprietary information; including the signing of a confidentiality agreement. You must follow our security procedures, which may include the execution of approved nondisclosure agreements, and Intranet and Internet usage agreements. You will be responsible to enforce these covenants and agreements by your employees. These covenants are for the benefit of us and the Maids by Trade franchise system and are enforceable by us. If you become aware of any actual or threatened violations of these covenants by any of your employees and anyone else providing services to you, you will promptly and fully advise us in writing of all related facts known to you. You will cooperate with us in all ways we reasonably request to prevent or stop any violation. This may include institution or permitting to be instituted in your name any demand, suit or action that we determine is advisable. The demand, suit or action may be maintained and prosecuted by us and you at your expense.

You will assure that you and all your agents, employees, consultants, partners, owners, members, officers, directors, and shareholders and other persons in your control, to whom any information is communicated, will keep, preserve, and protect all confidential information.

This section contains prohibitions based upon an understanding that you, your key employees, your officers, your partners, your employees, members and stockholders (as applicable) will

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possess knowledge of business and operating methods and confidential information, disclosure of which would prejudice our interests and our other franchisees.

If you engage in any residential and commercial cleaning services, environmentally safe cleaning products or ecologically friendly business within **2** years of the expiration, termination or transfer of this Agreement, you will prove to us that you have not used our confidential information in that business. This **2**-year period is not intended to limit the duration of your obligation to preserve the confidentiality of the information and to not use the information after expiration, termination or transfer of this Agreement.

5.8 **Conflicting or Competing Interests**. You will diligently, faithfully, and honestly perform your obligations pursuant to this Agreement. You will use your best efforts to develop, promote, and enhance your franchise. You will not engage in any activity or business enterprise that conflicts with these obligations. We require that you, or your majority owner if you are a corporation, limited liability company or partnership, participate fully in the actual day to day operation of the franchise business.

You will devote your full time and talent to the management, supervision and operation of the franchise. Your management organizational chart must be submitted to us for approval. In the alternative, you may submit, in writing, a management and business plan for our approval, to show how the franchise will operate without your full time and talent. If the management organizational chart or management and business plan are to be modified, the revised chart or plan first must be submitted to us for approval. You will hire and retain personnel who have been properly trained following the requirements of this Agreement and the Operations Manual.

At all times the Franchise must be under your direct supervision. You will devote a substantial enough amount of time and energy to properly operate the Franchise. What constitutes proper operation will be in our sole reasonable discretion. In your absence, the Franchise must be under the direct supervision of a manager who has successfully completed the required training programs and who devotes the necessary time during business hours to the management of the Franchise.

You acknowledge and agree that we would be unable to protect the Method of Operation and our confidential information against unauthorized use or disclosure or to encourage a free exchange of ideas and information among Maids by Trade franchises if Maids by Trade franchise owners were permitted to hold interests in or perform services for any business that is competitive to Maids by Trade. You also acknowledge that we have granted this Franchise to you in consideration of and reliance upon your agreement to deal exclusively with us. In express consideration for and during the term of this Agreement, neither you nor your owners, shareholders, members, partners, directors, officers, employees, consultants, distributors, or agents, nor the members of your or their immediate families or households (who have access to or knowledge of the Operations Manual or Method of Operation), will directly or indirectly participate as an owner, shareholder, member, partner, director, officer, employee, consultant, franchisor, franchisee, distributor, advisor or agent, or serve in any other capacity in any business (including business in formation) engaged or to be engaged in the sale or rental at wholesale or retail or on the Internet of residential and commercial cleaning services,

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environmentally safe cleaning products, or ecologically friendly cleaning processes. products or services or any business that offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the Method of Operation. We may waive this covenant only in writing. During all of these periods, you agree to promptly and fully disclose to our Chief Executive Officer any business opportunity coming to your attention, or conceived or developed in whole or in part by you, which relates to our business.

You will assure that you and your owners, directors, officers, partners, shareholders, members, employees, consultants, and agents, during the term of this Agreement and for a period of **2** years after expiration or termination of this Agreement do not:

A. divert or directly or indirectly attempt to divert any of our business or any of our customers to any competing establishment;

B. employ or seek to employ any person we employ or any other person who is at that time operating or employed by or at any of our franchises or otherwise directly or indirectly induce these persons to leave their employment; nor

C. do or perform, directly or indirectly, any other act injurious or prejudicial to our goodwill associated with the Service Marks and Method of Operation

The running of the periods of time specified by this Section will be tolled and suspended for any period of time during which a court or arbitrator determines you to have been in violation of this Section.

If, for any reason, any provision set forth in this Subsection is determined to exceed any lawful scope or limit as to duration, geographic coverage, or otherwise, it is agreed that the provision will nevertheless be binding to the full scope or limit allowed by law or by a court of law. The duration, geographic coverage and scope allowable by law or court of law will apply to this Agreement.

The provisions relating to interests in any other business will not apply to your ownership of outstanding securities of any corporation whose securities are publicly held and traded. Provided that you hold these securities for investment purposes only and that your total holdings do not constitute more than **5%** of the outstanding securities of the corporation.

You will obtain written covenants from your owners, shareholders, members, partners, directors, officers, employees, consultants, distributors, and agents in a form satisfactory to us that these persons will comply with the provisions of this Section.

You and we stipulate that, in light of all of the facts and circumstances of the relationship between you and us, the covenants, restrictions and agreements referred to in this Section (including without limitation their scope, duration and geographic extent) are fair and reasonably necessary for the protection of our confidential information, goodwill and other protectable interests. If a court of competent jurisdiction should decline to enforce any of those covenants

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and agreements, you and we request the court to reform these provisions to restrict your use of confidential information, non-solicitation, ability to compete with us, and any other covered topics to the maximum extent, in time, scope of activities, and geography, the court finds enforceable under applicable law.

5.9 **Computer Systems**. You will install and use client relations, bookkeeping, communications, accounting, and inventory control computer systems approved by us. You will purchase, lease, or otherwise acquire, from sources of your choice and at your expense, computer hardware and software (including but not limited to programs, computer terminals, Internet and other network access providers, web site vendors and, video conferencing) that are totally compatible with and strictly conform to all requirements, standards, and specifications we may set from time to time, including coordination with consolidated systems used at co-branded locations. You must have these systems in operation at the Franchise Premises prior to opening for business. You must comply with any separate software or other license agreement that we or our designee uses in connection with providing these services to you.

You are required to have DSL or other high speed Internet service to your business so that you can access downloads from us of advertising materials, operations manual revisions, training materials, product access and preparation; communication; email; web site access; and corporate news. Your computers and access must also accommodate our continuous and ongoing remote access to your computer systems, software and records for audit, data analysis, marketing, etc. You will comply with all our requirements regarding Internet, Intranet and computer use contained in the Operations Manual, including the making of on-site bids and proposals to customers. You must make sure that we have access at the times and in the manner we specify, at your cost.

You will, at your sole expense, continuously maintain (i) an active e-mail account and e-mail address with an established internet service provider, keep us informed of your current e-mail address and manage your e-mail account so that it does not become full or otherwise incapable of accepting new messages, and (ii) an electronic data exchange service designated by us to enable us to remotely retrieve sales, inventory and other operating data for the Franchise as frequently as we deem necessary. You, on behalf of yourself and, as applicable, your directors, officers, managers, employees, consultants, representatives and agents, waive any claim that our retrieval of data from your electronic records violates any person's rights of privacy.

You will abide by all applicable laws pertaining to privacy of information you collect or maintain regarding your customers and other individuals ("Privacy"), and will comply with our standards and policies pertaining to Privacy. If there is a conflict between our standards and policies pertaining to Privacy and applicable law, you will:

(a) comply with the requirements of applicable law;
(b) immediately give us written notice of the conflict; and
(c) promptly and fully cooperate with us and our counsel as we may request to assist us in our determination regarding the most effective way, if any, to meet our standards and policies pertaining to Privacy within the bounds of applicable law.

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E-PROBLEM DISCLAIMER: Computer systems are vulnerable in varying degrees to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, the Year 2000 problem and similar date-related problems, and attacks by hackers and other unauthorized intruders ("E-Problems'). We do not guarantee that information or communication systems that we or others supply will not be vulnerable to E-Problems. It is your responsibility to protect yourself from E-Problems. You should also take reasonable steps to verify that your suppliers, lenders, landlords, customers, and governmental agencies on which you rely, have reasonable protection from E-problems. This may include taking reasonable steps to secure your systems (including firewalls, password protection, and anti-virus systems), and to provide backup systems.

5.10 **Terms of Product Sales**.

A. To receive products, you must deliver to us a purchase order that specifies the products. All orders you submit are subject to acceptance at our corporate headquarters. We reserve the right to reject any order that is not credit approved or does not conform to the provisions of this Agreement. All orders accepted for delivery will be governed exclusively by the terms and conditions of this Agreement. Unless we agree in writing, no additional or different terms and conditions appearing on the face or reverse side of any order you issue will become part of that order. Our acknowledgment of your purchase order will not be acceptance of any additional or different terms and conditions.

B. Shipments are subject to availability. Upon notice to you, we may schedule and reschedule any order, at our discretion. We may decline any order for credit reasons or because the order specifies an unreasonably large quantity or makes an unreasonable shipment request.

C. We will use commercially reasonable efforts to meet any scheduled shipment date. However, we will not be liable for delays in meeting a scheduled shipment date for any reason. If products are scarce, we will allocate them equitably, at our discretion, among our customers.

D. Unless otherwise agreed, the products will be shipped only to your approved facility and only after receipt of an order from you.

E. We may refuse to ship or delay the shipment of any products on order if you become delinquent in payment of your obligations, exceed established credit lines, fail to meet our other credit or financial requirements or fail to provide financial information when we request. No cancellation, refusal or delay will terminate this Agreement.

F. All products will be delivered to you F.O.B. origin upon transfer to a common carrier. You will pay all transportation, insurance, rigging and drayage charges.

G. On delivery of products to carrier, title (or with respect to licensed software and programs licensed, not sold, title only to the media on which the licensed software or program is delivered) will pass to you and you will assume responsibility for promptly advising

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the carrier and insurer of the loss, for filing a claim and for recovery of any sums owed by them to you. Upon request, we will cooperate with you to establish a claim.

H. You grant to us a security interest in the products and proceeds as security for your obligations under this Agreement. Upon request, you will execute and file all instruments or documents necessary to perfect any security interest. You acknowledge that we may file a copy of this Agreement as a financing statement for that purpose.

I. You will maintain sufficient inventories of products and employ sufficient help to operate your business at a level of capacity and market penetration commensurate with the reasonable demands of the marketplace.

J. You will represent fairly all products you purchase from us.

K. You will comply with all of the obligations and requirements imposed upon you by the manufacturers or distributors of the products.

L. You will use commercially reasonable efforts and good faith to promote, demonstrate and sell the products and services.

M. You will provide to us forecasts of your projected purchases of products.

N. You acknowledge that we are not the manufacturer of the products. The products are subject to the manufacturer's standard warranty. We disclaim all warranties, including the implied warranties of merchantability and fitness for a particular purpose. No representation, affirmation of fact, or statement regarding capacity or suitability, which is not in this Agreement, will be a warranty by us for any purpose.

O. We will not be liable for any loss or damage claimed to have resulted from the use, operation or performance of the products, whatever the form of action. Our maximum liability to you, whether based upon contract, warranty, tort or otherwise, will not exceed the actual amount you pay to us for the specific product that causes the damages. These limitations of liability will not apply to claims for personal injury caused by our negligence. We will not be liable to you for special, indirect, incidental or consequential damages or from any damages resulting from loss of use, data or profits.

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6 **RENEWAL, TERMINATION AND STEP-IN RIGHTS**

6.1 **Renewal of Franchise**.

A. If you are not in breach, you may renew the Franchise for periods of **5** years under the terms of our then-current Franchise Agreement forms. "Then-current," as used in this Agreement and applied to our Franchise Disclosure Document will mean the form then currently provided to prospective franchisees, or if not then being provided, then the form we select in our sole discretion which previously has been delivered to and executed by a franchisee of ours. You will exercise your renewal option by giving written notice to us. The notice must be given at least three months, but no earlier than six months, before the end of the franchise term established by this Agreement.

There is no fee for renewal of the Franchise. The renewed Franchise Agreement will be evidenced by you signing the Franchise Agreement forms we then are using (with appropriate modifications to reflect the fact that the agreement relates to the grant of a renewal franchise). These forms may vary materially from this Agreement. Royalty Fees, Advertising Fees, Local Advertising Contributions and other fees will be set at the then prevailing rates and terms. Your failure or refusal to execute the Renewal Franchise Agreement forms within **30** days after delivery to you may be regarded as an election by you not to renew. Upon renewal, the Franchise must remain located in the geographical territory designated in this Agreement. The Franchise Territory may be modified and its geographic area may be reduced or expanded to meet our then current franchise market penetration and demographic standards and co-branding requirements.

You will reimburse us for our reasonable out-of-pocket costs concerning the renewal.

You will refurbish, remodel, and replace the Franchise and its vehicles and residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly processes, fixtures, and equipment to conform to the then current Operations Manual and Method of Operation. There will be no limitation on the amount that we may require you to spend on refurbishing, remodeling and replacement. You must make all capital expenditures reasonably required to renovate and modernize the Franchise and its vehicles, signs and residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly processes and equipment to reflect the design and decor image of Maids by Trade franchises we then are requiring of new or renewing Maids by Trade franchises. These expenditures will be in the amount necessary to make the Franchise modern and fresh and to resolve wear and tear.

You must execute a general release, in a form we prescribe, following applicable law, to release us from any claims you may have against us.

Before renewal, you or your designated manager will attend and successfully complete any retraining program we prescribe in writing. This will be done at your expense, including travel, meals, lodging, and our then current training fee.

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B. We may refuse to renew this Agreement if you fail to satisfactorily comply with this Agreement. The determination of satisfactory compliance will be within our exclusive discretion and business judgment in good faith. If we refuse to renew, you must continue to perform under this Agreement until its expiration. We also may refuse to renew this Agreement if we make a good faith determination in our normal course of business that renewal of the franchise relationship is likely to be uneconomical to us or our franchise system despite any reasonable changes or additions to the agreements between be parties, which may be acceptable to you. We will not be obligated to renew this Agreement if we have determined in good faith to cease carrying on business your market area and if we have given you at least 180 days-notice of our intent not to renew and have otherwise complied with applicable law concerning the renewal of franchises.

Even though we decline the renewal of your franchise, it is possible that we can be required to renew it under a law, rule, regulation, statute, ordinance, or legal order that is applicable at the time. If that happens, to the extent it is allowed by the concerned law, rule, regulation, statute, ordinance or order, your renewal term will be subject to the conditions of the Franchise Agreement we are using for new franchisees at the time the renewal period begins. If we are not then offering new franchises, your renewal period will be subject to the terms in the Franchise Agreement that we indicate. If for any reason that is not allowed, the renewal term will be governed by the terms of this Agreement.

C. Continuation. You have no automatic right to continue operation of the Franchise following expiration or termination of this Agreement. If you continue to operate the Franchise with our express or implied consent, following the expiration or termination of this Agreement, the continuation will be a month-to-month extension of this Agreement. This Agreement will then be terminable by either party upon **30** days written notice. Otherwise, all provisions of this Agreement will apply while operations continue. Upon termination of this Agreement under this section, all post-termination covenants and obligations in this Agreement will apply.

6.2 **Termination by You**. You may terminate this Agreement if you comply with the terms of this Agreement and if we substantially breach any material provision of this Agreement and fail to cure or reasonably to begin to cure that breach within **30** days after receipt of written notice specifying the breach. Termination will be effective **10** days after you deliver to us written notice of termination for our failure to cure within the allowed period.

6.3 **Termination by Us**.

A. The following provisions are in addition to all other remedies available to us at law or in equity. We will have the option to cure your breaches at your expense.

If you breach or default in any of the terms of this Agreement, we have the right to appoint a receiver to take possession, manage and control assets, collect profits, and pay the net income for the operation of the Franchise as ordered by a court of jurisdiction. The right to appoint a receiver will be available regardless of whether waste or danger of loss or destruction of the assets exists, and without the necessity of notice to you.

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1. You irrevocably nominate, constitute and appoint the person serving from time to time as our President to be your attorney-in-fact so to act in your name and on your behalf.

2. At our election and without waiving any claims for default or breach and without prior notice to you or resort to legal process, we may enter upon any premises using the reasonable force as is necessary in the circumstances, without being guilty of trespass or liable to you or the property owner for the entry, for the purposes of securing the return of our property, the performance of your obligations of discontinuance and the protection of our rights upon expiration or termination of this Agreement.

If any payments to us, our affiliates or approved vendors are late by more than 15 business days, we may suspend your ability to access forms, software, web sites, Internet or Intranet, or limit your continued operation of the franchise and order all product deliveries withheld from you until the payments are received.

You agree that this Agreement and any other agreements between you and us may be terminated, at our election, in the event of any material breach by you of any franchise agreement or any other agreement between us and you, upon the notice, if any, specified in the franchise agreement or the other agreement. If you or any of your shareholders, partners, or officers violate any material provision of any other franchise or other agreement with us, that breach will be considered a breach of this Agreement and of the other agreements. We then may terminate or otherwise enforce this Agreement and the other agreements.

We may terminate this Franchise Agreement and any other franchise agreements and related agreements between the parties if you (or your owners, officers, or key employees) breach any term or provision of this Agreement and do not cure the breach (or reasonably begin to cure and diligently pursue the cure until the breach is remedied) within **30** days after receipt of our written "Notice to Cure." Termination will occur immediately upon delivery to you of our written declaration of termination for failure to cure within the allowed time frame.

B. Among other things, you agree that it will be a default constituting a substantial breach of a material provision of this Agreement pursuant to relevant law, thus establishing good cause for termination, and that this Franchise Agreement and any other related agreements and franchise agreements between the parties will terminate automatically upon delivery of written notice of termination to you, if you or your owner(s), officer(s), or key employee(s):

1. Become insolvent, make a general assignment for the benefit of creditors, have a receiver appointed to administer or take possession of any part of the franchise or your assets, or admit to not being able to meet your obligations as they become due or become bankrupt, or become subject to any chapter of the United States Bankruptcy Code, unless you:

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(i) timely undertake to reaffirm the obligations under this Agreement;
(ii) timely comply with all conditions as legally may be imposed by us upon such an undertaking to reaffirm this Agreement; and
(iii) timely comply with such other conditions and provide such assurances as may be required in relevant provisions of the United States Bankruptcy Code;

provided, however, that we and you acknowledge that this Agreement constitutes a personal service contract and that we have relied to a degree and in a manner material to this Agreement upon the personal promises of you and/or your directors, officers, shareholders or partners, as the case may be, to participate personally on a full-time basis in the management and operation of the franchise, and, consequently, we and you agree that any attempt by any other party, including the trustee in bankruptcy or any third party, to assume or to accept an assignment of this Agreement will be void.

2. Fail to operate the Franchise continuously and actively for **5** consecutive days or for any shorter period after which it is reasonable under the facts and circumstances to conclude that you do not intend to continue the Franchise or maintain a suitable Franchise location.

3. Fail to comply with any requirement of this Agreement or of any related agreement between the parties within twelve months after having received the most recent of two or more **30**-day or **5**-day Notices to Cure deficiencies in performance of the same or any other requirement pursuant to Subsection (A) above or this Subsection (B), whether or not you had corrected your earlier failures to comply after we delivered notice to you.

4. On more than two occasions fail to report monthly Revenue on time, understate monthly Revenue by more than **2%,** or distort other material information.

5. Make or have made any material misrepresentation or misstatement on the franchise application or with respect to ownership of the Franchise. If you misrepresented yourself and are a competitor of ours or a competitor of an affiliate of ours, we may keep your entire initial franchise fee, cancel training and terminate this Agreement.

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6. Allow the Franchise, Franchise Premises or franchise assets to be seized, taken over, or foreclosed by a creditor, lien holder, or lessor; let a final judgment against you to remain unsatisfied for **30** days (unless a supersedeas or other appeal bond is filed); or allow a levy of execution upon the Franchise or upon any property used in the Franchise, that is not discharged by means other than levy within **5** days of the levy.

7. Are convicted of a felony or a sex crime, are required to register as a sex offender, have been convicted of a crime of moral turpitude, are on probation or parole, or are convicted of any criminal misconduct relevant to the operation of the Franchise.

8. Within a period of **10** days after notification of noncompliance, fail to comply with any federal, state or local law or regulation applicable to the operation of the Franchise.

9. Fail to pay any Franchise, Royalty, or Advertising fees or other amounts owed pursuant to this Agreement within **5** days after receipt of written notice that the fees or amounts are overdue.

10. Operate the Franchise in a manner that creates an imminent danger to public health or safety.

11. Do not keep confidential information related to the Franchise confidential except to employees or persons authorized to know.

12. Fail to obtain agreements from your employees to keep confidential information confidential.

13. Attempt to unilaterally repudiate this Agreement or the performance or observance of any of its terms, conditions, covenants, provisions or obligations by any conduct evidencing your intention to no longer comply with or be bound by this Agreement.

6.4 **Time Frames Subject to Applicable Laws**. The provisions of this Agreement may state periods of notice less than those required by applicable law. They may provide for termination, cancellation, non-renewal or the like other than according to applicable law. They will be extended or modified to comply with applicable law. We will not, however, be precluded from contesting the validity, enforceability or application of such laws or regulations in any mediation, action, arbitration, hearing or dispute relating to this Agreement or the termination of it.

6.5 **You Will Discontinue Use of Service Marks, Operations Manual, and Method of Operation on Termination of Agreement**. Substantial damages that are difficult to

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determine at the date of execution of this Agreement will accrue to us if you do not comply with any of the following requirements upon expiration or termination of this Agreement. Upon expiration or termination of this Agreement, you will:

A. Immediately cease using the Service Marks (or any names or marks deceptively similar to them), the Operations Manual and the Method of Operation. We will have the right, title and interest to any sign or sign faces bearing the Service Marks. You acknowledge our right to access the Franchise, the Franchise Premises and Franchise assets if we elect to take possession of any sign or sign faces bearing The Service Marks.

B. Return to us all copies of the Operations Manual. Return to us all records, files, instructions, correspondence, and materials in your possession or control related to the Method of Operation. You will give us a complete and accurate summary of your advertisers, customers and leads, including their names, addresses, telephone numbers and related file records. You will assist us in every way possible to bring about a complete and effective transfer of your franchise business to us or to our designated franchisee.

C. Authorize telephone, Internet, email, electronic network, directory and listing entities to transfer all numbers, addresses, domain names, locators, directories and listings to us or our designee. Notify them of the termination of your right to use the Franchise names and Service Marks. You authorize the transfer of your telephone numbers and directory listings and Internet addresses, domain names and locators to us or our designated franchisees. You appoint us as your agent and attorney-in-fact to effect the transfer of these telephone numbers and directory listings and domain names and Internet directory listings to us. You agree that we will be treated as the subscriber for the telephone numbers and directory listings. We will have full authority to instruct the applicable telephone, directory and listing companies on the use and disposition of the telephone listings and numbers. You release and indemnify these companies from any damage or loss because they follow our instructions.

If we have authorized you to use the Service Marks in connection with the Internet, any website, or e-mail address, you will at our option cancel or assign to us or our designate all of your right, title and interest in any Internet websites or web pages, e-mail addresses, domain name listings and registrations which contain the Service Marks in whole or in part and you will notify Verisign (Network Solutions), register.com, or other applicable domain name registrar and all listing agencies of the termination of your right to use any domain name, web page and other Internet device associated with us or the Franchise Premises, and you will authorize and instruct their cancellation or transfer to us, as directed by us. You are not entitled to any compensation from us if we exercise these rights or options. Nothing in this subsection will be deemed to permit you to use the Service Marks in connection with the Internet, except with our prior written consent as provided in this Agreement.

D. Make reasonable modifications to the interior and exterior of any retained premises and vehicles to reduce your identification as a part of our franchise system. These modifications will include but will not be limited to all reasonable alterations to eliminate any possibility of confusion between the Franchise and any other Maids by Trade operation.

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E. Pay to us within **seven** days all Royalty Fees, Advertising Fees, and other sums you owe. These sums will include all damages, costs and expenses, including reasonable attorney's fees and collection costs, we incur because of your breach. These sums will include all costs and expenses, including reasonable attorney fees, we incur in obtaining injunctive, appellate, or other relief to enforce the provisions of this Agreement.

Termination or expiration of this Agreement will not prejudice to any other rights or remedies that we have in law or in equity, including, without limitation, the right to recover benefit of the bargain damages, including lost revenue for the duration of the term of this Agreement.

F. Abide by all provisions of the restriction upon communication of confidential information set forth above and the post-termination Covenant Not to Compete set forth below. You will immediately return to us all of our confidential information you have received, including any items that embody the confidential information. You acknowledge that you have no continuing ownership interest in the confidential information.

G. At our option, do some or all of the following:

If this Agreement is for an Optimal Franchise:

Deliver all Franchise-related residential and commercial cleaning services, tools, environmentally safe cleaning products and ecologically friendly processes, equipment, furnishings, and inventory to us.

If this Agreement is for a Basic or Metro Franchise:

1. Remove all Franchise-related residential and commercial cleaning services, tools, environmentally safe cleaning products and ecologically friendly processes, equipment, furnishings, and inventory from the Franchise Premises;

2. Sell the residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly processes, equipment, furnishings, and inventory to us, at fair market value for equipment and furnishings and at your invoice cost for inventory less a **10%** restocking charge. We will not be liable for payment to you for intangibles, including, without limitation, goodwill;

   Sell the equipment, furnishings, and inventory to us, at the following purchase prices:

   a. For new and unused items, your cost as originally invoiced to you less a restocking charge equal to 15 percent of your cost.

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b. For used items, products, residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly processes, equipment, supplies, materials and inventory, the current fair market value less 20 percent of the value.

c. For leasehold improvements, machinery, residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly processes, equipment, fixtures, furnishings and signage - the lesser of:

i. the current fair market value less 20 percent of the value,

ii. your cost as originally invoiced to you less 20 percent of your cost.

d. Damaged, obsolete or discontinued items will be transferred to us at no cost.

e. We will not be liable for payment to you for intangibles, including, without limitation, goodwill.

f. In each the instance we may deduct from any monies payable to you all sums due by you to us or your suppliers, whether under this Agreement or any other agreement or instrument.

3. Assign to us the lease for the Franchise Premises and ownership and control of any web site you own or control;

4. Sell to us your interest in the Franchise, the Franchise Premises and all related equipment, fixtures, signs, real estate leases, equipment leases and personal property. Unless we state in writing that we do not intend to exercise this right, the parties must agree upon a purchase price and terms within **5** business days after termination of this Agreement. If not, a fair value and fair terms will be determined in the county in which our headquarters is then located (currently Clackamas County, Oregon), by three appraisers. Each party must select one appraiser. The two appraisers chosen must then select a third appraiser. Each party will pay for its own appraiser and each party will pay half for the third appraiser. The parties may then present evidence of the value of the Franchise and fair terms for the purchase. The appraisers must exclude from their decision any amount or factor for the "goodwill" or "going concern" value of the Franchise. The decision of the majority of the appraisers will be conclusive. Any

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time within **30** days after receiving the appraisers' decision, at our option we may purchase the Franchise and your assets at the price and upon the terms determined by the appraisers.

H. Upon termination for any reason, you will return to us all proprietary and confidential materials, including client lists, keys, codes, signage, advertising and marketing materials, uniforms, service agreements and other forms, printed files, clients lists and account information, security codes, cards and passes, picture identification badges and the like as described in the Operations Manual. If you fail to return or cease use of any of these items, we may enter your business premises without being guilty of trespass or any other tort to remove and retain the items. You will pay to us, on demand, any expenses we incur in trying to remove or collect such items or in attempting to have you cease use of them. Your failure to immediately return all keys and security codes or passes to us may result in us changing locks, keys and codes at client premises at your expense.

You agree that upon termination or expiration of this Agreement for any reason, any and all of our obligations to you under this Agreement will immediately cease and terminate and any and all of your rights under this Agreement will also immediately cease and terminate.

6.6 **We May Assign Territory Upon Termination**. Upon expiration or termination of this Agreement, we may immediately license or franchise the Franchise Territory to another person or may operate Maids by Trade businesses within the Franchise Territory.

6.7 **Our Step-In Rights**. The parties want to prevent any operation or interruption of the Franchise that would cause harm to the Franchise and to our franchise system and lessen their value. Therefore, you authorize us to step in to operate the Franchise for as long as we believe necessary and practical in our exclusive judgment. We may do so without waiving any other rights or remedies that we may have. Cause for stepping-in may include our reasonable determination that: you are incapable of operating the Franchise; you are absent or incapacitated because of illness or death; you have failed to pay when due any real property, equipment rent or lease payments, suppliers, or inventory payments; you have failed to pay to us when due any franchise, royalty, advertising, or other fee; you have failed to pay when due any taxes or assessments against the Franchise or property used in the Franchise; you have failed to pay when due any liens or encumbrances placed upon or against your business property; your business activities are having a negative impact upon the value of our franchise system or we decide that significant operational problems require us to operate the Franchise for a time. We may exercise our step-in rights if you are ill or disabled, you, your lender, or the SBA requests our assistance or agrees to our proffered support and supervision, directly or indirectly or through contract agents. If you have a loan for the franchise that is guaranteed by the Small Business Administration, our right to step-in will be limited to a **60** day period unless otherwise requested or agreed with the lending bank at that time. Thirty days after exercising our step-in rights, we will re-evaluate your then-current status. At our discretion, we will either operate for an additional 30-day period or turn the operation back over to you. In turning the operation back over to you, we do not waive our rights to step back in the future.

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All Revenue from our operation of the Franchise will be for your exclusive account. We will pay from that Revenue all expenses, debts and liabilities we incur during our operation of the Franchise. This will include our personnel and administrative and travel costs, plus **15%** to cover our overhead expenses. In addition, we will have the option, but not the obligation, to pay on your behalf any claims owed by you to any creditor or employee of the Franchise. You will reimburse us upon demand, including at the rate set forth above for overdue amounts.

We will keep in a separate account all Revenue generated by the operation of the Franchise, less the expenses of operation.

We will have no obligation to retain any employee of the Franchise, or to honor any contractual employment commitments you previously made. If we elect to retain any employee, employment will be pursuant to a new employment agreement between us and the employee. Employment will commence on the first business day on which we carry on business through the Franchise. Any claim by an employee for unpaid salary, vacation pay, or other benefits remains your responsibility.

Upon our exercise of these Step-In Rights, you agree to hold us harmless for all acts, omissions, damages, or liabilities arising during our operation of the franchise.

Our operation of the Franchise will not operate as an assignment to us of any lease or sublease of franchise property. We will have no responsibility for payment of any rent or other charges owing on any lease for franchise property, except as the charges relate to the period of our operation of the Franchise.

You agree to pay our reasonable legal and accounting fees and costs we incur because of our exercise of these Step-In Rights.

6.8 **You and Your Owners Not to Compete on Expiration, Termination or Transfer of Agreement**. This covenant will apply for **720** days after termination, expiration or transfer of this Agreement. In express consideration for this Agreement, you will assure that you and your owners, shareholders, partners, directors, officers, employees, and agents, and the members of their immediate families or households (who have actual knowledge of or access to the Operations Manual or Method of Operation), will not directly or indirectly participate as an owner, shareholder, director, partner, officer, employee, consultant, franchisor, franchisee, distributor, advisor or agent, or serve in any other capacity in any business engaged directly or indirectly in the offer, sale, rental, Internet dissemination, or promotion of residential and commercial cleaning services, environmentally safe cleaning products, and ecologically friendly processes, products or services or any business that offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the Method of Operation. This covenant applies within the Franchise Territory, within a **100** mile radius of the Franchise Territory, within a **100**-mile radius of any location where we operate or have granted the franchise to operate a Maids by Trade business, and within the United States of America.

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You acknowledge and confirm that the time, content and geographical restrictions contained in this Section are fair and reasonable. They are not the result of overreaching, duress, or coercion of any kind by us. You further acknowledge and confirm that your observance of the covenants contained in this Agreement will not cause you any undue hardship, financial or otherwise, and that enforcement of each of the covenants contained in this Agreement will not impair your ability to obtain employment commensurate with your abilities and on terms fully acceptable to you, or otherwise to obtain income required for the comfortable support of your family and the satisfaction of your creditors. Your knowledge of the Method of Operation would cause our franchise system serious injury and loss if you use the knowledge to the benefit of a competitor or to compete with us or our franchisees. You agree that because you are the owner of the Franchise that you are not just an employee or manager, but in fact the covenants contained in this Agreement are the result of arm's length negotiations by you as a business owner and entrepreneur which materially affected the price you paid for the Franchise and the other terms of this Agreement.

The running of the periods of time specified by this Section will be tolled and suspended for any period of time during which a court or arbitrator determines you to have been in violation of this Section.

If, for any reason, any provision set forth in this Subsection exceeds any lawful scope or limit as to duration, geographic coverage, or otherwise, it is agreed that the provision will nevertheless be binding to the full scope or limit allowed by law or by a court of law. The duration, geographic coverage and scope allowable by law or court of law will apply to this Agreement.

7 **TRANSFER**

7.1 **Sale or Assignment**.

A. Your rights and obligations under this Agreement are exclusive to you. Whether voluntarily or involuntarily, neither you, your owners, partners nor others claiming an interest in the Franchise will sell, transfer, assign, encumber, give, lease, or sublease, or allow any other person to conduct business in or through (collectively called "transfer") the whole or any part of: this Agreement, the Franchise Premises, substantial assets of the Franchise business, or ownership or control of you or to fractionalize any of the rights granted to you pursuant to this Agreement. Any attempted transfer without our prior written consent will be a breach of this Agreement. Our consent will not be unreasonably withheld. We will not be obligated to consent to any transfer before the date the Franchise opens for business.

Because we will have a strong and vested interest in the financial viability and ongoing management abilities of the transferee, we need not consent to any transfer if we reasonably believe the purchase price is excessive or if we believe based upon a review of the transferee's operational and business plans that the transferee's business operations might not be beneficial on a cash flow or financial basis.

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We enter this Agreement, in part, in reliance upon the individual or collective character, skill, attitude, business ability and financial capacity of you (or your shareholders, members or partners, if you are a corporation, limited liability company, partnership or other entity).

You recognize that there are many subjective factors that comprise the process by which we select a suitable franchise owner. Our consent to a transfer by you will remain a subjective determination and will include, but not be limited to the following conditions which we must approve before the effective date of a transfer:

1. The transferee must assume your Franchise obligations. You will remain bound by your covenants in this Agreement to not disclose confidential information and to not compete with us or our franchisees.

2. You will pay all ascertained or liquidated debts concerning the Franchise.

3. You may not be in breach of this Agreement or any other agreement between the parties. Our consent to the transfer will not constitute a waiver of any claims we may have against you.

4. The transferee will pay for and complete to our exclusive satisfaction the training programs we then require of new franchisees or otherwise show to our satisfaction sufficient ability to successfully operate the Franchise.

5. You or the transferee will pay a Transfer Fee according to our then current Transfer Fee Schedule. This fee will reimburse us for our reasonable legal, accounting, credit check, and investigation expenses that result from the transfer. The Transfer Fee will not be more than **$5,000**.

6. You will pay us a **10%** commission on the gross transfer price (excluding the price of real property), if we obtain the transferee for you.

7. The transferee will execute all documents we then require of new franchisees. This includes a new franchise agreement in the form we then are using. The new franchise agreement may contain economic and general terms that are materially different from those contained in this Agreement. The term of the new agreement will be for the unexpired term of this Agreement or for a new full term as we will elect. You must ask us to provide the prospective purchaser with our current form of disclosure document required by the applicable federal or provincial/state registration and disclosure laws, and a receipt for this document

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will be delivered to us; provided however, we will not be liable for any representations you make apart from those contained in our disclosure document.

8. The transferee will meet our standards for quality of character, financial capacity, and experience required of a new or renewing franchisee. You will provide information we require to prove the transferee meets our standards.

9. If permitted by applicable law, you and your owners, members, partners, officers, and directors will execute a general release in our favor. The release must be in a form we prescribe, following applicable law, to release, any claims you may have against us and our representatives, subsidiaries and affiliates and our officers, directors, attorneys, shareholders and employees in their corporate and individual capacities. This will include claims arising under federal, state and local laws, rules and ordinances arising out of, or connected with, the offer, sale and performance of this Agreement or any other agreement between the parties.

10. If the Initial Franchise Fee has not yet been paid in full, it must be paid in full despite the due date for payment established by this Agreement.

11. If the lease or sublease for the Franchise Premise requires, the lessor or sub-lessor must have consented to the assignment or sublease of the Franchise Premises to the transferee. All residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly equipment must be inspected and certified by a qualified professional inspector to be in good working order and free of operational defects. It will be your responsibility to bring all residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly equipment to proper working order before the transfer takes place.

12. You will enter into an agreement to subordinate, to the transferee's obligations to us (including the payment of all franchise fees), any obligations of the transferee to make installment payments of the purchase price to you. The form of this subordination is subject to our approval.

13. Upon our granting of approval for the transfer, you will:

    a) ensure that the transfer is effected in compliance with the requirements of all federal, state, and local laws, including

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applicable tax and bulk sales legislation, and with the applicable requirements of the lease of the Franchise Premises;

b) deliver to the purchaser the Operations Manual and all other manuals and materials we provided to you for use in the Franchise, including all materials bearing the Service Marks and our advertising, promotional and training materials, order books and bookkeeping and reporting forms.

14. We have the right, but not the obligation and without any liability to you, to make available for inspection by any proposed transferee identified by you of all or any part of this Agreement and of our records related to our relationship with you and to your activities and performance under this Agreement. You specifically consent to such disclosure and agree to hold us harmless from any claim, loss or injury that might result from inspection of our records by your intended transferees.

B. With our prior written consent, you may transfer your rights and obligations under this Agreement to a corporation or other entity in which you continuously own a majority of the issued and outstanding shares of each class of stock or other evidence of ownership. The entity must be newly organized with its activities confined exclusively to act as the franchisee under this Agreement. The entity must contemporaneously agree in writing to be bound by the terms of this Agreement. You must contemporaneously agree in writing to guarantee the obligations of the entity and to remain personally liable as a named principle party in all respects under this Agreement. (You and all other owners will personally and unconditionally guarantee the obligations of the new entity and you will remain personally subject to and bound by all terms, conditions, restrictions and prohibitions contained in this Agreement. You as an owner of the entity agree to separately and personally, for you and for your successors, heirs and personal representatives will act as surety for the full and faithful performance of all of the obligations, commitments and payments required of the entity. In that capacity, you agree that we do not have to pursue any remedies we may have against the entity, but rather, may proceed directly and primarily against you with or without joining the entity as principal or as a named party in any proceeding.)

You will be in breach of this Agreement if you at any time dispose of any interest sufficient to reduce your ownership in the entity to less than a majority of any class of stock or other evidence of ownership. From time to time, at our request, you will provide to us a current list of all your owners, shareholders, members, directors, officers, partners, and employees, with a summary of their respective interests in you.

C. We may transfer this Agreement. If we do, it will be binding upon and inure to the benefit of our successors and assigns. Specifically, you agree that we may sell our assets, the Service Marks, or the Method of Operation outright to a third party, may go public,

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may engage in a placement of some or all of our securities, may merge, acquire other entities or be acquired by other entities, or may undertake a refinancing, recapitalization, re-organization, leveraged buyout or other economic or financial restructuring. As for any or all of these sales, assignments and dispositions, you waive any claims, demands or damages arising from or related to the loss of the Service Marks (or any variation of them) or the loss of association with or identification as part of our franchise system.

We will not be required to remain in any particular form of business or to offer to you products, whether or not bearing our Service Marks.

D. You may offer your securities or partnership interests to the public, by private offering, or otherwise, only with our prior written consent. Consent may not be unreasonably withheld. All materials required for the offering by federal or state law will be submitted to us for review before filing with any government agency. Any materials to be used in any exempt offering will be submitted to us for review prior to their use. No offering by you will imply (by use of the Service Marks or otherwise) that we are participating in an underwriting, issuance, or offering of your securities. You and all other participants in the offering must fully indemnify us concerning the offering. For each proposed offering, you will pay to us the amount necessary to reimburse us for our reasonable costs and expenses associated with reviewing the proposed offering, including, legal and accounting fees. You will give us at least **60** days written notice before the effective date of any offering or other transaction covered by this subsection.

E. You may not grant a sub-franchise or transfer less than all of your rights under this Agreement.

F. Our consent to a proposed transfer will not be a waiver of any claims we may have against you (or your owners), nor will it be a waiver of our right to demand exact compliance with this Agreement. Our consent to a transfer will not constitute or be interpreted as consent for any future or other transfer.

G. You will comply with and help us to comply with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises.

7.2 **Your Death or Disability**.

A. Besides the Step-In Rights described above, the following will apply in case of your death or incapacity if you are an individual, or of any general partner of you if you are a partnership, or of any member or shareholder owning **50%** or more of you if you are a limited liability company or corporation or other entity. Within **180** days of the event, the heirs, beneficiaries, devisees or legal representatives of that individual, partner, member or shareholder will:

1. Apply to us for the right to continue to operate the Franchise for the duration of the term of this Agreement. The right to continue will be granted upon the fulfillment of all of the conditions set forth

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in Subsection (A) of the section entitled "Sale or Assignment," above (except that no transfer fee will be required). Or,

2. Transfer your interest according to the provisions of that Subsection. If a proper and timely application for the right to continue to operate has been made and rejected, the 180 days within which to transfer will be computed from the date of rejection. For purposes of this Subsection, on an application for the right to continue to operate, our silence through the **180** days following the event of death or incapacity will be deemed an acceptance made on the last day of the period.

3. If a suitable transferee purchaser is not found within **180** days from the date of death or permanent incapacity, we may at our sole option enter into a contract to purchase the Franchise. Unless we state in writing that we do not intend to exercise this right, the parties must agree upon a purchase price and terms within twenty business days after notice from us. If not, a fair value and fair terms will be determined in the county in which our headquarters is then located by three appraisers. Each party must select one appraiser. The two appraisers chosen must then select a third appraiser. Each party will pay for its own appraiser and each party will pay half for the third appraiser. The parties may then present evidence of the value of the Franchise and fair terms for the purchase. The appraisers may include in their decision a factor for the "goodwill" or "going concern" value of the Franchise but not the related values of our franchise system or of us or of any entity affiliated with us. The decision of the majority of the appraisers will be conclusive. Any time within **30** days after receiving the appraisers' decision, at our option, we may purchase the Franchise and your assets at the price and upon the terms determined by the appraisers. Terms of payment will be **10%** of the purchase price payable upon contract signing, the balance payable in **60** equal monthly payments of principal payments with interest calculated at the prime rate, published by your principal bank at time of each monthly principal payment.

B. If the provisions of this Subsection have not been fulfilled within the time provided, at our option, all rights licensed to you under this Agreement will immediately terminate and revert to us.

7.3 **First Right of Purchase**. You will give us the right of first purchase before soliciting offers from a third party if you choose to sell your franchise business. You agree to notify us in writing if you desire to sell or transfer any interest in you or in your franchised business. You will give us sufficient information and documentation to allow us to analyze the status and value of your business. We will elect to exercise our option to purchase within **30**

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business days after our receipt of your written notification and due diligence information. If we offer you an amount that you do not agree to, you may try to sell to a third party but on no better terms for the purchaser than we offered to you. If you later receive an offer from a third party purchaser on better terms in favor of the purchaser than we offered to you, you are obligated to re-offer to us pursuant to the subsection entitled "First Right of Refusal". You are obligated before any transfer to a third party to comply with all criteria set forth in the subsections entitled "Sale or Assignment" and "First Right of Refusal." If you do not complete a transaction with a third party within six months, you agree we will again have the right of first purchase before any subsequent contemplated transaction.

We may elect to purchase all of the franchise business regardless of your intent to sell, assign or transfer a lesser interest. We can pay the purchase price in cash up front or 120 equal monthly payments that amortize the principal amount with interest calculated at prime plus 1% as of the date of purchase. The choice of payment type is in our sole discretion.

We will be entitled to receive, and you and your owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the capital stock of an incorporated business, as applicable, including, without limitation, representations and warranties as to:

(i) ownership and condition of and title to stock or other forms of ownership interest and/or assets;

(ii) liens and encumbrances relating to the stock or other ownership interest and/or assets; and

(iii) validity of contracts and the liabilities, contingent or otherwise, of the corporation whose stock is being purchased.

We may assign our rights under this Section to any other person or entity.

7.4 **First Right of Refusal**. If you receive a bona fide offer from a third party acting at arm's length to purchase the Franchise, a majority interest in ownership of you, or substantially all of the assets of the Franchise, which offer is acceptable to you or to your owners, we will have the right to purchase at the bona fide price on the same terms and conditions as offered to you. We may substitute cash for any other form of consideration contained in the offer. Our credit will be deemed to be equal to the credit of any proposed purchaser. At our option, we may pay the entire purchase price at closing. Within **6** days after receipt by you of an acceptable bona fide offer, you will notify us in writing of the terms and conditions of the offer. You will give us sufficient information and documentation to allow us to analyze the status and value of your business. We may exercise this right to purchase within **30** days after receipt of notice from you and due diligence information. If the interest which is the subject of the offer involves less than all of the ownership interest, then in our sole option, our right of first refusal will apply to the entire ownership interest. In such case, the consideration to be received, as set forth in the offer will be divided by the percentage interest subject to the offer and the resulting quotient will be the price to be paid for the entire ownership interest. Terms

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and conditions for the purchase of the entire ownership interest will be as similar to the terms and conditions set forth in the offer as practicable, except for the substitute provisions noted above in this section.

If we do not exercise our right to purchase within the **30** days, you may make the proposed transfer to a third party. The transfer will not be at a lower price or on more favorable terms than disclosed to us. Any transfer will be subject to our prior written permission described in the section entitled "Sale or Assignment," above. If the Franchise is not transferred by you within **6** months from the date it is offered to us, or if any material change is made in the terms of the proposed sale, then you must re-offer to transfer to us before a transfer to a third party.

We will be entitled to receive, and you and your owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the capital stock of an incorporated business, as applicable, including, without limitation, representations and warranties as to:

(i) ownership and condition of and title to stock or other forms of ownership interest and/or assets;

(ii) liens and encumbrances relating to the stock or other ownership interest and/or assets; and

(iii) validity of contracts and the liabilities, contingent or otherwise, of the corporation whose stock is being purchased.

We may assign our rights under this Section to any other person or entity.

8 INDEMNITY, INSURANCE, CONDEMNATION AND CASUALTY

8.1 **Indemnity**. You will indemnify and hold us harmless from all fines, suits, proceedings, claims, demands, actions, losses, attorney fees and damages arising out of or connected with the Franchise and the business activities, acts or omissions of you and your employees and agents, including those brought against you and us jointly alleging that you and we were negligent or otherwise liable. We will not be liable to you or to any other person because of your act, omission, neglect, or breach. If it is established that both you and we were negligent or otherwise liable, you and we will contribute to the relevant award, and the obligation to indemnify and hold harmless will be determined, based upon the adjudicated and assigned respective degree of fault. In the event of a settlement prior to adjudication, you and we will agree to degrees of fault. You and we will contribute to the relevant settlement, and the obligation to indemnify and hold harmless will be determined, based upon the agreed degree of fault. All provisions of this Section will be subject to these contribution and allocation of indemnification provisions.

You will indemnify us for any loss, cost or expense, including attorneys' fees, that may be sustained by us because of the acts or omissions of your vendors or suppliers or arising out of the design or construction of the Franchise Premises.

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This indemnification will include use, condition, or construction, equipping, maintenance or operation of the Franchise, including the sale of any products, service or merchandise sold through the Franchise. Any loss, claims, costs, expenses, damages and liabilities will include, without limitation, those arising from latent or other defects in the Franchise, whether or not discoverable by us, and those arising from the death or injury to any person or arising from damage to the property of you or us, and our respective agents or employees, or any third person, firm or legal entity.

You will defend us at your own expense in any legal or administrative proceeding subject to this Subsection. The defense will be conducted by attorneys we approve. Our approval will not be unreasonably withheld. You will immediately pay and discharge any liability rendered against us in any proceeding, including any settlement that we approve in writing. You will not settle any claim against us without our prior written approval. In our sole discretion and upon prior written notice to you, we may settle or defend any claims against us at your expense, including attorney fees that we pay or incur in settling or defending. Promptly upon demand, you will reimburse us for any and all legal and other expenses we reasonably incur in investigating, preparing, defending, settling, compromising or paying any settlement or claim, including monies that we pay or incur in settling or defending such proceeding.

All references in this Agreement that provide that you will indemnify or defend us or that you will name us under any insurance policy will also mean that our affiliates, directors, officers, and employees will be also and equally indemnified, defended or named.

8.2 **Insurance**. Upon commencement of franchise operations, and during the term of this Agreement, you will obtain and keep in force by advance payment of premium appropriate fire and extended coverage, vandalism, malicious mischief, general liability and products liability insurance. This insurance will be in an amount sufficient to replace the Franchise Premises, its fixtures, furnishings, equipment, files and records and your personal property upon loss or damage. This insurance will be written by a financially responsible insurance company satisfactory to us in accordance with our standards and specifications in the Operations Manual. The insurance will include, at a minimum, the following:

A. Comprehensive general liability insurance, including and products liability, completed operations, property damage, contractual liability, independent contractors liability, owned and non-owned and hired automobile coverage, abuse & molestation , and personal injury coverage with a combined single limit of at least **$3,000,000** including umbrella coverage.

B. Workers' compensation and employer's liability insurance, and other insurance required by statute or rule of the state in which the franchise is located and operated.

C. Business interruption and lost profit insurance.

The insurance will insure us, you, and our respective subsidiaries, owners, officers, directors, partners, members, employees, servants, and agents against any loss, liability, products liability, personal injury, death or property damage that may accrue due to your operation of the

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Franchise. Your policies of insurance (other than for casualty to the Franchise Premises and for employer liability) will contain a separate endorsement naming us as an additional named insured. The insurance will not be limited in any way because of any insurance we maintain. The insurance will not be subject to cancellation except upon **20** days' written notice to us. Certificates of your insurance policies will be kept on deposit with us. Maintenance of the required insurance will not diminish your liability to us under the indemnities contained in this Agreement. The policy or policies will insure against our vicarious liability for actual and (unless prohibited by applicable law) punitive damages assessed against you.

All insurance policies you obtain will contain a blanket waiver of the insurer's rights of subrogation in respect of or against us and our officers, agents, employees and representatives; and will not contain any insured vs. insured exclusion clause, but will contain a severability clause providing that each the policy will be treated as though a separate insurance policy had been issued to each named insured.

We may require you to increase the minimum limits of and types of coverage to keep pace with regular business practice and prudent insurance custom.

If you fail to comply with any of the requirements of this Subsection, we may, but are not obligated to, purchase insurance at your expense to protect our interests. This insurance may, but need not, also protect your interest. The coverage we obtain might not pay any claim you make or any claim made against you. You may later cancel the insurance we obtain by providing evidence that you have obtained proper coverage elsewhere. You are responsible for the cost of any insurance purchased by us pursuant to this paragraph. This coverage may be considerably more expensive than insurance you can obtain on your own and might not satisfy your needs. You will pay us upon demand the premium cost of this insurance with a late payment charge on the unpaid balance at the rate established in this Agreement.

You will promptly report all claims or potential claims against you, the Franchise or us in writing when you become aware of them. You will give immediate written notice to us of any claims or potential claims you make to your insurers.

We may, at our sole discretion, upon not less than 90 days prior written notice to you, secure a policy of insurance which will provide defined insurance coverage to all or any part of the Maids by Trade system. This policy may replace or supplement the insurance coverage you are required to maintain. You will pay the relevant insurance premium to us or the designated insurance provider, as we direct.

Nothing contained in this Agreement will be construed as a representation or warranty by us that the insurance coverage we specify will insure you against all insurable risks or amounts of loss which may or can arise out of or in connection with the operation of your franchise business. It is your sole responsibility to ensure that adequate insurance coverage is obtained for your business.

Your procurement and maintenance of the insurance specified above will not relieve you of any liability to us under any indemnity requirement of this Agreement.

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8.3 **Condemnation**. You will give us notice of any proposed taking through the exercise of the power of eminent domain. Notice will be given within **10** days of your first knowledge of the proposed taking. If the Franchise Premises or a substantial part of it is to be taken, the Franchise Premises may be relocated within the Franchise Territory or elsewhere with our prior written approval. The relocated premises may not infringe on the protected rights of any other franchise pursuant to our specifications and contractual obligations. Relocation must be completed and franchise business operations recommenced within a reasonable time after the closing of the initial Franchise Premises (but in any event, within **one** year after closing of the Franchise Premises). The new franchise location will become the Franchise Premises licensed under this Agreement. If a condemnation takes place and a new franchise location does not open, for whatever reason, then this Agreement will terminate upon **30** days written notice from us to you.

8.4 **Casualty**. If the Franchise Premises or Franchise assets are damaged by fire or other casualty, you will expeditiously repair the damage. If the damage or repair requires the closing of the Franchise, you will:

A. immediately notify us,

B. repair or rebuild the Franchise Premises following our specifications, and

C. re-open the Franchise for continuous business operations when practicable (but in any event, within **one** year after closing of the Franchise Premises). You will give us not less than **30** days advance notice of the date of reopening.

If the Franchise Premises does not re-open within **one** year, this Agreement will terminate upon **30** days written notice from us to you.

8.5 **Proceeds From Insurance or Recovery**. The proceeds from any business interruption insurance or eminent domain recovery you receive will be included in Revenue.

9 NOTICE AND MISCELLANEOUS

9.1 **Notices**. All notices required by this Agreement will be in writing. They may be sent by certified or registered mail, postage prepaid and return receipt requested. They may be delivered by Federal Express, or other reputable air courier service, requesting delivery with receipt on the most expedited basis available. They may be sent by prepaid facsimile or electronic mail (provided that the sender confirms the facsimile or electronic mail by sending an original confirmation copy by expedited delivery service or certified or registered mail within **3** business days after transmission). Notices will be delivered to you at the Franchise Premises, to us at our headquarters or to other locations specified in writing.

Notices may be delivered and receipted to you personally at any location.

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Notices sent by certified or registered mail will be deemed to have been delivered and received **3** business days following the date of mailing. Notices sent by Federal Express, or other reputable air courier service will be deemed to have been received **one** business day after placement requesting delivery on the most expedited basis available. Notices sent by facsimile or electronic mail will be deemed to have been delivered upon transmission (provided confirmation is sent by expedited delivery service or registered or certified mail as provided above).

9.2 **Business Name**. You will execute any documents we may from time to time direct, to be retained by us until this Agreement ends, to evidence that you abandon, relinquish, and terminate your right or interest you may claim in or to the Service Marks and the name "Maids by Trade."

9.3 **We and You Are Not Joint Venturers, Partners, or Agents**. You are and will remain an independent contractor. You and we are not and will never be considered joint venturers, partners, employees, or agents one for the other. Neither will have the power to bind nor obligate the other except as otherwise outlined in this Agreement. No representation will be made by either party to anyone that would create any apparent agency, employment, or partnership. Each will hold the other safe and harmless from each other's debts, acts, omissions, liabilities, and representations. You acknowledge that you are not in a fiduciary relationship with us.

In all public and private records, documents, relationships, and dealings, you will show that you are an independent owner of the Franchise. You will prominently indicate on your letterheads and business forms that you are our licensed franchisee by using language saying that you operate an independently owned Franchise. You will prominently display, by posting of a sign within public view, on or in the Franchise Premises and on any vehicles that you use, a statement that clearly indicates that your franchise business is independently owned and operated by you as a franchisee and not as our agent.

You will maintain employee records to show clearly that you and your employees are not our employees. All employees and independent sub-contractors you employ must meet our character, quality and performance standards. All state and federal, workers compensation and insurance requirements must be met for all employees and sub-contractors, including requirements we express in the Operations Manual.

The liability of you and your owners, shareholders, members or partners will be both joint and several. A breach of this Agreement by you or by any shareholder, member or partner will be a breach by all of the shareholders, members or partners and also by you.

9.4 **Waiver**. A waiver of any breach of any provision, term, covenant, or condition of this Agreement will not be a waiver of any subsequent breach of the same or any other provision, term, covenant, or condition.

Any waiver of any provision of this Agreement must be set forth in writing and signed by the party granting the waiver. Any waiver we grant will not prejudice any other rights we may have,

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and will be subject to our continuing review. We may revoke any waiver, in our sole discretion, at any time and for any reason, effective upon delivery to you of **10** days prior written notice of revocation. Customs or practices of the parties in variance with the terms of this Agreement will not constitute a waiver of our right to demand exact compliance with the terms of this Agreement. Our delay, waiver, forbearance, or omission to exercise any power or rights arising out of any breach or default by you of any of the terms, provisions, or covenants of this Agreement, will not affect or impair our rights and will not constitute a waiver by us of any right or of the right to declare any subsequent breach or default. Our subsequent acceptance of any payment due to us will not be deemed to be a waiver by us of any preceding breach by you of any terms, covenants or conditions of this Agreement.

By written notice, we unilaterally may waive any obligation of you, your owners, or the Guarantors.

Our consent, whenever required, may be arbitrarily withheld if you are in breach of this Agreement. Unless otherwise expressly provided to the contrary, our consent, acceptance, approval or authorization you may be required to obtain may be given or withheld by us in our sole discretion, and on any occasion where we are required or permitted to make any judgment, determination or use our discretion, including any decision as to whether any condition or circumstance meets our standards or satisfaction, we may do so in our sole subjective judgment and discretion.

9.5 **Time Is of the Essence**. Time and strict performance are of the essence of this Agreement. ("Time is of the essence" is a legal term that emphasizes the strictness of time limits. In this Agreement, it means it will be a material breach of this Agreement to fail to perform any obligation within the time required or permitted by this Agreement.)

9.6 **Documents**. You and your partners, shareholders, members, officers, and owners agree to execute and deliver any documents that may be necessary or appropriate during the term and upon expiration or termination of this Agreement to carry out the purposes and intent of this Agreement. Upon the expiration, termination or transfer of this Agreement, if you do not execute any document necessary in our judgment to comply with the requirements of this Agreement, then by this Agreement, you irrevocably nominate, constitute and appoint the person then serving as our President as your attorney-in-fact to so execute that document in your name and on your behalf.

Any material violation or breach of any of these documents or of any other Franchise or related agreement between the parties will be a material violation of this Agreement and of all the other documents and agreements. The non-breaching party may enforce or terminate this Agreement and any or all of the other documents and agreements as provided for enforcement or termination of this Agreement.

If you are a partnership all general partners will sign the documents. If you are a corporation or limited liability company or other entity, all shareholders or members and all officers will personally guarantee your faithful performance.

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You will assure that each of your owners, shareholders, general partners, members, directors, officers, managers, employees, consultants, distributors and agents will not compete with us; will not attempt to divert customers to competing businesses; will not induce the employees of us or of our franchisees to leave their employment; and will keep, preserve, and protect confidential information as required by this Agreement.

9.7 **Construction**.

A. Entire Agreement. This document, including any exhibits attached to this Agreement and the documents referred to in this Agreement, will be construed together and constitute the entire agreement between the parties. It supersedes all prior or contemporaneous agreements, understandings, communications and negotiations, whether written or oral, with respect to the subject matter of this Agreement. There are no other oral or implied understandings between the parties with respect to the subject matter of this Agreement. Nothing in this Agreement is intended to disclaim the representations we made in the franchise disclosure document that we delivered to you. Except as expressly and otherwise provided in this Agreement, this Agreement may not be modified, nor may any rights be waived or abridged, orally or by course of dealing, but only by a written instrument signed by the parties. The words "this Agreement" include any future modifications unless otherwise suggested by the context. No salesperson, representative, or other person has the authority to bind or obligate us in any way, except our president or a vice president at our home office by an instrument in writing.

No previous communications, negotiations, course of dealing or usage in the trade not specifically set forth in this Agreement will be admissible to explain, modify, or contradict this Agreement. The parties intend to confer no benefit or right on any person or entity not a party to this Agreement and no third party will have the right to claim the benefit of any provision of this Agreement as a third party beneficiary of that provision.

B. Format. All words in this Agreement include any number or gender as the context or sense of this Agreement requires. The words "will" and "must" used in this Agreement indicate a mandatory obligation. All references in this Agreement to “Section” or “Sections” without additional identification refer to the Section or Sections of this Agreement. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. Whenever the words *include* or *including* are used in this Agreement, they will be deemed to be followed by the words *without limitation*.

This Agreement has been prepared in the "you/we" format to simplify it and to facilitate our compliance with state and federal franchise disclosure laws. The rule of construction that a written agreement is construed against the party preparing or drafting such agreement will specifically not be applicable to the interpretation of this Agreement.

If there is any typographical, word processing, printing or copying error in this Agreement, the error will be interpreted and corrected consistent with the following order of interpretation:

> The content and expressed intent and exhibits of our Franchise Disclosure Document(s) previously delivered to you.

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The content and expressed intent of franchise agreements we have executed with our other franchises reasonably contemporaneous to this Agreement.

Neither this Agreement nor any uncertainty or ambiguity will be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all the parties. We and you intend that if any provision of this Agreement is susceptible to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, then the provision shall be given the meaning that renders it enforceable.

C. Captions and Headings. All captions and headings are for reference purposes only and are not part of this Agreement. The recitals set forth in this Agreement are specifically incorporated into and constitute a part of the terms of this Agreement.

D. Severability. If any part of this Agreement is declared invalid that declaration will not affect the validity of the remaining portion which will remain in full force and affect as if this Agreement had been executed with the invalid portion omitted. The parties declare their intention that they would have executed the remaining portion of this Agreement without including any part, parts, or portions which may be declared invalid in the future. Provided, however, that if we determine that the finding of invalidity materially and adversely affects the basic consideration of this Agreement, we may, at our option, terminate this Agreement.

E. Implied Covenants. If this Agreement or applicable law implies a covenant of reasonableness, good faith or fair dealing, the parties agree that covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. If this Agreement or applicable law implies such a covenant, the parties acknowledge and agree that:

1. This Agreement (and the relationship of the parties which is inherent from this Agreement) grants us the discretion to make decisions, take actions or refrain from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may favorably or adversely affect your interests;

2. We will use our business judgment in exercising our discretion based on our assessment of our own interests and balancing those interests against the interests of the owners of other Maids by Trade businesses generally (including us, our franchisees and parties related to us) and specifically without considering the individual interests of you or any other particular franchisee;

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3. We will have no liability to you for the exercise of our discretion in this manner, so long as our discretion is exercised in bad faith toward you; and

4. In the absence of bad faith, no trier of fact in any judicial or arbitration proceeding will substitute its judgment for the business judgment we exercise.

F. Joint and Several. If, at any time during the term of this Agreement, you consist of two or more persons or entities (whether acting in partnership or otherwise and whether or not all have signed this Agreement), the rights, privileges and benefits granted to you in this Agreement may only be exercised and enjoyed jointly; and your obligations, liabilities and responsibilities under this Agreement will be joint and several obligations of each such person and entity.

9.8 **Enforcement**. From time to time there may be controversy about this Agreement, its interpretation, or performance or breach by the parties.

A. Mediation. If a dispute arises between the parties, before taking any other legal action, the parties agree to participate in at least **8** hours of mediation in accordance with the Mediation Procedures of the American Arbitration Association or of any similar organization that specializes in the mediation of commercial franchise business disputes. The Parties agree to equally share the costs of mediation. Injunctive relief and or claims of specific performance sought pursuant to or authorized by this Agreement, are not subject to, nor can be avoided by, the mediation or arbitration terms of this Agreement, and may be brought in any court of competent jurisdiction.

B. Arbitration. If the parties are unable to resolve a dispute by mediation as provided above, then, except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, any and all disputes, claims or matters involving you (or your officers, directors, shareholders, members, partners or other owners) and us (or our officers, directors, shareholders, members, partners or other owners)are subject to binding arbitration except for disputes, claims or matters based on the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051, et seq.) or collection of delinquent payments. Examples of disputes, claims or matters subject to this provision are those related to:

1. this Agreement (including its execution, delivery, existence, interpretation, construction, legality, validity, binding effect, enforceability, discharge, performance, non-performance or breach by the parties and including a claim that this Agreement, or any portion of it, is indefinite, invalid, illegal, or otherwise void, voidable or unenforceable);

2. issues relating to the offer or sale of the franchise;

3. issues relating to the franchise relationship; and

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4. other issues, including, without limitation, personal injury, products liability, negligence, intentional torts and other contracts between the parties.

Arbitration will be before a single arbitrator selected by and mutually agreed upon by the parties under the process and rules of the American Arbitration Association or its successor with all available processes and calendars to cause the arbitration to proceed as quickly and economically as possible. The arbitrator will be required to have at least five years of experience in franchise law. The arbitrator will have power and jurisdiction to decide the controversy or dispute solely according to the express provisions of this Agreement.

The arbitrator may not alter, amend, delete, or add to the provisions of this Agreement by implication or otherwise. In any arbitration the parties will be entitled to injunctive relief or specific performance of the obligations of the other. The arbitrator will determine the prevailing party for purposes of this Section and may make a percentage award of reimbursable fees and expenses. The decision of the arbitrator made within its power or jurisdiction will be final and binding. The decision may be entered as a judgment in any court of law having jurisdiction.

The provisions of this Section will be construed as independent of any other covenant or provision of this Agreement; provided that if a court of competent jurisdiction determines that any of the provisions are unlawful in any way, the court will modify or interpret the provisions to the minimum extent necessary to have them comply with the law. Notwithstanding any provision of this Agreement relating to the laws under which this Agreement will be governed by and construed under, all issues relating to its appropriateness for arbitration or the enforcement of the agreement to arbitrate contained in this Agreement will be governed by the Federal Arbitration Act (9 U.S.C. §_1 et seq.) and the federal common law of arbitration. The provisions of this Section will not limit our right to seek and obtain any provisional or final remedy, including, but without limitation, injunctive relief, an order for payment of any monies due and owing by you, an order for recovery or delivery up of possession, or for specific performance, or similar relief, from any court of competent jurisdiction, as may be necessary in our sole judgment to protect the Service Marks and the Method of Operation and our confidential information and property rights, to enforce the restrictive covenants of this Agreement, to enforce our contractual rights, and to protect against actual or threatened conduct that on balance would cause or be likely to cause loss or damage if allowed to continue pending completion of an arbitration proceeding.

This arbitration provision is self-executing, and in the event that any party fails without good cause (i) to appear at any properly noticed arbitration proceeding or (ii) to make payment in full of its share of the required arbitration fees and costs within 10 days after notice and demand, absent a previously issued court order to the contrary, then a final award may be entered against such party notwithstanding the failure to appear or to make the required payment and the non-paying party may not assert or receive an award on any of its claims, counterclaims, or cross claims. The arbitral decision will be binding and conclusive on the parties. A judgment confirming the award may be given by any Oregon court having jurisdiction, or that court may vacate, modify, or correct the award in accordance with the prevailing provisions of the Oregon statutes governing arbitration. All issues relating to arbitrability or the enforcement of this agreement to arbitrate will be governed by the Federal Arbitration Act (9 U.S.C. § 1 et seq.),

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notwithstanding any provision of this Agreement specifying the state law under which this Agreement will be governed and construed.

Regardless of the commercial dispute process and the rules of the American Arbitration Association, there will be no arbitration on a class or consolidated basis.

Failure to Pay Costs. If a party fails to pay its, his or her share of the costs of arbitration, the arbitrator may enter an award against that non-paying party as to liability and as to damages. Nevertheless, the arbitrator may conduct a special hearing for the paying party on the issue of damages and may allow the other party to attend the hearing.

Failure to Appear. If either party fails to appear at any properly noticed arbitration proceeding, an award on liability may be entered against that party by default or otherwise. The arbitrator may conduct a special hearing for the appearing party on the issue of damages and may allow the other party to attend the hearing.

Injunctive Relief and Specific Performance. Either party may obtain in any court of competent jurisdiction specific performance and injunctive relief to restrain a violation by the other party of any term or covenant of this Agreement. Nothing contained in this Agreement will bar us or you to obtain specific performance of the provisions of this Agreement and injunctive relief against threatened conduct that will cause you or us loss or damages under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions.

C. Governing Law and Venue. You acknowledge that we have appointed and intend to appoint many franchisees on terms and conditions similar to those set forth in this Agreement. It mutually benefits those franchisees, you and us if the terms and conditions of these license agreements are uniformly interpreted. This Agreement is accepted by us in the State of Oregon. This Agreement and the relationship between the parties will be interpreted under the laws of the State of Oregon. Any dispute between you (or your officers, directors, shareholders, members, partners or other owners) and us, whether arising under this Agreement or from any other aspect of the parties' relationship, will be governed by and determined in accordance with the substantive laws of the State of Oregon, without regard to Oregon choice of law provisions. Provided, however, that any law of the State of Oregon that regulates the sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section. Oregon laws will prevail in the event of any conflict of law, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051, et seq.) and except in those states whose franchise laws require exclusive application of those laws. This choice of laws will not include and does not extend the scope of application of any Oregon franchise or business opportunity laws except as they may otherwise apply pursuant to their terms and definitions. No franchise or business opportunity, antitrust, "implied covenant," unfair competition, fiduciary or any other doctrine of law statute, law or regulation of Oregon or any other state is intended to be made applicable to this Agreement unless it would otherwise apply absent this paragraph. The foregoing will not be construed as a waiver of any of your rights under any applicable franchise registration, disclosure or relationship law of another territory, state or commonwealth. Any portion of this

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Agreement that requires enforcement in any other state, and is enforceable under the laws of that state but not of Oregon, will be construed and enforced according to the laws of that state.

The parties have negotiated regarding a forum in which to resolve any disputes arising between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding involving you (or your officers, directors, shareholders, members, partners or other owners) and us, the parties agree that all issues or disagreements between them will be mediated, arbitrated, tried, heard, and decided in the county in which our headquarters is then located (currently Multnomah County, Oregon) which you agree is the most convenient venue for these purposes. You acknowledge and agree that this location for venue is reasonable and the most beneficial to the needs of and best meets the interest of, all of the members of the Maids by Trade franchise system.

D. Remedies. You recognize the unique value and secondary meaning attached to the Method of Operation, the Service Marks and our standards of operation and trade practices. You agree that any noncompliance with the terms of this Agreement or any unauthorized or improper use of the Method of Operation or the Service Marks will cause irreparable damage to us and our franchisees. You agree that if you engage in any unauthorized or improper use, during or after the period of this Agreement, we will be entitled to both permanent and temporary injunctive relief from any court of competent jurisdiction in addition to any other remedies prescribed by law.

We will not be liable to you for any expenses, losses or damages sustained by you as a result of any modifications to the Method of Operation contemplated by this Agreement. You covenant not to commence or join in any litigation or other proceeding against us or any third party complaining of any modifications or seeking expenses, losses or damages caused thereby. You expressly waive any claims, demands or damages arising from or related to the foregoing including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

Our and your rights under this Agreement are cumulative, and the exercise or enforcement of any right or remedy under this Agreement will not preclude exercise or enforcement of any other right or remedy which a party to this Agreement is entitled by law to enforce. No right or remedy conferred upon us is exclusive of any other right or remedy in this Agreement or provided by law or equity. Each will be cumulative of every other right or remedy.

We may employ legal counsel or incur other expense to collect or enforce your obligations or to defend against any claim, demand, action or proceeding because of your failure to perform your obligations. Legal action may be filed by or against us and that action or the settlement of it may establish your breach of this Agreement. If any such event occurs, we may recover from you the amount of our reasonable attorney fees and all other expenses we incur in collecting or enforcing that obligation or in defending against that claim, demand, action or proceeding.

You agree that the existence of any claims you may have will not constitute a defense to the enforcement by us of any of the confidentiality requirements and covenants not to compete described in this Agreement. You acknowledge that any violation of the confidentiality

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requirements and covenants not to compete would result in irreparable injury to us for which no adequate remedy at law may be available and you accordingly consent to the issuance of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete.

You agree that each of the confidentiality requirements and covenants not to compete described in this Agreement will be constructed as independent of any other covenant or provision. If all, parts or any portion of any covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of that covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in this Agreement. Each of the covenants described in this Agreement is a separate and independent covenant in each of the separate counties and states in the United States in which we transact business. To the extent that any covenant may be determined to be judicially unenforceable in any county or state, that covenant will not be affected with respect to any other county or state. You understand and acknowledge that we will have the right, in our sole discretion, to reduce the scope of any covenants, confidentiality requirements or covenants not to compete set forth in this Agreement that apply to you or to any other of our franchisees. We may do so without your consent, effective immediately upon your receipt of written notice. You agree that you will comply with any covenant that pertains to you as we so modify it.

You acknowledge we will suffer immediate and irreparable harm that will not be compensable by damages alone if you repudiate or breach any of the provisions of any part of this Agreement that relates to the confidentiality or protection of confidential information and trade secrets or your covenants to not compete against us or our franchise system or your threats or attempts to do so. For this reason, under those circumstances, we, in addition to and without limitation of any other rights, remedies or damages available to us at law or in equity, will be entitled to obtain temporary, preliminary and permanent injunctions in order to prevent or restrain the breach, and we will not be required to post a bond as a condition for the granting of this relief. You also agree that a violation of any of your confidentiality or non-competition covenants will entitle us, in addition to all other remedies available at law or equity, to recover from you any and all funds, including, without limitation, wages, salary, and profits, which will be held by you in constructive trust for us, received by you in connection with such violation.

You specifically acknowledge the receipt of adequate consideration for the confidentiality and non-competition covenants contained in this Agreement and that we are entitled to require you to comply with these covenants. Those covenants will survive termination or expiration of this Agreement. You represent that if this Agreement expires or is terminated, whether voluntarily or involuntarily, you have experience and capabilities sufficient to enable you to find employment or otherwise earn a livelihood in areas which do not violate this Agreement and that our enforcement of a remedy by way of injunction will not prevent you from earning a livelihood.

Except with respect to the parties' obligation to indemnify each other as outlined in this Agreement, we and you and our respective principals waive to the fullest extent permitted by law any right to or claim for any punitive, exemplary, special and consequential damages against the other (including lost profits incurred as a result of any termination of this

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Agreement) and agree that, in the event of a dispute between you and us, the party making a claim will be limited to equitable relief and to recovery of any direct or general damages it sustains.

Limitations: Any judicial proceeding between two or more of the parties will be governed by the following limitations:

1. Such judicial proceeding will be considered unique as to its facts and may not be brought as a class action. You and each of your owners waive any right to proceed against us by way of class action. The court will not be precluded from making its own independent determination of the issues in question, notwithstanding the similarity of issues in any other judicial or arbitration proceeding involving any other franchisee. Each party waives the right to claim that a prior disposition of the same or similar issues preclude such independent determination.

2. The parties agree that a judicial proceeding will be tried before the court sitting without a jury, notwithstanding any State or Federal constitutional or statutory rights. Each party waives any right to have any action tried by jury.

3. Except with respect to obligations regarding use of the Service Marks, the Operations Manual and confidential information, the parties waive, to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages against any other party and agree that the party making any claim directly or indirectly arising from or relating to this Agreement will be limited to recovery of actual and consequential damages sustained.

E. Attorney's Fees. The prevailing party in any arbitration, insolvency proceeding, bankruptcy proceeding, suit, or action to enforce this Agreement will recover its arbitration, proceeding, and court costs and reasonable attorney fees and previously incurred mediator fees. These will be set by the arbitration, proceeding or court, including costs and attorney fees on appeal or review from the arbitration, proceeding, suit, or action. "Prevailing party" means the party who recovers the greater relief in the proceeding as determined by the trier of fact based upon an assessment of which party's major arguments or positions taken in the proceedings could fairly be said to have prevailed over the other party's major arguments or positions on major disputed issues. Attorney fees will include, without limitation, fees incurred in the following: (a) post judgment motions; (b) contempt proceedings; (c) garnishment, levy, and debtor and third party examinations; (d) discovery; and (e) bankruptcy litigation. This subsection is intended to be expressly severable from the other provisions of this Agreement, is intended to survive any judgment and is not to be deemed merged into the judgment.

9.9 **Other Agreements**. If you or any of your shareholders, partners, or officers violate any material provision of any other franchise or similar agreement with us, that breach

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will be considered a breach of this Agreement and of the other agreements. We then may terminate or otherwise enforce this Agreement and the other agreements.

Whenever this Agreement requires that you enter into a release, such as for a transfer, renewal or purchase of an additional franchise, the release will be in substantially the following form:

> You (and your owners, members, partners, officers, and directors) agree to the following general release, subject to and following laws applicable in your jurisdiction, to release us from any claims you may have against us:
>
> In consideration of the mutual covenants and understandings set forth in this release agreement, you release and discharge us and our current and former owners, partners, directors, officers, employees and agents from all obligations, duties, covenants and responsibilities to be performed under the franchise agreement with us related to the franchise and the franchise premises ("your Prior Franchise Agreement").
>
> You release and forever discharge us and our current and former owners, partners, directors, officers, members, employees and agents from any and all claims, demands, actions or causes of action of every name, nature, kind and description whatsoever, whether in tort, in contract or under statute, arising directly or indirectly out of the offer of, negotiation of, execution of, performance of, nonperformance, or breach of your Prior Franchise Agreement and any related agreements between you and us and out of any other action or relationship between you and us arising prior to the date of the release agreement.
>
> You represent that this release has been read and that it is fully understood and voluntarily accepted. The purpose of this release is to make a full, final and complete settlement of all claims against us, known or unknown, arising directly or indirectly out of your Prior Franchise Agreement and the relationship between you and us prior to the date of the transfer [renewal] agreement including, but not limited to, economic loss.
>
> It is expressly understood and agreed that this release is intended to cover and does cover not only all known losses and damages but any further losses and damages not now known or anticipated but which may later develop or be discovered, which arise under your Prior Franchise Agreement prior to the date of the transfer [renewal] agreement, including all effects and consequences.
>
> These releases are intended to waive, release and discharge all claims against us, other than these expressly reserved, with the express waiver of any statute, legal doctrine or other similar limitation upon the effect of general releases. In particular, the parties waive the benefit of any applicable statutory provision such as by illustration, California Civil Code Section 1542, which states:

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A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

You will waive the benefit of both statute and any other legal doctrine or principle of similar effect in any jurisdiction, recognizing that while there may be new or different facts of which we are unaware at the time that this release is executed, we have nevertheless weighed the advantages and disadvantages of entering into this Release, and while we may be unaware of relevant facts, we are also aware that not every eventuality or condition can be anticipated and that we prefer the current certainty of this Release to the possibility of discovering new or different facts in the future

9.10 **Agreement Binding on Successors and Assigns**. This Agreement benefits and binds the respective heirs, executors, administrators, successors, and assigns of the parties.

9.11 **Execution in Counterparts and Our Acceptance**. This Agreement will be binding upon you at the time you sign it and deliver it to us. This Agreement will not be binding upon us until we accept it in writing by one of our principal officers at our home office. If we do not accept it within **60** days, this Agreement will no longer be binding upon you. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, will constitute an original. Delivery of executed signature pages of this Agreement by facsimile or digital transmission will constitute effective and binding execution and delivery of this Agreement.

9.12 **Approval by Shareholders, Members or Partners**. If you are a corporation, limited liability company, partnership or other entity, we will not be bound until your shareholders, members or partners read and approve this Agreement, agree to the restrictions on them (including restrictions on the transfer of their interest in the Franchise and the restrictions and limitations on their ability to compete with us), and jointly and severally guarantee your performance under this Agreement. We may request a copy of the Resolution approved by your partners, members, shareholders, owners or directors as confirmation of your fulfillment of this requirement and authorizing your execution of this Agreement.

Your ownership certificates will have conspicuously endorsed upon them a statement that they are subject to, and that further assignment or transfer of them is subject to, the restrictions imposed upon assignments by this Agreement.

The following applies both to this Agreement and to any other franchise agreement between you and us:

If You are an entity with more than one owner, the partnership agreement, shareholders agreement, limited liability operating agreement or other similar agreement for the entity

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("Owners Agreement") will be subject to the following provisions which will supersede any contrary provisions in that agreement:

A. Your owners ("Owners") agree to submit any dispute they cannot resolve relating to the operation and management of the franchise business to arbitration by our president or his designee. If the arbitration submission is accepted by our president, it must be held at our headquarters or at another location the Owners and the arbitrator agree. The decision of the arbitrator will be final and subject to enforcement by the courts of competent jurisdiction. If the submission to arbitration is not accepted by our president, the Owners must resolve their disputes in accordance with the other provisions of this Agreement.

B. The term "operations and management" includes, but is not limited to, questions relating to:

   A. Allocations of management responsibilities between the Owners;
   B. Contributions to capital for purposes of business operations, repairs and remodeling;
   C. The reasonable salaries of the Owners;
   D. Marketing efforts;
   E. The termination of the employment of an Owner;
   F. Procedures for making and implementing management decisions;
   G. Whether an Owner has performed duties with respect to the operation or management of the franchise business.

C. Unless the Owners and the arbitrator agree in writing otherwise, "operation and management" does not include questions relating to:

   1. Allocations. computations or distributions of profit or loss:
   2. Accounting issues;
   3. Elections of officers of the entity;
   4. Investments of cash not necessary for the operation of the business;
   5. Determining whether an Owner is disabled or incompetent within the meaning of the Owners Agreement;
   6. The fair market value of the Owners' interests in the entity;
   7. Whether an event has occurred, which gives rise to a right to buy the interest of an Owner other than a right resulting from an Owner's default determined to exist under B, above;
   8. Whether an Owner has met his obligations to purchase the interest of any current or former Owner;
   9. Matters relating to the winding up of the entity after a dissolution;
   10. Matters relating to the legal validity of the Owners Agreement.

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D. The Owner or Owners who are to be responsible for on premises operation of the franchise business must own 50% or more of the capital interests in the entity and that the Owners of the entity must have voting rights proportionate to their interests in capital.

E. The Owners agree to notify us in writing of their intent to enter into, modify or amend any Owners Agreement. Notice must be given at least 10 business days before they enter into that agreement, modification or amendment. The purpose of this notice is to enable us to review it for compliance with this section.

F. Application of these provisions in the Owner's Agreement will be a condition to our consent to the transfer of the franchise to an entity.

9.13 **Personal Guarantee**. If designated as such, the undersigned Guarantors are all of your partners, members, shareholders or owners. They jointly, severally, irrevocably, and unconditionally guarantee to us the due and punctual observance and performance by you of all of your obligations under this Agreement and any other agreement to which we and you are parties. Each Guarantor agrees to guarantee us against all liability, loss, harm, damage, costs, and expenses (including attorney fees) that we may incur because of your failure to observe your obligations. The liabilities and obligations of each Guarantor will not be released, discharged, or affected by our release or discharge of or dealing with you under any of these agreements; or by anything we do, suffer, or allow to be done in relation to you; or by change, alteration, or modification of any of the agreements; or by any compromise, arrangement, or plan of reorganization affecting you; or by your bankruptcy or insolvency; or by any other act or proceeding in relation to you or any of the agreements by which any Guarantor might otherwise be released. The liabilities and obligations of each Guarantor pursuant to this Guarantee will be continuing in nature and will terminate only on the satisfaction of your obligations under this Agreement. A fresh cause of action will arise in respect of each breach by you producing a liability of any Guarantor.

The Guarantors agree that it will not be necessary for us or our assigns to institute suit or exhaust our legal remedies against you in order to enforce this guaranty. Guarantors agree that we may from time to time extend the time for performance or otherwise modify, alter, or change this Agreement, may extend the time for payment of all sums guaranteed, and may receive and accept notes, checks, and other instruments for the payment of money made by you and extensions or renewals without in any way releasing or discharging Guarantors from their obligations. This guaranty will not be released, extinguished, modified, or in any way affected by our failure to enforce all the rights or remedies available to it under this Agreement. Our release of one or more Guarantor will not operate as a release of the other Guarantors.

9.14 **Representations and Acknowledgements**.

A. **Receipt of Disclosure Documents**. You acknowledge that you have received our Franchise Disclosure Document at the earlier of (1) the first personal meeting with us (in Maryland, New York and Rhode Island); or (2) 14 calendar days before signing any franchise or

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related agreement or making any payment with the franchisor or an affiliate in connection with the franchise sale. In addition, you acknowledge either:

1. receipt of this Agreement containing all substantive terms at the time of delivery of the Franchise Disclosure Document; or

2. if we unilaterally or materially altered the terms and conditions of our standard franchise agreement or any related agreements attached to the Franchise Disclosure Document, you acknowledge that you received a complete and final copy of this Agreement and its exhibits not less than **7** calendar days before you signed this Agreement.

B. **You Have Read and Understand this Agreement**. You acknowledge that you have had ample time to read and have read this Agreement and our Franchise Disclosure Document. You understand and accept the terms, conditions and covenants contained in this Agreement. They are necessary to maintain our high standards of quality, service and uniformity at all franchises. They protect and preserve the goodwill of the Service Marks and the confidentiality and value of the Method of Operation. We have advised you to have this Agreement and our Franchise Disclosure Document reviewed and explained to you by attorneys and financial and operational advisors of your choice. You have received advice from advisors of your own choosing regarding all pertinent aspects of this Franchise and the franchise relationship created by this Agreement. You also acknowledge that you believe you have made a good decision for yourself or your partners or your corporation based upon what you believe is your ability to run and control a business of your own.

C. **Varying Forms of Agreement**. You are aware that some present and future Maids by Trade franchisees may operate under different forms of agreement and, consequently, that our obligations and rights in respect to our various present and future franchisees may differ materially in certain circumstances.

D. **Speculative Success**. The success of your franchise is speculative and depends, to a large extent, upon your ability as an independent businessperson. You recognize that the business venture contemplated by this Agreement involves business risks. We do not make any representation or warranty, express or implied, as to the potential success of the Franchise. You understand that the franchise business and our franchise system may evolve and change over time.

E. **Independent Investigation, No Projections or Representations**. You acknowledge that you have entered this Agreement after conducting an independent investigation of us and of the Franchise. Your success will be dependent upon your ability as an independent businessperson. You have not relied upon any representation as to gross revenues, volume, cost savings, potential earnings or profits which you in particular might realize. Except as outlined in Item 19 of our Franchise Disclosure Document, we expressly disclaim the making of, and you acknowledge that you have not received, any representation, warranty, or guarantee, express or implied, concerning the potential revenues, cost savings, volume, profits, or success of the business venture contemplated by this Agreement. You

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acknowledge that neither we, nor any of our officers, directors, shareholders, employees, agents or servants, made any other representation about the business contemplated by this Agreement or that are not expressly set forth in this Agreement or our Franchise Disclosure Document to induce you to accept this Franchise and execute this Agreement. Any oral representations made by our representatives to you, whether or not set forth in earlier versions of our standard form franchise agreement, have either been ratified by us by including the representations in this document or have been disavowed by excluding them from this Agreement.

Any information you acquired from other Maids by Trade franchisees related to their sales, profits, or cash flows does not constitute information obtained from us, nor do we make any representation as to the accuracy of such information.

We expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any warranty or guaranty, express or implied, as to the revenues, sales, profits or success of the business venture contemplated by this Agreement or the extent to which we will continue to develop and expand the network of our franchises. You acknowledge and understand the following:

(a) any statement regarding the potential or probable revenues, sales or profits of the business venture, or of any services, benefits or commitments we are to make available to you, are made solely in the Franchise Disclosure Document delivered to you prior to signing this Agreement;

(b) any statement regarding the potential or probable revenues, sales or profits of the business venture or statistical information regarding any existing Maids by Trade location owned by us or our affiliates or that is not contained in our Franchise Disclosure Document is unauthorized, unwarranted and unreliable and should be reported to us immediately; and

(c) you have not received or relied on any representations about us or our franchising program or policies made by us, or our officers, directors, employees or agents, that are contrary to the statements made in our Franchise Disclosure Document or to the terms of this Agreement. If there are any exceptions to any of the foregoing, you must: (i) immediately notify our chief executive officer; and (ii) note such exceptions by attaching a statement of exceptions to this Agreement prior to signing it.

In all of their dealings with you, our officers, directors, employees and agents act only in a representative, and not in an individual, capacity. All business dealings between you and such persons as a result of this Agreement are solely between you and us.

F. **No Review of Business Plans, Loan Applications**. Prior to your execution of this Agreement, we have not given you any advice or review of any of your business plans or third party loan applications related to your purchase of and proposed operation of the franchise. We do not receive or review business plans and loan applications before a franchisee signs the relevant franchise agreement. We have strongly recommended that you retain and

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work with your own independent accountant and financial advisors to fully review all financial aspects of your potential franchise investment for you. You acknowledge that we will not provide financial assistance to you and that we have made no representation that we will buy back from you any products, supplies, or residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly equipment you purchase in connection with your franchise.

G. **Your Location and Market Area**. You acknowledge that we will not provide or designate locations for you. You have investigated the potential of the market area in which you are to establish and operate your franchise business and the laws and applicable regulations. You agree and represent that that market area is reasonable for a Maids by Trade franchise, and the Initial Franchise Fee represents fair consideration for the opportunity to establish and operate a Maids by Trade franchise.

H. **Health and Full-Time Participation**. You acknowledge that a Maids by Trade business involves hard work and sometimes long hours, similar to most small businesses that are owner operated. We have not represented that this business is going to be easy for you, your partners, officers or directors. You or your majority owner if you are a corporation, limited liability company or partnership, must actively participate in the daily affairs of the business. You represent that you or your majority owner are in good health and able to devote your full time and best efforts in the day to day operations of your franchised business or that you have the business management skills necessary to successfully hire a general manager to run the day to day operations of your franchised business.

I. **Terrorism, Convictions, Immigration Status**. You represent to us, unconditionally and without reservation, that:

i. Neither you, nor your spouse, nor your children, nor your parents, nor any employee or prospective employee of the franchise business, nor anyone who has an interest in or who will manage the franchise, nor any of your partners or affiliates:

1. supports terrorism, provides money or financial services to terrorists, including but not limited to those individuals and organizations on the current U.S. government lists of persons and organizations that support terrorism as provided for by law, such as the list of "Specially Designated Nationals" and "Blocked Persons" under the "USA Patriot Act" 18 USC Section 1900 et seq, or Executive Order 13224 issued by the President of the United States of America;
2. obtains money or financial services from terrorists or institutions that support terrorists, including but not limited to those individuals and organizations on the current U.S. government lists of persons and organizations that support terrorism as provided for by law, such as the list of "Specially Designated Nationals" and "Blocked Persons" under the "USA Patriot Act" 18 USC Section 1900 et seq. or Executive Order 13224 issued by the President of the

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United States of America;

3. is engaged in terrorism, or in any activity, organization or plan with or of any person or organization, including but not limited to those individuals and organizations on the current U.S. government lists of persons and organizations that support terrorism as provided for by law, such as the list of "Specially Designated Nationals" and "Blocked Persons" under the "USA Patriot Act" 18 USC Section 1900 et seq. or Executive Order 13224 issued by the President of the United States of America;
4. is on the current U.S. government lists of persons and organizations that support terrorism as provided for by law, such as the list of "Specially Designated Nationals" and "Blocked Persons" under the "USA Patriot Act" 18 USC Section 1900, et seq. or Executive Order 13224 issued by the President of the United States of America.

Neither you nor any of these persons has engaged in or been convicted of fraud, corruption, bribery, money laundering, narcotics trafficking or other crimes, and each is eligible under applicable U.S. immigration laws to communicate with and travel to the United States to fulfill your obligations under your agreements with us.

ii. Neither you, nor your spouse, nor your children, nor your parents, nor anyone who has an interest in or who will manage the franchise, nor any employee or prospective employee of the franchise business, nor any of your partners or affiliates has engaged in or been convicted of fraud, corruption, bribery, money laundering, narcotics trafficking or other crimes, and each is eligible under applicable U.S. immigration laws to communicate with, lawfully reside in, and travel to the United States to fulfill your obligations under your agreements with us.

iii. You, your spouse, your children, your parents, and anyone who has an interest in or who will manage the franchise, and all employees or prospective employees of the franchise business, and all of your partners or affiliates are in the United States lawfully, have legal residence in the United States, and are lawfully permitted to work in the United States.

You represent and warrant that to your actual and constructive knowledge: (i) neither you (including your directors, officers and managers), nor any of your affiliates, or any funding source for your franchise, are identified on the list at the United States Treasury's Office of Foreign Assets Control (OFAC); (ii) neither you nor any of your affiliates are directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government; (iii) neither you nor any of your affiliates are acting on behalf of the government of, or is involved in business arrangements or other transactions with, any country that is subject to such an embargo; (iv) neither you nor any of your affiliates are on the U.S. Department of Commerce Denied Persons, Entities and Unverified Lists, the U.S.

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Department of State's Debarred Lists, or on the U.S. Department of Treasury's Lists of Specialty Designated Nationals, Specialty Designated Narcotics Traffickers or Specialty Designated Terrorists, as such lists may be amended from time to time (collectively, the Lists); (v) neither you nor any of your affiliates, during the term of this Agreement, will be on any of the Lists; and (vi) during the term of this Agreement, neither you nor any of your affiliates will sell products, goods or services to, or otherwise enter into a business arrangement with, any person or entity on any of the Lists. You agree to notify us in writing immediately upon the occurrence of any act or event that would render any of these representations incorrect.

You represent and warrant that:

Neither you nor any of your owners or agents conducts any activity, or has failed to conduct any activity, if such action or inaction constitutes a money laundering crime, including any money laundering crime prohibited under the International Money Laundering Abatement and Anti-Terrorist Financing Act ("**Patriot Act**") and any amendments or successors thereto.

Neither you, any of your owners nor any employee or agent is named as a "Specially Designated Nationals" or "Blocked Persons" as designated by the U.S. Department of the Treasury's Office of Foreign Assets Control (currently, this list is published under the Internet website address: www.treasury.gov/offices/enforcement/ofac/), and that you are neither directly nor indirectly owned or controlled by the government of any country that is subject to a United States embargo, nor do you or your owners or agents act directly or indirectly on behalf of the government of any country that is subject to a United States embargo. You agree that you will notify us in writing immediately of the occurrence of any event, which renders the foregoing representations and warranties of this subsection incorrect.

You understand and have been advised by legal counsel on the requirements of the applicable laws referred to above, including the United States Foreign Corrupt Practices Act (currently located at: www.usdoj.gov/criminal/fraud/fcpa.html), any local foreign corrupt practices laws and the Patriot Act (currently located at: www.epic.org/privacy/terrorism/usapatriot/), and you acknowledge the importance to us, the Method of Operation and the parties' relationship of their respective compliance with any applicable auditing requirements and any requirement to report or provide access to information to us or any government, that is made part of any applicable law or regulation. You will take all reasonable steps to require your consultants, agents and employees to comply with such laws prior to engaging or employing any such persons.

J. **We May Investigate**. We may conduct investigations and make inquiries of any person or persons we, in our reasonable judgment, believe appropriate concerning the credit standing, character, and professional and personal qualifications of you and your owners, shareholders, members and partners. You authorize us to conduct these investigations and to make these inquiries. We agree to comply with the requirements of laws that apply to these investigations and inquiries.

K. **Supplier Approval**. You acknowledge that while you may propose alternate suppliers for products and services, the proposed suppliers may not qualify. You further

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acknowledge that our approved suppliers may be the only source of supply for products and services required in the Franchise.

L. **Operations Manual**. You acknowledge that the Operations Manual is loaned to you by us and at all times the Operations Manual and any updated or amended pages remain our property and that the copyright in the Operations Manual and all associated materials is vested in us. You agree to return to us the Operations Manual and any updated or amended pages immediately upon written demand.

M. **Data Protection Laws; Personal Information**. You will: (i) comply with all applicable data protection laws; (ii) comply with all of our requirements regarding the data protection laws contained in the Operations Manual or otherwise; (iii) refrain from any action or inaction that could cause us or our affiliates to breach any applicable data protection law; (iv) do and execute, or arrange to be done and executed, each act, document and thing necessary or desirable to keep us and our affiliates in compliance with any applicable data protection law; (v) reimburse us and our affiliates for any and all costs incurred in connection with your breach of any data protection laws; and (vi) permit us and our affiliates to use any data or other information each of them gathers concerning you in connection with the establishment and operation of franchised and company owned locations by us or our affiliates.

Without limiting the foregoing, you consent to the disclosure by us of certain personal information concerning you and the Franchise and the Franchise Premises, namely your identity, including your name, address and telephone number, in our franchise disclosure documents, whether or not such disclosure is required by law, and in our other documents relating to the sale of franchises.

Further, you consent to the additional disclosure by us of certain personal information concerning you, the Franchise and the Franchised Premises, including historical performance of the Franchise, sales, revenues, expenses, costs, results of operations, and similar financial information and operating information, and any information regarding the expiration or termination of this Agreement, to a prospective transferee of your Franchise or of the Franchise Premises or any other purchaser of any other franchise from us.

Your represent and warrant that all statements and information you have made and materials you have submitted to us in connection with your purchase of the franchise are accurate and complete and that you have made no misrepresentation or material omission in obtaining the franchise. Our approval of your request to purchase the franchise is made in reliance on all of your representations and warranties. Any violation of these representations or warranties, or any Anti-Terrorism Laws by you or your owners, or your or your owners' agents or employees, or any "blocking" of your or their assets under the Anti-Terrorism Laws, will constitute grounds for immediate termination of this Agreement and any other agreements you have entered into with us or any of our affiliates.

N. **State Law Addendum.** Attached as an exhibit to this Agreement and incorporated by reference, as applicable, are additional terms and conditions applicable to franchisees and their principals based in certain states within the United States of America (the

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"State Law Addendum"). Each provision of the State Law Addendum will be effective only to the extent that the jurisdictional requirements of the applicable state law are applicable to the provisions of this Agreement are met independent of the State Law Addendum. If the State Law Addendum is deemed to be inconsistent with any terms or conditions of this Agreement (including its exhibits or attachments other than the applicable State Law Addenda), the terms of the State Law Addendum will control.

O. **NO REPRESENTATIONS, PROJECTIONS, OR WARRANTIES**. WE HAVE NOT MADE ANY REPRESENTATIONS, PROMISES, GUARANTEES, PROJECTIONS, OR WARRANTIES OF ANY KIND TO YOU, YOUR OWNERS, OR THE GUARANTORS TO INDUCE THE EXECUTION OF THIS AGREEMENT OR CONCERNING THIS AGREEMENT EXCEPT AS SPECIFICALLY SET FORTH IN WRITING IN THIS AGREEMENT AND IN OUR FRANCHISE DISCLOSURE DOCUMENT THAT WE DELIVERED TO YOU. YOU ACKNOWLEDGE THAT NEITHER WE NOR ANY OTHER PARTY HAS GUARANTEED YOUR SUCCESS IN THE BUSINESS CONTEMPLATED BY THIS AGREEMENT.

You recognize and understand that the success or failure of a Maid by Trade franchise is subject to many variables, including, but not limited to, (a) geographic location; (b) competition from other businesses in the market; (c) advertising effectiveness based on market saturation; (d) whether you assume the sales position or hire a sales manager; (e) your product and service pricing; (f) vendor prices on materials, supplies and inventory; (g) salaries and benefits to non-business personnel; (h) business personnel benefits (life and health insurance, etc.); (i) weather conditions; (j) employment conditions in the market; (k) inflation, and (l) lease terms and costs and other business factors. You acknowledge your willingness to undertake these business risks and that it is your responsibility to manage your Maids by Trade franchise. You understand that the success or failure of your Maids by Trade franchise depends primarily upon your efforts and not those of Maids by Trade.

10 SIGNATURES

IN WITNESS, the parties have executed this Agreement on the day and year first above written.

("we/us"): **PURPLE FORTE LLC** (jointly and severally "you"):

By: _____

Title: _____

By: _____

_____, an individual

By: _____

Title: _____

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IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY OR OTHER ENTITY: THIS AGREEMENT MUST BE SIGNED BY A COMPANY OFFICER, DIRECTOR OR OWNER AUTHORIZED TO SIGN ON BEHALF OF THE COMPANY. ADDITIONALLY, THE AGREEMENT MUST BE SIGNED BY ALL OFFICERS AND OWNERS OF THE COMPANY AS INDIVIDUALS.

The undersigned officer _____ being the _____ of _____, pursuant to authority granted to him at a duly called meeting of such company on the __ day of _____, 20__, executes this instrument, by signing the name of the company, as an officer.

("we/us"): **PURPLE FORTE LLC** ("you"):

By: _____ By:

Title: _____ Title:

SIGNATURES OF INDIVIDUALS:

_____ _____

IF YOU ARE A PARTNERSHIP: THIS AGREEMENT MUST BE SIGNED BY ALL GENERAL PARTNERS. THE AGREEMENT MUST ADDITIONALLY BE SIGNED BY ALL GENERAL PARTNERS, AS INDIVIDUALS.

The undersigned partner, _____, being a General Partner authorized to execute this Agreement on behalf of the partnership, executes this instrument by signing the name of the partnership by himself, as general partner of the partnership.

("we/us"): **PURPLE FORTE LLC** ("you"):

By: _____ By:

Title: _____ Title:

SIGNATURES OF INDIVIDUALS

_____ _____

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EXHIBIT 1– FRANCHISE TERRITORY (Sample 1)

1) **FRANCHISE TERRITORY**: The Franchise Territory is [the city limits as of _____, 20__ of _____, _____.]

2) **FRANCHISE PREMISES**: The Franchise Premises is or will be located at _____.

The site of the Franchise Premises and the boundaries of the Franchise Territory are based on the physical location of the references used to describe the Franchise location or the boundaries of the territory on the date of this Agreement. If a street address is used to describe a location, the renumbering of the address will not serve to move the location. If a specified boundary of the Franchise Territory is described as a street, the center line of the street is intended; if the boundary is described as a political dividing line (such as a city limit), the line utilized by the appropriate political jurisdiction is intended. The area and physical location of any Franchise Premises location or of the Franchise Territory will not be altered by a subsequent movement of the references originally used to describe them. Also, it is only those points to the "inside" of the boundary that form a part of the Franchise Territory (for example, if a Franchise Territory is bounded on the north by Main Street, only the area south of the center line of Main Street is within the Franchise Territory).

For all calculations based upon a distance (for example, the boundaries of your Franchise Territory), the measurement will be made [in a straight line] [following the then current shortest driving distance in every possible direction measured by the centerline] between the nearest points; if any portion of an object is within the prescribed distance from a point, the entire object is considered to be within that distance.

OR

3) **DESIGNATED AREA**: If either the Franchise Territory or the Franchise Premises has not been determined when this Agreement is executed, you are responsible for selecting the site for your Franchise Premises within the following Designated Area: _____.

The Franchise Territory and your franchise site must be in the United States of America, legally available pursuant to state and federal franchise and business opportunity disclosure and registration laws and pursuant to our contractual commitments (including those with our other franchisees) and in compliance with our franchise placement, market development and demographic criteria.

Except as specifically outlined or forbidden in the relevant Franchise Agreement, there are no understandings oral or written concerning the future placement of stores by any party and concerning any territory protections granted to you.

(a) To obtain our approval of a proposed site, you must submit a written site proposal to us, in the form indicated in the Operations Manual. Once our initial

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approval has been obtained, you will obtain for our approval a letter of intent or copy of the proposed lease setting forth all of the material terms and conditions for your occupancy and use of the proposed site written agreement of the owner or master tenant of the proposed site to execute our form Addendum to Lease. You will be solely responsible for negotiating the terms of the lease.

(b) Following receipt of your written site proposal, we may, in our sole discretion, make an on-site visit to the proposed site at our expense if we reasonably believe that physical inspection of the demographic conditions of the area, or the proposed site, is necessary or desirable to evaluate your proposal. You understand and agree that the on-site visit is at our option and not required by this Agreement.

(c) We will have **30** days following receipt of your completed site proposal to complete any site visit that we choose to make and approve or disapprove the proposed site by giving written notice to you (the "Site Approval Notice"). If you propose more than one site, we need only approve one site or may disapprove all proposed sites. Our failure to give timely notice of approval will constitute our disapproval of all sites you proposed.

(d) Our approval of a site signifies only that the site meets our current site criteria and that the owner or master tenant of the proposed site will execute our form Addendum to Lease and permit you to occupy the site the purpose of operating a franchise on the terms of this Agreement. Our approval of a site does not certify that your development, use or occupancy of the site will conform to applicable law, or guaranty or warrant that operation of a franchise at the site will be successful or profitable. In approving the site, we have no duty to investigate or inform you about the commercial building permits, availability of relevant licenses, zoning requirements and other building conditions applicable to developing the approved site, which you are solely responsible for investigating. The fact that we may, in our sole discretion, offer you advice, recommendations or services in connection with site location, lease negotiation or building conditions will not constitute an admission on our part that we are responsible for identifying potential sites, negotiating the lease or investigating the feasibility of the site. You understand that site investigation, site selection and lease negotiation are your sole responsibility, subject to our right to approve the site on the terms of this Agreement. You understand that we recommend that you retain the services of a professional site investigation company to help you evaluate the feasibility and costs of developing the site.

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EXHIBIT 1– FRANCHISE TERRITORY (Sample 2)

Once determined, the Franchise Premises will be located at _____, _____. The Franchise Territory is the city limits as of _____, 201__ of _____, _____.

The parties have contemporaneously executed _____ Franchise Agreements, including this Agreement, as part of a multiple franchise purchase. The franchise territories for the _____ franchises are the city limits as of _____, 201__ for the following cities in the state of _____: _____ and _____ (both cities comprise one territory); _____; _____; _____: and _____. The store site for each franchise must be in the relevant territory [the United States of America], legally available pursuant to state and federal franchise disclosure and registration laws and pursuant to our commitments to our franchisees, and in compliance with our franchise placement, market development and demographic criteria.

You will commence in good faith to perform your obligations under the relevant franchise agreements and commence full and continuous operation of the relevant franchise premises within the following time periods after execution of this Agreement:

1st Franchise Premises	_____, 201___
2nd Franchise Premises	_____, 201___
3rd Franchise Premises	_____, 201___
4th Franchise Premises	_____, 201___
5th Franchise Premises	_____, 201___

In the event that you do not comply with the above store opening and continuous operation requirements, we will have the right to terminate any of your franchise agreements representing franchises that have not yet opened for business. Any failure to commence operation caused by a war or civil disturbance, a natural disaster, a labor dispute, shortages or other events beyond your reasonable control (not including financial circumstances) will be excused for a period of time that we deem reasonable under the circumstances.

[The parties have executed a number of franchise agreements contemporaneously with this Agreement as part of a multiple franchise purchase. Any material violation or breach of any such agreement, or of any other franchise agreement between the parties or of any other agreement between the parties related to the franchise system will be deemed a material violation of this Agreement, of all such other franchise agreements, and of all such other agreements. The non-breaching party then will be entitled to enforce the penalties of or to terminate this Agreement and any or all of such other franchise agreements and such other agreements as provided in this Agreement for enforcement or termination.]

The initial franchise fees under the relevant franchise agreements will be paid upon the opening of each relevant franchise premises. We will have no obligation to provide franchise training to you at our expense except for the first franchise you open. Except as specifically outlined or forbidden in the relevant franchise agreements, there are no understandings oral or written concerning the future placement of stores by any party and concerning any territory protections granted to you.

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EXHIBIT ___ TO STANDARD FRANCHISE AGREEMENT

CO-BRANDING ADDENDUM

(FOR FRANCHISEES AND OPERATORS OF OTHER CHAINS)

PURPLE FORTE LLC, An Oregon corporation ("Franchisor") and _____ ("Franchisee") are parties to a Franchise Agreement dated _____, 20____.

In consideration of the mutual covenants and commitments expressed in this Exhibit, Franchisor and Franchisee further agree as follows:

1. **Franchise agreement.** All of the terms defined in the franchise agreement will have the same meaning when used in this agreement. Except as modified by this co-branding addendum, all provisions in the Franchise Agreement will apply to the operation of the co-branded shop.

2. **Grant of rights.** Franchisee currently operates a retail outlet associated with a multi-store chain, whose primary trademarks are: _____. Franchisor grants franchisee the right to operate a co-branded Maids by Trade shop to be operated in, within or adjacent to that chain outlet.

3. **Location and opening.** The co-branded Maids by Trade shop must be within or adjacent to franchisee's existing chain facility. The location will be (fill in when known): _____. This co-branded Maids by Trade shop does not have any exclusive or designated area protection.

4. **Initial fee.** Franchisee hereby deposits with franchisor the sum of **$**_____ to acquire the rights granted. There is no other initial fee for this co-branding addendum. A separate franchise agreement and co-branding addendum must be signed and fee paid for each co-branded shop.

5. **Modification of franchise agreement and standards.** Certain of the procedures set forth in the Standard Franchise Agreement relating to obtaining a location, site surveys, plans, permits, fixtures, furniture, equipment and signs may not be directly applicable because Franchisee may utilize space within its existing chain outlet. Nevertheless, Franchisee will attempt to comply with the provisions of the Franchise Agreement that are reasonably applicable to its co-branded store, all co-branding requirements expressed in the Operations Manual, and all other relevant procedures, including submitting to Franchisor for its prior approval all remodeling plans and proposed lease or sublease agreements. If Franchisee is an operator, owner, or franchisee of the chain, Franchisee acknowledges that it must fully comply with the applicable operating agreements and standards relating to the chain, such as a franchise agreement and lease. In such event, Franchisee will supply Franchisor with copies of all contracts with the owner, landlord and operator of the chain. Franchisor may have entered into a separate agreement with the chain relating to reciprocal development or co-branding rights, and Franchisee will abide by the obligations in such separate agreement to the extent that these obligations are made known to it. Franchisor's training and assistance specified in

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the Franchise Agreement will be of shorter duration at Franchisor's discretion, taking into account the reduced franchise fee and Franchisee's experience in operating an existing chain outlet. Franchisor and Franchisee may mutually agree to modify Franchisor's standards and specifications to be consistent with the methods of operation of the chain outlet in which the Maids by Trade shop is located. [Franchisor waives its right after termination or expiration to purchase assets of the store.]

6. **Termination.** This Co-Branding Addendum may be terminated by Franchisor separately from the Franchise Agreement, on any of the bases for termination provided in the Franchise Agreement. If the chain outlet ceases to be operated by Franchisee, the Franchise Agreement will terminate effective on the date of such cessation (unless expressly agreed in writing by Franchisor). In addition, if Franchisor decides, in its sole discretion to discontinue the co-branding program, Franchisee may be given three years' written notice of the termination of its rights. Upon termination or expiration, Franchisee will abide by all post-termination covenants in the Franchise Agreement, including its obligation to discontinue operation of the co-branded shop.

The parties have executed this Co-Branding Addendum on _____, 20____.

PURPLE FORTE LLC

By: _____

Title: _____

("Franchisee"):

By:_____

_____, an individual

By: _____

Title: _____

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WARRANTIES AND DISCLAIMERS BY PROSPECTIVE FRANCHISEES OF MAIDS BY TRADE

Purple Forte LLC ("we/us"), through the use of this Franchisee Closing Questionnaire, desires to verify certain information about the sales process and to confirm that we and our employees have complied with applicable franchise disclosure laws. We further desire to confirm that you fully understand that the purchase of a Maids by Trade franchise is a business decision involving the evaluation of many risks. Our policy is to verify and confirm that in making your decision you are not relying upon any oral statement, representation, promise or assurance made during the negotiations for the purchase of a Maids by Trade franchise by any of our directors, officers, employees, agents, or representatives (each, a "Representative") that is not specifically reported in our then-current Franchise Disclosure Document, including all of the exhibits attached to it (the "Franchise Disclosure Document").

The purpose of this certification is to determine whether any statements or promises were made to you that we have not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

BACKGROUND AND GENERAL INFORMATION

1. Please state your name and address:

_____

_____

_____

2. Please state the full name of each individual and entity that will be an owner of the Franchise and an owner of an entity that owns the Franchise:

_____

_____

_____

3. What is the location of the Franchise you are purchasing?

_____

_____

_____

4. Franchisee is (check applicable box[es]):

- ☐ An individual
- ☐ A corporation
- ☐ A limited liability company

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☐ A general partnership
☐ A limited partnership

5. If Franchisee is other than or in addition to an individual, indicate the capacity in which the undersigned is authorized to act on behalf of the Franchisee (check applicable box):

☐ Officer (insert title): _____
☐ General Partner
☐ Other (please explain): _____

6. Have you received a copy of our most current Disclosure Document?

Yes ☐ No ☐

7. On what date did you receive the Disclosure Document? _____

I. PROPOSED OWNERSHIP INTEREST

The undersigned proposes to become (initial all that apply):

_____ 1. An individual owner of the Franchise.

_____ 2. A co-owner with _____.

_____ 3. A shareholder holding ____**%** of the shares of a corporate franchisee. The corporate franchisee will be qualified to do business under the name of _____ in the State of _____.

_____ 4. A partner holding ____**%** interest in a partnership franchisee. The Partnership will operate under the name of _____ in the State of _____.

II. FRANCHISE LOCATION AND RELATED WARRANTIES

A. Location

_____ You have applied for and are in the process of receiving a Franchise to an Maids by Trade franchise to be located at _____ in the city of , State of _____ ("the Site").

B. Warranties

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_____ You are exclusively responsible to locate and secure the franchise Site. We ("Purple Forte LLC.") have assisted you in Site location and negotiation. You have personally reviewed the Site and have had the opportunity to obtain independent professional advice and assistance to select and secure the Site. You have sought the assistance of independent legal, real estate, land use planning, zoning, architectural and accounting experts as you have formed your own opinion in selecting the Site. You understand that we do not guarantee the success of your franchise at the Site or at any other location.

C. Disclaimer of Reliance in Site Selection

_____ No Representative of ours has made any representation about the value of the Site, or represented to you what amount of sales or net earnings the Site will or should generate as a Maids by Trade franchise. You have received and read the Maids by Trade Franchise Disclosure Document. It contains written statements of the actual sales, costs or earnings of our Maids by Trade franchise at other selected locations.

III. LEASE TERMS

A. Warranty

_____ You personally have reviewed the proposed lease or contract of purchase of the Site. You have had the opportunity to consult with independent legal, accounting and real estate experts to help form your own opinion of the acceptability of the lease or purchase contract to the Site.

B. Disclaimer

_____ You have not relied upon us, or our Representatives, or upon any representations or opinions expressed by them in agreeing to or in authorizing execution of the lease or contract to purchase of the Site.

C. Submission to you

_____ You will submit to us the lease or contract to purchase for approval before you execute it.

IV. FRANCHISE

A. Warranty

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_____ You personally have read the Franchise Disclosure Document and Maids by Trade Franchise Agreement. You have had the opportunity to consult with independent legal, accounting and franchise advisory experts before signing the Maids by Trade Franchise Agreement.

B. Disclaimer

_____ You disclaim that we or anyone associated with us has made any oral or written statements or representations about the terms or conditions of the Franchise Agreement, except those contained in it. No officer, employee or agent of ours has advised you of other terms or conditions effecting or modifying the Franchise Agreement.

C. Representations

1. Except as explicitly set forth in the Franchise Agreement or a written Addendum to it, no promises, agreements, contracts, commitments, representations, understandings, "side deals" or otherwise have been made to or with me with respect to any matter. This includes, but is not limited to, any representations or promises regarding advertising, marketing, Site location, operational assistance or other services, except as follows (if no exceptions, write “None”):

   _____
   _____
   _____

2. No oral, written or visual claim or representation, promise, agreement, contract, commitment, understanding or otherwise which contradicts or is inconsistent with the Disclosure Document or the Franchise Agreement has been made to me, except as follows (if no exceptions, write “None”):

   _____
   _____
   _____

3. Except as contained in your Franchise Disclosure Document – including Item 19, no oral, written, visual or other claim or representation has been made to me by any person or entity, which states or suggests any actual, average, projected or forecasted sales, gross receipts, operating costs, revenues, income, profits, expenses, cash flow, tax effects, earnings, or otherwise, that is not contained in the Franchise Disclosure Document, except as follows (if no exceptions, write “None”):

   _____
   _____
   _____

4. You acknowledge and agree that your decision to purchase a Maids by Trade franchise is in no manner predicated upon any representations,

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assurances, warranties, guarantees or promises made by a Representative as to the likelihood of success of a Maids by Trade franchise, except as follows (if no exceptions, write “None”):

_____
_____
_____

5. You acknowledge that a Representative has not made any statement, promise or assurance concerning the likelihood of success that you should or might expect to achieve from developing and operating a Maids by Trade franchise. If you believe that one of these statements, promises or assurances has been made, please describe the statement, promise or assurance in the space provided below or write “None”.

_____
_____
_____

6. You acknowledge that a Representative has not made any statement, promise or assurance concerning the advertising, marketing, training, support services or assistance that Maids by Trade will furnish you that is contrary to, or different from, the information contained in the Franchise Disclosure Document. If you believe that one of these statements, promises or assurances has been made, please describe the statement or promise in the space provided below or write “None”.

_____
_____
_____

7. You acknowledge that a Representative has not made any other statement, promise or assurance concerning any other matter related to a Maids by Trade franchise that is contrary to, or different from, the information contained in the Disclosure Document. If you believe that one of these statements, promises or assurances has been made, please describe the statement, promise or assurance in the space provided below or write “None”.

_____
_____
_____

VI. WARRANTIES REGARDING PARTICIPATION

_____ A. You will personally participate in the management of the Maids by Trade Franchise as set forth in the "Franchise Management Organizational Chart" as provided for in the Franchise Agreement. You will faithfully and fully perform all duties required of you under

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the Franchise Agreement and the Management Contract, if applicable.

_____ B. You warrant that your purchase of the franchise is for your own account and is not made with a view to or for resale.

_____ C. You acknowledge that your decision to obtain a Maids by Trade franchise has been based upon the Maids by Trade Franchise Disclosure Document and Franchise Agreement and your own investigations, upon which you rely.

ACKNOWLEDGEMENT

By signing below, you acknowledge that you have personal knowledge of the foregoing and following facts and representations and that they are all true, complete, accurate, and correct:

1. You acknowledge that you received the Disclosure Document at least 14 calendar days before you signed a binding agreement with or made a payment to us or our affiliate in connection with the proposed franchise sale, or sooner if required by state law.

2. You acknowledge that you received the Franchise Agreement (if applicable) at least 7 calendar days before signing them.

3. You acknowledge that you have personally and carefully reviewed the Disclosure Document, that you understand all of the information in the Disclosure Document and that you have been advised by to have professional advisors of your own, including legal counsel, review the Disclosure Document and consult with you regarding the risks associated with the purchase and operation of a Maids by Trade franchise.

4. You acknowledge that you have made your own independent determination as to whether you have the capital necessary to fund a Maids by Trade franchise.

5. You recognize and understand that the success or failure of a Maids by Trade franchise is subject to many variables, including, but not limited to, (a) geographic location; (b) competition from other businesses in the market; (c) advertising effectiveness based on market saturation; (d) whether you assume the sales position or hire a sales manager; (e) your product and service pricing; (f) vendor prices on materials, supplies and inventory; (g) salaries and benefits to non-business personnel; (h) business personnel benefits (life and health insurance, etc.); (i) weather conditions; (j) employment conditions in the market; (k) inflation, and (l) lease terms and costs and other business factors. You acknowledge your willingness to undertake these business risks and that it is your responsibility to manage your Maids by Trade franchise. You understand that the success or failure of your Maids by Trade franchise depends primarily upon your efforts and not those of Maids by Trade.

Neither we nor our Representatives have advised you to fill in and complete this Questionnaire except as based upon your personal knowledge and experience. You do so acknowledging that we may rely upon your complete candor, honesty, and truthfulness.

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Dated this ___ day of _____, 201__.

_____
An Individual
Address: _____
_____
_____
Telephone: _____

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Exhibit C to the Maids by Trade Franchise Disclosure Document

CONDITIONAL ASSIGNMENT

_____ ("you") operate your franchise business at _____. In consideration of the granting of a franchise to you and other valuable consideration given by **PURPLE FORTE LLC**, An Oregon limited liability company ("us"), you assign to us all telephone numbers, telephone and internet listings, website addresses and domain names you use in the operation of the franchise. We assume the performance of all of the terms, covenants and conditions of your agreement with the Telephone Company concerning the telephone numbers and telephone listings with the full force and effect as if we had been originally issued the telephone numbers and telephone listings. We will hold this assignment, and will deliver it to the Telephone Company or other interested third parties only upon termination of the Franchise Agreement between us and you dated _____.

DATED this ___ day of _____, 20__.

("we/us"): **PURPLE FORTE LLC**

By: _____

Title: _____

(jointly and severally "you"):

By:_____

_____, an individual

By: _____

Title: _____

PURPLE FORTE LLC FRANCHISE AGREEMENT ADDENDUM ABANDONMENT, RELINQUISHMENT, AND TERMINATION OF ASSUMED OR FICTITIOUS BUSINESS NAME

Pursuant to the provisions of relevant state laws concerning the registration and use of assumed or fictitious business names, the undersigned applicant, being a franchisee of **PURPLE FORTE LLC**, submits the following to evidence its intent to abandon, relinquish and terminate its right to use the business name **MAIDS BY TRADE**:

1. Name of Applicant who is Using the Assumed or Fictitious Business Name:

   _____

   a (an) individual/partnership/corporation organized and doing business under the laws of the State of

   _____

2. Date When Original Assumed or Fictitious Business Name was Filed by Applicant:

   _____

3. Address of Applicant's Registered Office in the State of: _____

   _____

4. Please cancel the Applicant's registration to use the name **MAIDS BY TRADE.**

DATED: _____

_____
Applicant

By: _____

Title: _____

Exhibit E to the Maids by Trade Franchise Disclosure Document

FRANCHISE DISCLOSURE DOCUMENT
STATE LAW ADDENDA TO FDD AND TO FRANCHISE AGREEMENT

The following modifications and additions are part of the Maids by Trade Franchise Disclosure Document ("FDD") and Franchise Agreement ("FA") as required by relevant state laws.

California

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

Our website address is www.maidsbytrade.com. **OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSITE; ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSITE AT www.dbo.ca.gov.**

FDD Item 5, FA Section 2.1

All initial franchise fees will be due and payable only after the franchisor has fulfilled and performed all of its initial financial obligations and the franchisee has commenced business operations under the Franchise Agreement (which occurs upon completion of the initial training course and opening of the Franchise for business).

FDD Item 17, FA Sections 5, 6, 7 and 9

(1) California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

(2) The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et. seq.).

(3) The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

(4) You must sign a general release if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

(5) The Franchise Agreement provides that all issues or disagreements relating to the Franchise Agreement will be mediated, tried, heard and decided at Portland, Oregon with the costs being borne by the non-prevailing party. Prospective franchisees are

encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

(6) The Franchise Agreement requires application of the laws of the State of Oregon. This provision may not be enforceable under California law.

(7) Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

(8) You must sign a general release if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

(9) The Antitrust Law Section of the Office of the California Attorney General views certain maximum and minimum price arrangements as per se violations of the Cartwright Act.

FDD Item 3

California 10 CCR Section 310.114.1(c) (3) requires disclosure regarding whether the franchisor, any person or franchise broker in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

Negotiated Sales

Copies of any notice of negotiated sale of a franchise may be reviewed at http://134.186.208.233/caleasi/pub/exsearch.htm. No such negotiated sales have occurred during the last 12 months. If any had occurred we would have attached copies of all notices of negotiated sale filed during the 12 months immediately preceding the effective date of the Disclosure Document.

All negotiated sales in California are subject to the following provisions as outlined in the California Administrative Code, Title 10, Chapter 3, Subchapter 2.6, Section 310.100.2:

1. The initial offer must be registered pursuant to the California Franchise Investment Law.

2. The prospective Franchisee because of its business or financial experience could be reasonably assumed to have the capacity to protect its own interest in the transaction. The income and net worth of the prospective Franchisee or its spouse may be included in determining the total income and net worth required by this paragraph. The net worth and

income test may also be satisfied by a prospective franchisee corporation (or by a **50%** or more shareholder of such prospective franchisee corporation) or a prospective franchisee partnership (or by a prospective franchisee general partner of such partnership). In making the determination, we may rely on the representations of the prospective franchisee with respect to its net worth and income provided we have no reason to doubt the representations.

3. If a negotiated sale is consummated, Notice of Negotiated Sale of Franchise in the form set forth in the regulations must be filed with the Commissioner within 15 business days after the negotiated sale.

WE CERTIFY AND DECLARE THAT ALL NOTICES HAVE BEEN FILED WITH THE COMMISSIONER AS REQUIRED BY THE NEGOTIATED SALES SECTION OF THE CALIFORNIA ADMINISTRATIVE CODE, TITLE 10, CHAPTER 3, SUBCHAPTER 2.6, SECTION 310.100.2(a).

Idaho

FDD Item 17, FA Section 9

Pursuant to the requirements of the Idaho Code, Title 29, Chapter 1, Section 29-110 (Limitations on Right to Sue – Franchise Agreement), any stipulation or condition in a franchise agreement executed by a resident of Idaho or a business entity organized under the laws of Idaho, by which any party is restricted from enforcing its rights under the franchise agreement by the usual proceedings in the ordinary tribunals in Idaho, or which limits the time within which it may enforce its rights, is void to the extent it purports to waive venue or jurisdiction of the Idaho court system. Venue and jurisdiction will be in Idaho if the franchisee is an Idaho resident or a business entity organized under the laws of Idaho.

Washington

FDD Item 5, FA Section 2.1

All initial franchise fees will be due and payable only after the franchisor has fulfilled and performed all of its initial financial obligations and the franchisee has commenced business operations under the Franchise Agreement (which occurs upon completion of the initial training course and opening of the Franchise for business).

FDD Item 17; FA Section 6 and 7

The state of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Post-termination covenants-not-to-compete are subject to a requirement of good faith in Washington. RCW 19.100.180(1). Sections of the Disclosure Document and Franchise Agreement containing post-termination covenants not to compete are amended to the extent required by Washington law.

The franchisee acknowledges receipt of this Addendum.

It is agreed that the applicable foregoing state law addendum for the state of _____, if any, supersedes any inconsistent portion of the Franchise Agreement (to which this addendum is attached) of this same date, and of the Franchise Disclosure Document. All terms of the Franchise Agreement, including these State Law Addendum provisions for the relevant state, have been agreed to at the time the Franchise Agreement was signed, to the extent that they are valid requirements of an applicable, effective, and enforceable state law. However, this addendum will have effect only if the Franchise Agreement or our relationship with you satisfies all of the jurisdictional requirements of the relevant state's franchise laws, without considering this addendum and only to the extent that the jurisdictional requirements of the relevant state law are met independently of this Addendum.

DATED this __ day of _____, 201_.

("we/us"): **PURPLE FORTE LLC**

By: _____

Title: _____

(jointly and severally "you"):

By:_____

_____, an individual

By: _____

Title: _____

Exhibit F to the Maids by Trade Franchise Disclosure Document

ELECTRONIC DEBIT AUTHORIZATION FORM

The undersigned (the "Franchisee") acknowledges that on or about _____, 20__, Franchisee and Purple Forte LLC (the "Franchisor") entered into a franchise agreement (the "Franchise Agreement") for the operation of a Maids by Trade franchise.

To enable Franchisor to receive automatic payments pursuant to the Franchise Agreement and Franchisor's Operations Manual, Franchisee authorizes (the "Authorization") Franchisor to withdraw funds from and otherwise initiate debit entries to Franchisee's checking account, indicated below, and the depository named below (the "Depository"), to debit the same to such account.

Depository Name: _____
Branch: _____
City State and Zip: _____
_____
Transit/ABA#: _____
Bank Account Name: _____
Bank Account Number: _____
Tax ID for Account: _____

This Authorization is to remain in full force and effect until the underlying obligations of the Franchise Agreement have been satisfied in full or expressly released in writing by Franchisor. Franchisee expressly agrees that this Authorization will apply to any and all depositories and bank accounts which Franchisee opens during the term of the Franchise Agreement and any renewal terms. Without limiting the above, Franchisee acknowledges and agrees that if Franchisee closes any bank account, Franchisee will:

1) immediately notify Franchisor in writing;
2) open or otherwise establish another bank account;
3) execute and deliver to Franchisor all documents necessary for Franchisor to begin and continue making withdrawals from such bank account/depository by ACH debiting or other electronic means.

Franchisee expressly acknowledges and agrees that this Authorization will be the only written authorization needed from Franchisee in order to initiate debit entries/ACH debit originations to Franchisee's bank account(s) established with any depository in the future.

Name of Franchisee(s): _____
_____
Franchise #: _____
Signature: _____
Print Name: _____
Title: _____
Date: _____

Notice to Franchisee

1) ATTACH ONE VOIDED CHECK HERE.
2) ENSURE TO COMPLETE ALL BLANK SPACES ABOVE.
3) RETURN **2** ORIGINAL COPIES OF THIS FORM TO FRANCHISOR IMMEDIATELY

Exhibit G to the Maids by Trade Franchise Disclosure Document

NAMES AND ADDRESSES OF STATE REGULATORY AUTHORITIES AND REGISTERED AGENTS IN STATES

STATE	REGISTERED AGENTS	REGULATORY AUTHORITIES
CALIFORNIA	California Commissioner of Business Oversight: Los Angeles: 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7505 Sacramento: 1515 K Street, Suite 200 Sacramento, CA 95814-4052 (916) 445-7205 San Diego: 1350 Front Street San Diego, CA 92101-3697 (619) 525-4233 San Francisco: 1 Sansome Street, Suite 600te 2100 San Francisco, CA 94104	California Commissioner of Business Oversight Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, CA 90013-1105 (213) 576-7505
CONNECTICUT	Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103 (860) 240-8233 or (860) 240-8232	Banking Commissioner 260 Constitution Plaza Hartford, CT 06103 (860) 240-8233 or (860) 240-8232
FLORIDA	[Not Applicable]	Senior Consumer Complaint Analyst Department of Agriculture and Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, Florida 32399-0800 (850) 922-2770
HAWAII	Commissioner of Securities of the Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813-2921 (808) 586-2722	Commissioner of Securities of the Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813-2921 (808) 586-2722
ILLINOIS	Illinois Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Chief, Franchise Bureau Illinois Attorney General 100 W. Randolph Street Chicago, IL 60601 (312) 814-3892

STATE	REGISTERED AGENTS	REGULATORY AUTHORITIES
INDIANA	Secretary of State Administrative Offices of the Secretary of State 201 State House Indianapolis, IN 46204 (317) 232-6681	Securities Commissioner Securities Division Room E-111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681
IOWA	[Not Applicable]	Director of Regulated Industries Unit Iowa Securities Bureau 340 East Maple Des Moines, Iowa 50319-0066 (515) 281-4441
MARYLAND	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Commerce, Corporations and Securities Bureau 525 W. Ottowa 670 Law Building Lansing, MI 48913 (517) 373-7117	Franchise Administrator Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 670 Law Building Lansing, MI 48913 (517) 373-7117
MINNESOTA	Minnesota Commissioner of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101-2198 (651) 296-6328	Deputy Commissioner Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101-2198 (651) 296-6328
NEBRASKA	[Not Applicable]	Staff Attorney Department of Banking and Finance 1200 N Street Suite 311 P.O. Box 95006 Lincoln, Nebraska 68509 (402) 471-3445
NEW YORK	Secretary of State of the State of New York 162 Washington Street Albany, NY 12231	Assistant Attorney General Bureau of Investor Protection and Securities New York State Department of Law 120 Broadway, 23rd Floor New York, NY 10271 (212) 416-8211
NORTH DAKOTA	North Dakota Securities Commissioner Fifth Floor 500 East Boulevard Bismarck, ND 58505	Franchise Examiner Office of Securities Commissioner 600 East Boulevard, 5th Floor Bismarck, ND 58505 (701) 328-4712
OREGON	Director of Oregon Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387	Department of Consumer and Franchise Services Division of Finance and Corporate Securities Labor and Industries Building Salem, OR 97310 (503) 378-4387

STATE	REGISTERED AGENTS	REGULATORY AUTHORITIES
RHODE ISLAND	Director of Rhode Island Department of Franchise Regulation Division of Securities Suite 232 Providence, RI 02903 (401) 222-3048	Associate Director and Superintendent of Securities Division of Securities 233 Richmond Street, Suite 232 Providence, RI 02903-4232 (401) 222-3048
SOUTH DAKOTA	Director of South Dakota Division of Securities 445 E. Capitol Ave. Pierre, SD 57501 (605) 773-4823	Franchise Administrator Division of Securities 445 East Capitol Avenue Pierre, SD 57501-5070 (605) 773-4013
TEXAS	[Not Applicable]	Secretary of State Statutory Document Section P.O. Box 12887 Austin, TX 78711 (512) 475-1769
UTAH	[Not Applicable]	Division of Consumer Protection Utah Department of Commerce 160 East Three Hundred South P.O. Box 45804 Salt Lake City, Utah 84145-0804 (801) 530-6601
VIRGINIA	Clerk of the State Corporation Commission 1300 E. Main Street Richmond, VA 23219 (804) 371-9733	Chief Examiner/Investigator State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street Richmond, VA 23219 (804) 371-9051
WASHINGTON	Director of Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Administrator Dept. of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760
WISCONSIN	Wisconsin Commissioner of Securities P.O. Box 1768 345 W. Washington Avenue, 4th Floor Madison, WI 53703 (608) 261-9555	Franchise Administrator Securities and Franchise Registration Wisconsin Securities Commission 345 W. Washington Avenue, 4th Floor Madison, WI 53703 (608) 261-9555
FEDERAL TRADE COMMISSION		Franchise Rule Coordinator Division of Marketing Practices Bureau of Consumer Protection Pennsylvania Avenue at 6th Street, NW Washington, D.C. 20580 (202) 326-3128
ALBERTA, CANADA	Miller Thomson LLP 3000, 700 – 9th Avenue SW Calgary, AB T2P 3V4	

PURPLE FORTE LLC

CONFIDENTIALITY, NON-DISCLOSURE, AND NONCOMPETE AGREEMENT

THIS AGREEMENT has been entered this _____ day of _____ 201__. It is by and between**, PURPLE FORTE LLC**, An Oregon limited liability company, ("we, us") and _____ ("you").

We have certain rights to, have registered in various jurisdictions, and intend to continue to develop names, trademarks, service marks, logos, commercial symbols, and styles. These include, but are not limited to "**Maids by Trade**," "**Maids by Trade - Enjoy Your Home**, and "**EcoPink**" (the "Service Marks"). We own valuable goodwill and have valuable expertise, confidential information, methods, procedures, techniques, uniform standards, operations manuals, inventory control guidelines, systems, layouts, merchandise, and materials. These are connected with the operation, promotion, and advertising of businesses and franchises that offer quality residential and commercial cleaning services, environmentally safe cleaning products and ecologically friendly services to the public under the Service Marks (the "Method of Operation").

You desire to operate or to be employed by a Maids by Trade franchise to offer, sell, and use our high-quality quality residential and commercial cleaning services, environmentally safe cleaning products, ecologically friendly processes, and related products and services to the public and to use our Method of Operation and Service Marks. We are willing to allow you to do so based upon our franchise agreements and on the terms and conditions set forth in this Agreement.

THEREFORE, in consideration of the following mutual promises and covenants, the parties agree as follows:

1 PROTECTION OF CONFIDENTIALITY

1.1 **Confidential Information Defined**. In this Agreement, "Confidential Information" shall mean:

a) Any information that relates to our proprietary ideas, trade secrets, business, products, technology, customers, finances, plans, proposals, or practices of us, including, but not limited to, plans and specifications for new products, discoveries, ideas, know-how, research and development, inventions, techniques, marketing strategies, customer lists, financing sources and suppliers, non-public financial information, budgets, data, and projections;
b) Our proprietary information and information we mark or designate as confidential;
c) Information, whether or not in written form and whether or not designated as confidential, which is known to you as being treated by us as confidential;
d) Information provided to us by third parties, which we are obligated to keep confidential.

The Confidential Information shall include information in any form in which such information exists, whether oral, written, film, tape, computer disk, digital, or other form of media.

1.2 **Our Exclusive Property**. You acknowledge and agree that our Method of Operation and all Confidential Information is and shall continue to be our sole and exclusive property, whether or not disclosed or entrusted to you in connection with your relationship with us. Nothing in this Agreement will give you or others any right, title, or interest whatsoever in or to them. The Confidential Information shall be considered our trade secrets and shall be entitled to all protections provided by applicable law to trade secrets.

1.3 **Conflicting or Competing Interests**. Neither you nor your owners, shareholders, members, partners, directors, officers, managers, employees, consultants, distributors, or agents, nor the members of your or their immediate families or households (who have access to or knowledge of the Confidential Information or Method of Operation), will directly or indirectly participate as an owner, shareholder, partner, director, officer, employee, consultant, distributor, or agent, or serve in any other capacity in any business (including business in formation) engaged or to be engaged in the offering or sale or rental of products or services that are the same as, or substantially similar to, the products and services that are part of the Method of Operation.

You will assure that you and your owners, shareholders, partners, directors, officers, employees, and agents, and the members of their immediate families or households (who have actual knowledge of or access to the Operations Manual or Method of Operation), will not directly or indirectly participate as an owner, shareholder, director, partner, officer, employee, consultant, franchisor, franchisee, distributor, advisor or agent, or serve in any other capacity in any business engaged directly or indirectly in the offer, sale, rental, Internet dissemination, or promotion of tanning and skin care products or services or any business that offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the Method of Operation. This covenant applies within a **100**-mile radius of any location where we operate or have granted the franchise to operate a Maids by Trade, business, and at any location within the United States of America.

2. COVENANT OF NON-DISCLOSURE You specifically acknowledge that you will receive valuable specialized and Confidential Information, including information regarding our operational, sales, promotional and marketing methods and techniques and the Method of Operation. You agree not to disclose Confidential Information to any third party and to limit disclosure within your association to designated employees approved by us. Disclosures to designated employees will be done on a "need to know" basis to the extent necessary for them to perform the duties of their employment with you. Unless required by court order or applicable law, you agree not to copy, download, send, or divulge any Confidential Information directly or indirectly to any other person or enterprise outside of our system. You will never communicate, divulge, or use in any manner, either for your benefit or the benefit or any other person, persons, partnerships, associations, companies or corporations any Confidential Information or proprietary information, knowledge or know-how concerning the Method of Operation or any information we have communicated to you in written, verbal or electronic form, including intranet passwords, for the operation of your business.

3 COVENANT OF NON-USE You agree not to use Confidential Information or the Method of Operation, except as authorized by us. You will obligate your owners, board of directors, your employees, and your agents to the same non-use covenant. We must approve in writing any use of Confidential Information or Method of Operation by you or your owners or your directors or employees.

4 RECIPROCAL OBLIGATION Should discussions between you and us require or entail disclosure of any of your confidential or proprietary information to us, we agree to the same obligations of confidentiality and non-use as are imposed on you by this Agreement.

5 MISCELLANEOUS

5.1 **Duration**. The obligations set forth in this Agreement will continue during and beyond the term of your relationship with us and for as long as you possess Confidential Information.

5.2 **Waiver**. A waiver of any breach of any provision, term, covenant, or condition of this Agreement will not be a waiver of any subsequent breach of the same or any other provision,

term, covenant, or condition. Any waiver to this Agreement's provisions must be made in signed writing by the granting party.

5.3 **Construction**. This document is the entire agreement between the parties. It supersedes all prior or contemporaneous written and oral agreements or understandings with respect to the subject matter of this Agreement. It may not be modified or amended except by signed written agreement. This Agreement benefits and binds the respective heirs, executors, administrators, successors, and assigns of the parties.

5.4 **Enforcement**. The prevailing party (the party who recovers the greater relief) in any arbitration, insolvency proceeding, bankruptcy proceeding, suit, or action to enforce this Agreement will recover its arbitration, proceeding, and court costs and reasonable attorney fees. These will be set by the arbitration, proceeding, or court, including costs and attorney fees on appeal or review from the arbitration, proceeding, suit, or action.

5.5 **Acknowledgments**. No person has made any other representation that is not expressly set forth in this Agreement to induce you to accept and execute this Agreement.

6 SIGNATURES IN WITNESS, the parties have executed this Agreement on the date written above.

("We/Us"): **PURPLE FORTE LLC**

By: _____
Title: _____

("You): _____

By: _____
Title: _____

RECEIPT

This franchise disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If **Purple Forte LLC** offers you a franchise, it must provide this franchise disclosure document to you by the earliest of:

The first personal meeting to discuss the franchise (in New York and Rhode Island); OR

14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

If **Purple Forte LLC** does not deliver this franchise disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and State law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in Exhibit G.

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

~~Fortino Garibay~~Fortino Garibay Bajaras, 4439 SE Johnson Creek Boulevard, Portland, OR 97222, (503) 252-1495

Our authorized agents for service of process are identified on Exhibit G to this Franchise Disclosure Document.

Date of Issuance: Effective **January 1, 2019** and as of the individual state registration dates reflected on the cover page.

I have received a disclosure document dated as indicated above that included the following Exhibits:

A	Financial Statements
B	Standard Franchise Agreement
	Exhibit 1 - Franchise Territory
C	Conditional Assignment
D	Relinquishment of Assumed Name
E	State and Provincial Law Addenda
F	Electronic Debit
G	List of State Agents for Service of Process and State Administrators
H	Confidentiality, Non-Disclosure, and Non-Compete Agreement
I	Acknowledgments of Receipt

DATED this __ day of _____, 201_.

Signatures of All Prospective Franchisees:

Individuals: _____ _____

Name of Corporation/LLC/Partnership: _____

By: _____ Title: _____

ALL INDIVIDUALS WHO WILL SIGN THE FRANCHISE AGREEMENT MUST SIGN THIS ACKNOWLEDGMENT. IF THE FRANCHISE AGREEMENT WILL ALSO BE EXECUTED BY A CORPORATION OR LIMITED LIABILITY COMPANY, AN OFFICER OR OWNER AUTHORIZED TO RECEIVE THIS CIRCULAR ON BEHALF OF THE CORPORATION OR LIMITED LIABILITY COMPANY MUST EXECUTE THIS ACKNOWLEDGMENT. IF THE FRANCHISE AGREEMENT WILL BE EXECUTED BY A PARTNERSHIP, THEN ALL GENERAL PARTNERS MUST EXECUTE THIS ACKNOWLEDGMENT AS GENERAL PARTNERS AND AS INDIVIDUALS.

ACKNOWLEDGMENT OF RECEIPT

KEEP THIS COPY FOR YOUR RECORDS.

ACKNOWLEDGMENT OF RECEIPT

Exhibit I to the Maids by Trade Franchise Disclosure Document

RECEIPT

This franchise disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If **Purple Forte LLC** offers you a franchise, it must provide this franchise disclosure document to you by the earliest of:

1. The first personal meeting to discuss the franchise (in New York and Rhode Island); OR
2. 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

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F	Electronic Debit
G	List of State Agents for Service of Process and State Administrators
H	Confidentiality, Non-Disclosure, and Non-Compete Agreement
I	Acknowledgments of Receipt

DATED this __ day of _____, 201_.

Signatures of All Prospective Franchisees:

Individuals: _____ _____

Name of Corporation/LLC/Partnership: _____

By: _____ Title: _____

ALL INDIVIDUALS WHO WILL SIGN THE FRANCHISE AGREEMENT MUST SIGN THIS ACKNOWLEDGMENT. IF THE FRANCHISE AGREEMENT WILL ALSO BE EXECUTED BY A CORPORATION OR LIMITED LIABILITY COMPANY, AN OFFICER OR OWNER AUTHORIZED TO RECEIVE THIS CIRCULAR ON BEHALF OF THE CORPORATION OR LIMITED LIABILITY COMPANY MUST EXECUTE THIS ACKNOWLEDGMENT. IF THE FRANCHISE AGREEMENT WILL BE EXECUTED BY A PARTNERSHIP, THEN ALL GENERAL PARTNERS MUST EXECUTE THIS ACKNOWLEDGMENT AS GENERAL PARTNERS AND AS INDIVIDUALS.

PLEASE SIGN THIS COPY OF THE RECEIPT, DATE YOUR SIGNATURE, AND RETURN IT TO PURPLE FORTE
4439 SE Johnson Creek Boulevard, Portland, OR 97222.

ACKNOWLEDGMENT OF RECEIPT