

FRANCHISE DISCLOSURE DOCUMENT



Jack & Joe's Franchising, Inc.
d/b/a Squeegee Squad®
7750 Ranchview Lane N
Maple Grove, MN 55311
763-286-3465 or 612-919-7130
www.squeegeesquad.com
jack@squeegeesquad.com
joe@squeegeesquad.com

We offer franchises for the operation of a Squeegee Squad Business, which markets and sells window cleaning services and other services, such as snow removal, chandelier cleaning, pressure washing, gutter cleaning, soft washing, chemical cleaning, exterior restoration, caulking, ice dam removal, roof shoveling, holiday lighting, scratched glass consultation, and other services we designated to residential and commercial customers, under the "SQUEEGEE SQUAD®" service mark. You do not need any specific prior experience to operate a Squeegee Squad franchise.

The total investment necessary to begin operations of a Squeegee Squad franchise ranges from \$58,975 to \$145,450. This amount includes \$46,000 to \$61,000, which must be paid to franchisor or its affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement 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 Jack Ruegsegger at jack@squeegeesquad.com or Joe Ruegsegger at joe@squeegeesquad.com, or contact the addresses and/or phone numbers listed above.

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: April 20, 2021

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

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

**NOTICE REQUIRED
BY
STATE OF MICHIGAN**

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

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

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

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

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

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

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

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

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

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

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (517) 373-7117.

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

SQUEEGEE SQUAD®

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EXHIBITS

- Exhibit A. Franchise Agreement (Including Exhibits)
- Exhibit B. Software License Agreement
- Exhibit C. Agreements to be Signed by Franchisee, its Manager and/or Employees
- Exhibit D. State Addenda
- Exhibit E. Operations Manual Table of Contents
- Exhibit F. Financial Statements
- Exhibit G. List of Franchised Outlets and Franchisees Who Have Left the System
- Exhibit H. State Agencies and Agents for Service of Process
- Exhibit I. List of Area Directors
- Exhibit J. State Effective Dates
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ITEM 1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor, Predecessor and Affiliates

Jack & Joe's Franchising, Inc., the franchisor, is referred to in this disclosure document as "we," "us" or "JJFI." "You" means the person or entity that buys a franchise. If the franchisee is a corporation, partnership or other entity, "you" also may mean its owners.

We are a Minnesota corporation with principal business offices at 7750 Ranchview Lane N, Maple Grove, MN 55311. We were organized under the laws of the State of Minnesota on February 4, 2005, and do business under the mark "SQUEEGEE SQUAD" and our company name, Jack & Joe's Franchising, Inc. We began offering franchises in June of 2005. As of the date of this disclosure document, our business is limited to franchising the Squeegee Squad Business System. Our agents for service of process are disclosed in Exhibit H to this disclosure document.

Our affiliate, Jack & Joe's Window Cleaning, Inc. ("JJWC") is a Minnesota corporation organized on September 6, 2001, with principal business offices at 8427 172nd Ave NE, Columbus, MN 55025. Until February 2011, JJWC owned and operated a Squeegee Squad Business similar to the franchise offered in the Twin Cities area of Minnesota. JJWC's window cleaning business was sold to a Squeegee Squad Franchisee in February 2011. JJWC has also operated Squeegee Squad Businesses similar to the franchise offered in Southern Minnesota, Florida and Kentucky. As of the date of this disclosure document, all of the Businesses previously owned and operated by JJWC have been sold to franchisees, and neither we nor JJWC currently operate any Squeegee Squad Businesses similar to the franchise being offered. JJWC has never offered franchises in any line of business. JJWC assigned the SQUEEGEE SQUAD trademark to us on March 2, 2015. Prior to that date we operated the Squeegee Squad franchise system by virtue of a trademark license agreement with JJWC. JJWC is owned by our Co-President, Jack Ruegsegger.

Our other affiliate is Jack and Joes Janitorial LLC ("JJJL"), a Minnesota limited liability company organized on October 8, 2010, with principal business offices at 7750 Ranchview Lane N, Maple Grove, MN 55311. JJJL is owned by our Co-President, Joe Ruegsegger. JJJL has never operated a business similar to the franchise being offered and has never offered franchises in any line of business.

JJWC and JJJL have each executed a separate "Franchise Sales and Support Agreement" with us. Under the terms of these agreements (the "Support Agreements"), we have granted JJWC and JJJL the exclusive right to engage in the promotion of the Squeegee Squad franchise system and to recruit franchisees for the Squeegee Squad system, on our behalf, in parts of the country specified in each Support Agreement (each, a "Region" or, respectively, the "JJWC Region" and the "JJJL Region"). The Support Agreements also require JJWC and JJJL to provide certain operational support to franchisees in each company's respective Region. We compensate JJWC and JJJL for conducting these activities on our behalf, by paying them a portion of the initial and continuing franchise fees that we collect from franchisees located in their respective Regions. Although JJWC and JJJL each have the authority to recruit and approve new franchisees, you will execute your franchise agreement with us (JJFI). JJWC and JJJL operate independently of one another, although each is required to support Squeegee Squad franchisees in compliance with our standards and instructions.

We have no other affiliates, and we have no predecessors. We have not offered franchises in any other line of business, although we or our affiliates may do so in the future.

The Franchise Offered

A Squeegee Squad franchised business (a “Business”) provides residential and commercial window cleaning services and other services that we authorize, such as snow removal, chandelier cleaning, pressure washing, gutter cleaning, soft washing, chemical cleaning, exterior restoration, caulking, ice dam removal, roof shoveling, holiday lighting, scratched glass consultation, all under the “SQUEEGEE SQUAD®” service mark and other marks identified in Item 13 (the “Marks”), according to the uniformity requirements, quality standards, procedures, specifications and instructions that we maintain (the “Business System”). The Squeegee Squad Business System is designed to meet the demand for reliable and dependable residential and commercial window cleaning services to both the general public and the business community. Squeegee Squad Businesses have a Territory with a population of up to 200,000 people. We may, at our option, grant you a larger Territory (up to 1,000,000 in population, or more), for an Additional Territory Fee, which is calculated by multiplying the number of persons in your Territory over 200,000 by a variable multiplier. For 2020, the variable multiplier is 15 cents (\$0.15) per person. Franchisees will sign the Franchise Agreement (attached as Exhibit A to this disclosure document). Franchisees are not required to rent space for their Business and may operate as a home-based business. Businesses do not include the right to offer high-rise window cleaning services, which we define as window cleaning for a building of 4 or more stories in height or which requires a swing stage or scaffolding equipment (“High-Rise Services”). We may, in our sole determination, grant you the right to offer High-Rise Services under an amendment to the Franchise Agreement if you meet our qualifications and pay an additional training fee. Alternatively, we or an affiliate may offer and grant a separate franchise offering for High-Rise Services under the mark Squeegee Squad, within or outside your Territory.

In certain parts of the country, we have entered into (or we may enter into) an agreement with a third party to represent the Squeegee Squad® brand in that geographic area. These third parties are known as Squeegee Squad “Area Directors” and they represent our interests in a particular area by recruiting and screening new franchisees and providing training and support services to them. (Area Directors are also franchisees of ours; however, the Area Director franchise offering is described under a separate franchise disclosure document.) If your Business is located in an area where we have authorized an Area Director, certain of our support and training obligations to you may be provided by our Area Director.

Competitors, Governmental Regulations, Seasonality

The market for window cleaning and household services is well-developed and mature. The primary businesses that Squeegee Squad Businesses will compete with are window-cleaning businesses and other businesses offering window cleaning and other household services, including local, regional and national providers of window-cleaning and/or general cleaning services, national franchise systems and other regional or local chains. There are specific laws and regulations covering some of the services you will be offering. For instance, the Occupational Safety and Health Administration (OSHA) has promulgated regulations regarding certain types of window cleaning equipment. Some states and municipalities have enacted similar or additional rules regarding window cleaning and contractor safety, practices and equipment. You should investigate these laws before you buy a franchise so that you understand your legal obligations.

Sales of window cleaning services are seasonal in northern climates, with sales slowing during cold winter months.

ITEM 2. BUSINESS EXPERIENCE

Joe Ruegsegger: Co-President, Co-Treasurer and Co-CFO

Joe Ruegsegger co-founded JJFI and has been Co-President, Co-Treasurer and Co-CFO since January 2015. Joe was our President from February of 2005 until January 2015. Joe is also the President of our affiliate JJL.

Jack Ruegsegger: Co-President, Co-Treasurer and Co-CFO

Jack Ruegsegger co-founded JJFI and has been Co-President, Co-Treasurer and Co-CFO since January 2015. Jack was our Vice President of Operations from February of 2005 until January 2015. Jack is also the President of our affiliate JJWC.

See Exhibit I for a list of our Area Directors.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this Item. See Exhibit I for any disclosures for our Area Directors.

ITEM 4. BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item. See Exhibit I for any disclosures for our Area Directors.

ITEM 5. INITIAL FEES

Upon signing the Franchise Agreement, you must pay to us an Initial Franchise Fee of \$45,000 for a Territory with a population of up to 300,000 people. If you are approved by us for a Territory with a population greater than 300,000, you must pay an additional fee (the "Additional Territory Fee"), which is calculated by multiplying the number of persons in your Territory over 300,000 by a variable multiplier. For 2020, the variable multiplier is 15 cents (\$0.15). For example, if you are approved for a Territory of 400,000 in population, your total initial franchise fees will equal \$60,000, as follows:

Initial Franchise Fee	\$45,000
Additional Territory Fee (add'l 100,000 x \$0.15)	<u>\$15,000</u>
TOTAL	\$60,000

We reserve the right to negotiate a lower Initial Franchise Fee for smaller Territories. During our 2020 fiscal year, franchisees paid our Initial Franchise Fees and Additional Territory Fees ranging from \$0 to \$95,438.40.

We will determine the population of the Territory by the most current information available from the U.S. Census Bureau or its successor at the time of execution of the Franchise Agreement. If your Franchise Agreement is terminated because you have been rejected as a franchise owner by JJFI, JJFI will refund your Initial Franchise Fee after deducting all reasonable administrative and out-of-pocket expenses

incurred by JJFI. These expenses will include JJFI's executives' and employees' salaries, training costs, salespersons' commissions, attorneys' fees, accountants' fees, travel expenses and long-distance telephone call costs. The Initial Franchise Fee is otherwise nonrefundable. You will not be charged an amount for these expenses which exceeds the amount of the Initial Franchise Fee. (Franchise Agreement, Articles 5.1, 5.2.)

Franchisees must sign a software license agreement for each Squeegee Squad Business opened and pay the applicable initial software license fee ("Initial Software License Fee"). As of the issuance date of this disclosure document, Franchisees must pay an Initial Software License Fee of \$1,000 per Business opened to license our proprietary Squadware™ software. The Initial Software License Fee is nonrefundable unless you or the Franchise Agreement is rejected as described above. The Initial Software License Fee is charged on a per Business basis.

Franchisees must also purchase all computer equipment as may be required by us for operation of your Squeegee Squad Business. You may purchase it from a supplier that we designate, or you may purchase it from other sources. See Items 7 and 11 for more information on required computer hardware and its costs. Any sums paid to us or to others for computer hardware will not be refundable.

ITEM 6. OTHER FEES

Type of Fee ⁽¹⁾	Amount	Date Due	Remarks
Continuing Fees ⁽²⁾	7% of Gross Revenues for Businesses with annual Gross Revenues of \$250,000 (Tier 5); 6% of Gross Revenues for Businesses with annual Gross Revenues of \$250,001 to \$500,000 per year (Tier 4); 5% of Gross Revenues for Businesses with annual Gross Revenues of \$500,001 and to \$1,000,000 (Tier 3); 4.5% of Gross Revenues for Businesses with annual Gross Revenues of \$1,000,000 to \$2,000,000 (Tier 2); and 4% of Gross Revenues for Businesses with annual Gross Revenues of \$2,000,001 and greater (Tier 1) ⁽³⁾	Electronic bank transfer on Thursday of each week for the preceding week	Each calendar year, the Continuing Fee percentage will begin at the lowest tier level achieved during the previous calendar year and will not be raised to a higher tier unless your annual Gross Revenues drop.
Weekly Advertising Fees	1.0% of Gross Revenues	Electronic bank transfer on Thursday of each week for the preceding week	See Item 11 for more information on Weekly Advertising Fees.

Type of Fee ⁽¹⁾	Amount	Date Due	Remarks
Call Center Fees	Up to 5% of your Gross Revenues (Currently \$0)	Electronic bank transfer on Thursday of each week for the preceding week	We have the right to establish a centralized call center or toll-free line for all Squeegee Squad Businesses and, if we do so, to charge you the listed fees.
Local Advertising Expenditures	3% of Gross Revenues	Each month during the term	See Note (4) below.
Grand Opening Advertising	Minimum of \$6,000 for each Squeegee Squad Business you own	Before you open your Squeegee Squad Business	Expenditures do not apply toward your 3% local advertising requirement. You must spend a minimum of \$6,000 for Grand Opening Advertising.
Software License Fees	Up to \$250 per month for each Squeegee Squad Business you own	Electronic bank transfer on Thursday of each week for the preceding week	See Items 5 and 11 for more information on software license fees.
Email Account Fees	\$150 per email account that you request in the squeegeesquad.com domain, in excess of one	Within 10 days of receipt of invoice from us	Under the franchise agreement, you must maintain at least 1 email account for your Business within the squeegeesquad.com domain, which we will provide to you at no cost. For any additional email accounts that you, at your option, maintain within the squeegeesquad.com domain, we will charge you a fee of \$150 per account, per year.
Website Fees	Up to \$150 per hour	On demand	We do not have an obligation to customize your Business's page on the squeegeesquad.com website; however, if you request that we customize your page and we agree, we will charge you on an hourly basis for our time spent performing these services.
Reimbursement of Audit Costs	Dependent upon the costs incurred by us in conducting an audit	Within 10 days of receipt of an invoice indicating the amount owed	Audit costs must be reimbursed if an audit shows that you understated your Gross Revenues by more than 3% or underpaid Continuing Fees or Weekly Advertising Fees by more than \$500 in any 12-month period.
Transfer Fee	One-half of the then-current Initial Franchise Fee and Additional Territory Fees for the franchise, capped at \$9,500	Before transfer	The transfer fee will not be due on a transfer to an Immediate Family Member, but the Immediate Family Member must pay the then-current training fee if that person has not already completed our training program.

Type of Fee⁽¹⁾	Amount	Date Due	Remarks
Additional Territory Fee	\$0.15 per person in the Territory in excess of 300,000 people	As you acquire Additional Territory, if any	We may, at our option, grant you additional area contiguous to your existing Territory, under terms and conditions that you and we agree upon, up to a maximum Territory population of 400,000.
Additional Training	\$0 to \$1,500, or the then-current training tuition	As required	In addition to the training fee, you are responsible for any and all other expenses incurred in connection with ongoing training including, without limitation, the costs of transportation, lodging, meals, and wages for you or your employees, etc. If we conduct an annual convention, we may charge you a registration fee whether or not you attend the convention.
Annual Convention Fee	Up to \$800	Before annual convention starts, if applicable	Although we do not currently do so, we have the right to hold a franchisee convention on an annual basis and charge you a registration fee, whether or not you attend.
Gross Revenue Default Fees	7% of the difference between your Gross Revenue Requirement and your actual Gross Revenues	On demand	See Note (5) below.
Interest Charges	18% per annum simple interest or the maximum legal rate allowable in the state in which your Business is located, whichever is less	On demand	Applies to past due payments of Continuing Fees, Weekly Advertising Fees, or other payments due to us.
Service Charge	\$100 per returned check, failed EFT, or other failure of payment	On demand	Applies to past due payments of Continuing Fees, Weekly Advertising Fees, or other payments due to us.
Late Report Fee	Up to \$50 per occurrence each time you submit a report of Gross Revenues after the due date	On demand	Applies to required weekly Gross Revenue reports.
Alternative supplier review fee	Up to \$150 per hour of JJFI's time	On demand	If you desire to purchase goods or services from suppliers other than suppliers we have approved, we may charge you an hourly fee for our review and testing of the alternative supplies or supplier.

Type of Fee ⁽¹⁾	Amount	Date Due	Remarks
Renewal Fee	\$1,500	Upon the exercise of your option to reacquire the franchise at the end of the term	

- (1) Unless otherwise noted, all fees are paid to us, are uniformly imposed, and are nonrefundable, except that the Initial Software License Fee will be refundable to the same extent as the Initial Franchise Fee is refundable in the event you or the Franchise Agreement is rejected by us.
- (2) We require you to pay these fees by direct bank transfer to our bank account.
- (3) The term “Gross Revenues” is defined in Article 1.10 of the Franchise Agreement. Gross Revenues includes all direct and indirect income of your business from the sale of all products and services, whether by cash or by credit, but does not include any sales, use or gross receipts taxes if the amount of the tax is added to the selling price, charged to the customer, and paid to the appropriate taxing authority. (See Exhibit A.)
- (4) You must spend at least 3% of your Gross Revenues each month on local advertising that we approve. You must provide us with quarterly reports of your local advertising expenditures. If we designate a local marketing cooperative, you must direct your local advertising expenditure to the cooperative program. Your payments to a local marketing cooperative will apply toward the 3% requirement. We have the right to require you to pay to us, by electronic bank transfer, up to 50% of this amount (1-1/2% of your Gross Revenues) for our use in conducting a system-wide direct mail campaign. If you fail to expend the required amount, we have the right to require you to pay 100% (3% of your Gross Revenues) to us for the system-wide direct mail campaign or for other advertising activities.
- (5) Under the Franchise Agreement, you are required to achieve certain minimum Gross Revenues amounts listed below (the “Gross Revenue Requirements”):

<u>Calculation Period</u>	<u>Gross Revenue Requirement</u>
1. Months 1 – 6	\$7,500
2. Months 7 – 12	\$7,500
3. Months 13 – 18	\$22,500
4. Months 19 – 24	\$22,500
5. Months 25 – 30	\$35,000
6. Months 31 – 36	\$35,000
7. Months 37 – 42	\$50,000
8. Months 43 – 48	\$50,000
9. Months 49 – 54	\$63,750
10. Months 55 – 60 and each subsequent 6-month period	\$63,750

(The Calculation Periods referenced in the above chart begin on January 1 and July 1 of each year regardless of the date you begin operations.)

If you do not meet the Gross Revenue Requirement in a given 6-month Calculation Period, you will be required to pay to us a Gross Revenue Default Fee of 7% of the difference between your prorated Gross Revenue Requirement and your actual Gross Revenue for that period. For example, if you have Gross

Revenues of \$20,000 during the Calculation Period Number 3, you will be required to pay a Gross Revenue Default Fee of \$175, as follows: \$22,500 (Gross Revenue Requirement for Calculation Period) – \$20,000 (Actual Gross Revenues) = \$2,500; \$2,500 * 7% = \$175.

For Territories with a population base that is substantially smaller than our standard Territory size of approximately 300,000 people, we reserve the right to lower or eliminate the Gross Revenue Requirement.

If you fail to timely submit any Gross Revenue report, then we will have the right to automatically withdraw from your bank account via electronic funds transfer, or charge to a credit card that is linked to your Squeegie Squad Business, as a part of your Continuing Fee an amount equal to the weekly pro-rata share of the Gross Revenue Requirement multiplied by the applicable Continue Fee percent based the Tier that you are in. Upon our subsequent receipt of your Gross Revenue report for that period, we reserve the right to withdraw from your account any difference between the amount that you would have paid us as a Continuing Fee for that week and the amount that we actually collected for that period.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT				
Type of Expenditure	Amount	Method Of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee ⁽¹⁾	\$45,000 to \$60,000	Lump sum	When you sign the Franchise Agreement	Us
Grand Opening Advertising ⁽²⁾	\$6,000 to \$15,000	Lump sum	Before you open your Business	Suppliers
Wages, Travel and Living Expenses During Training	\$500 to \$3,000	As incurred	During training	Airlines, Hotels & Restaurants
Vehicle Purchase Down Payment ⁽³⁾	\$0 to \$5,000	Lump sum	Before start	Supplier
Initial Software License Fee	\$1,000	Lump sum	Before start	Us
Vehicle Equipment ⁽⁴⁾	\$50 to \$900	Lump sum	Before start	Supplier
Vehicle Signage	\$200 to \$2,000	Lump sum	Before start	Supplier
Computer Equipment ⁽⁵⁾	\$0 to \$2,500	Lump sum	Before start	Suppliers
Insurance	\$1,000 to \$6,000	As incurred	As arranged	Supplier
Initial Window Cleaning Equipment and Inventory ⁽⁶⁾	\$1,000 to \$10,000	Lump sum	As arranged	Supplier
Professional Services	\$500 to \$2,000	As incurred	As arranged	Supplier

YOUR ESTIMATED INITIAL INVESTMENT				
Type of Expenditure	Amount	Method Of Payment	When Due	To Whom Payment Is To Be Made
Office Equipment & Supplies ⁽⁷⁾	\$500 to \$2,000	Lump sum	Before start	Supplier
Uniforms ⁽⁸⁾	\$200 to \$800	Lump sum	Before start	Approved Supplier
Licenses & Permits	\$25 to \$250	Lump sum	Before start	Suppliers
Additional Funds ⁽⁹⁾	\$3,000 to \$35,000		During the first 3 to 6 months of operation	Suppliers, Approved Suppliers, Employees, Etc.
TOTAL ^{(10) (11)}	\$58,975 - \$145,450			

Notes

- (1) The Initial Franchise Fee for your first Squeegee Squad Business is \$45,000, for a Territory with a population of up to 300,000. If we grant you a Territory with a population in excess of 300,000, you must pay an Additional Territory Fee in an amount equal to 15 cents (\$0.15) per person in your Territory in excess of 300,000. The low end of the range above assumes a Territory size of 300,000, while the high end of the range assumes a Territory size of 400,000.
- (2) Before your opening, you must spend a minimum of \$6,000 for grand opening advertising, marketing, public relations and promotional programs for your Squeegee Squad Business, as follows: (a) a minimum of \$3,000 for the production and/or purchase of advertising materials (such as postcards, brochures, forms, and other printed materials, all of which we must approve) and (b) a minimum of \$3,000, inclusive of postage, on direct mail advertising in your Territory.
- (3) You will need at least 1 pickup truck for your Business. Each truck must be in good working condition, presentable, and must be outfitted with the equipment, signage and trade dress specified in the Operations Manual(s). The cost of the down payment on your truck(s) will vary based on the terms you negotiate with your supplier.
- (4) The primary vehicle equipment expense is for installation of a ladder rack.
- (5) You will need computer hardware meeting certain minimum specifications for your Business. (See Item 11) You will also need to purchase computer software including, at a minimum, Microsoft Windows XP-Pro, Quickbooks Pro 2010 (or later), MS-Office with Word, Excel, Publisher, and PowerPoint and antivirus/spyware software. This is in addition to our proprietary Squadware™ software, for which you must currently pay us an initial and annual software license fees. The cost of your investment in computer hardware and software will vary depending on your Business's current assets, and other economic factors.

- (6) Your costs for initial inventory and supplies will vary depending on the size of your Business, its geographic location, shipping costs, and other economic factors.
- (7) This is the range of the amounts that we estimate you will need to purchase stationery, forms, phones, etc.
- (8) This is the range of the amounts that we estimate you will need to purchase your initial stock of employee uniforms. The low end of this range includes 4 of each of the following: shirts, shorts, hats, sweatshirts/wind shirts, coats. The high end of this range includes 10 of each of those items. You must purchase uniforms from us or an Approved Supplier.
- (9) These amounts are an estimate of the expenditures you will make during the first 3 to 6 months of the operation of your Squeegee Squad Business for salaries, supplies, inventory, utilities, Continuing Fees, Weekly Advertising Fees, Local Advertising, truck payments, gasoline, high speed internet connection, phone and other miscellaneous operating costs and expenses. These figures are estimates only, and you may have additional or greater expenses during this period. Your costs will vary depending on the size of your Business, economic and market conditions, competition, wage rates, sales levels attained, and other economic factors. Moreover, this range assumes that you are an owner/operator of the Business, and that you do not employ a separate General Manager or pay yourself to act as the General Manager. If you employ a General Manager separate from the owner/operator, you will incur additional costs during this initial 3-month period.
- (10) The above chart provides an estimate of your initial investment for a standard Squeegee Squad Business for a Territory of up to 300,000 in population. The chart previously If your Territory will have a greater population, some of the expenses listed below may be higher. You will also have to pay an Additional Territory Fee as described in Note (1) above. The estimated range assumes that you will operate your Squeegee Squad Business out of your residence. If you lease commercial or industrial space for your Business, you will incur greater start-up expenses including pre-paid rent, security deposits, furniture, fixtures, signs, equipment and leasehold improvements. We estimate that you would spend from \$0 to \$2,500 on security deposits and/or prepaid rent, from \$0 to \$10,000 on leasehold improvements and from \$0 to \$15,000 furniture, fixtures, signs and equipment. The amount payable for pre-paid rent, security deposits, furniture, fixtures, signs, equipment and leasehold improvements will vary based on the size of your space, the nature of the space, its geographic location, costs assumed by your landlord, and other economic factors. You are not required to lease space when you start your Business. If you purchase and open 1 or more additional Squeegee Squad Businesses after the date of this disclosure document, the Initial Franchise Fee payable to us and your initial investment requirements will be stated in our then-current disclosure document and may vary from the amounts stated above.
- (11) We estimate that you will incur an additional \$15,000 to \$20,000 in start-up costs if we authorize you to provide high-rise building window-cleaning services. Our standard Franchise Agreement does not authorize franchisees to engage in window-cleaning services for high-rise buildings. If you wish to provide high-rise window cleaning services, we must approve your application to do so and you must sign an addendum to your Franchise Agreement and complete additional training at your expense. High-rise buildings are buildings that are 4 or more stories in height or require rope or swing stage scaffolding access.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

In order to ensure a uniform image and uniform quality of products and services throughout the Squeegee Squad System, you must maintain and comply with our quality standards. Although you are not

required to purchase or lease real estate from us, we must consent to the location of your Business (see Item 11). You must equip your Business in accordance with our then-current approved specifications, vehicle decorating designs and color schemes (See Articles 8 and 11 of the Franchise Agreement). In addition to meeting our design specifications and standards, it is your responsibility to insure that any building plans you utilize comply with the Americans with Disabilities Act and all other federal, state and local laws.

You also must use equipment, signage, fixtures, furnishings, products, supplies and marketing materials that meet our specifications and standards.

Approved Supplies and Suppliers

We provide you with a list of approved manufacturers, suppliers and distributors (“Approved Suppliers List”) and approved inventory products, fixtures, furniture, equipment, signs, stationery, supplies and other items or services necessary to operate the Business (“Approved Supplies List”). The Approved Suppliers List may specify the specific manufacturer of a specific product or piece of equipment. We, an affiliate or a third-party vendor or supplier may occasionally be the only approved supplier for certain products. The lists also may include other specific products without reference to a particular manufacturer, or they may set forth the specifications and/or standards for other approved products. We may revise the Approved Suppliers List and Approved Supplies List. We give you the approved lists as we deem advisable.

As of the date of this disclosure document, we have negotiated a preferred vendor relationship with Harry Falk Company of Blaine, Minnesota (“Harry Falk”) and we have designated Harry Falk as the only Approved Supplier of window cleaning equipment for Squeegee Squad franchisees.

If you want to use any brand of materials or supplies that is not then approved by us in the operation of the Business, or to purchase any product from a supplier that is not then designated by us as an Approved Supplier, you must, before using or purchasing any product, seek and obtain our approval in writing. If requested by us, you must submit samples and other information as we require for testing or to otherwise enable us to determine whether the product, material or supply, or the proposed supplier meets our specifications and quality standards. We generally will notify you of supplier approval or disapproval within 45-60 days of our receipt of all the information and samples we request. You must pay the reasonable cost of the inspection and evaluation and the actual cost of the test. The supplier also may be required to sign a supplier agreement. We may re-inspect the facilities and products of any supplier of an approved supplier or item and revoke our approval of any supplier or item that fails to continue to meet any of our criteria. We will send written notice of any revocation of an approved supplier or item.

We apply the following general criteria in approving a proposed supplier: (1) ability to make product in conformity with our specifications; (2) willingness to protect the secrets behind the uniqueness of a product without dissemination to others; (3) production and delivery capability; (4) reputation and integrity of the supplier; and (5) financial condition and insurance coverage of the supplier.

Neither we nor our affiliates are currently Approved Suppliers for any products, other than our proprietary Squadware™ software, as further described below and in Items 5, 6 and 11. We are the only Approved Supplier of the Squadware™ software and our Co-Presidents Jack and Joe Ruegsegger each have a material ownership interest in us. During our 2020 fiscal year, we received \$20,200 in Software license fees for the Squadware™ software, which amounted to approximately 3.1% of our total revenues of \$658,568 based on our audited financial statements, which are attached to this disclosure document as Exhibit F. None of our officers owns a material interest in any other approved suppliers. Our officers may own an interest in a supplier that: (1) is held indirectly through a mutual fund, 401(k) plan or similar

investment vehicle; or (2) represents fewer than 1,000 shares or units of a supplier entity and less than 1% of the total outstanding equity interest in that supplier.

We have the right to establish a centralized call center and/or a system-wide toll-free telephone number for all Squeegee Squad Businesses. If we do so, your Business will be required to utilize the call center or toll-free number and pay the fees described in Item 6. We have the right to require you to use a uniform toll-free number designated by us as the sole telephone number for customers to contact your Business.

We and our affiliates reserve the right to receive rebates or other consideration from suppliers in connection with your purchase of goods, products and services as described in this Item 8. Most of these payments are calculated on an amount based on products sold to you and other franchisees. We or our affiliates will retain and use these payments as we deem appropriate or as required by the vendor. The amount of Continuing Fees imposed upon you and other Squeegee Squad franchisees under the Squeegee Squad Franchise Agreement has been based, in part, upon our right to receive this compensation from suppliers, and would have been established by us at a higher level, but for this type of compensation. During our 2020 fiscal year, we or our affiliates received no purchase discounts and/or volume rebates of in connection with franchisee purchases from suppliers as described in this Item 8.

We may negotiate prices for products for the benefit of the System but not on behalf of individual franchisees. There is no purchasing or distribution cooperative. We will try to receive volume discounts for the System. We do not provide material benefits to you because of your use of Approved Suppliers.

You must carry insurance policies protecting you, us and either JJWC or JJJL. The insurance policies must include, at a minimum: (i) general liability insurance insuring you, JJFI, JJWC, and their respective officers from any claim of loss, liability, bodily injury, personal injury, death, and/or damage, with minimum coverage limits of \$500,000 per occurrence, \$1,000,000 annual aggregate and \$5,000 per person medical benefits; (ii) automobile liability insurance, including owned, hired and non-owned vehicle coverage with a minimum combined single limit of \$300,000 per occurrence; (iii) workers' compensation and employer's liability insurance covering all of your employees as required by the State in which your Business is located; (iv) umbrella liability insurance which also includes employers liability and automobile liability, with minimum limits of \$1,000,000 per occurrence and (v) any other insurance coverages or amounts as required by law or other agreement related to the Business.

You can expect items purchased or leased in accordance with our specifications will represent approximately 75% of total purchases you will make to begin operations of the business and 4% to 7% of the ongoing costs to operate the business.

See Item 11 below for a description of the computer hardware and nonproprietary software that you will be required to purchase in order to operate your Squeegee Squad Business. You may purchase the computer equipment and nonproprietary software meeting these specifications from a supplier designated by us or from any other source of your choosing.

You will also be required to utilize our proprietary Squadware™ software in operating your Business. See Items 5, 6 and 11 for further information on the fees you will be required to pay in connection with our proprietary software.

Except for the payment of software license fees for the Squadware™ software, we do not require you to purchase any products to establish or operate your franchise from us or any affiliates. Except for the proprietary software under the Software License Agreement, neither we nor any affiliate are currently suppliers of any goods or services which we require you to purchase.

If you occupy commercial or industrial space for your Business under a lease, you must, before signing that lease, furnish us with a copy of the lease which must include the following provisions:

- a. allows us the right to enter the premises to conduct inspections at any time during regular business hours;
- b. allows us the right, but not the obligation, to assume the lease (or assign the lease to another Squeegee Squad franchisee) for the remaining term of the lease if you are evicted by the landlord or the Franchise Agreement expires or is terminated by either us or you for any reason before the lease expires; and
- c. allows you and any successor tenant the right to assign the lease to another Squeegee Squad franchisee.

A copy of JJFI's standard Lease Addendum is attached as Exhibit E to the Franchise Agreement (See the Franchise Agreement which is attached to this document as Exhibit A).

In addition to the requirements described above, you must obtain and maintain, at your own expense, insurance coverage and meet other insurance-related obligations (see Article 12 of the Franchise Agreement). The costs and coverage may vary depending upon the insurance carrier charges, terms of payment and your history.

ITEM 9. FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement. 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/lease	Article 2	Items 7 and 11
b. Pre-opening purchases/leases	Article 11.12	Items 7, 8 and 10
c. Site development and other pre-opening requirements	Articles 2, 9, 12	Items 6, 7 and 11
d. Initial and ongoing training	Article 9	Item 11
e. Opening	Article 7.6	Item 11
f. Fees	Articles 5, 6, 7	Items 5, 6, 8, 10 and 11
g. Compliance with System Standards and policies/Operations Manual	Articles 8, 11.1, 11.2	Item 11
h. Marks and proprietary information	Articles 2, 4	Items 13 and 14
i. Restrictions on products/services offered	Articles 11.10 - 11.14	Item 16
j. Warranty and customer service requirements	Articles 11.2, 11.3	Item 11

Obligation	Section in Franchise Agreement	Disclosure Document Item
k. Territorial development and sales quotas	Article 6.7 (F)	Item 12
l. Ongoing product/service purchases	Articles 11.10, 11.13, 11.21 Not Applicable (ADA)	Item 8
m. Maintenance, appearance, and remodeling requirements	Articles 11.2, 11.4, 11.16 Not Applicable (ADA)	Item 11
n. Insurance	Article 12 Article 13.7 (ADA)	Items 6 and 8
o. Advertising	Article 7 Article 13.9 (ADA)	Items 6 and 11
p. Indemnification	Article 20 Article 19.2 (ADA)	Item 6
q. Owner's participation/management/staffing	Article 11.28 Article 13.5 (ADA)	Items 11 and 15
r. Records and reports	Article 13 Article 13.12 (ADA)	Item 6
s. Inspections and audits	Articles 11.9, 13.5 Article 14.1 (ADA)	Items 6 and 11
t. Transfer	Article 15 Article 15 (ADA)	Items 6 and 17
u. Renewal	Articles 3.2, 3.3 Articles 3.2, 3.3 (ADA)	Items 6 and 17
v. Post-termination obligations	Articles 16.5, 18 Article 16.5, 18 (ADA)	Items 6 and 17
w. Non-competition covenants	Article 19 Article 12 (ADA)	Item 17
x. Dispute resolution	Article 21 Article 20 (ADA)	Item 17

ITEM 10. FINANCING

Except as described below, we do not offer, either directly or indirectly, any financing to you. We are unable to estimate whether you will be able to obtain financing for any or all of your investment and, if so, the terms of such financing. We do not guarantee your notes, leases or other obligations.

Under certain circumstances, we may permit a Franchisee to defer payment of up to 100% of the Initial Franchise Fee plus any Additional Territory Fee incurred at the time the Franchise Agreement is executed, over a period of up to 36 months. You must sign an installment note, a form of which is included as Exhibit F to the Franchise Agreement (the "Promissory Note"). The Promissory Note will bear interest at a rate of up to the lesser of 18% per annum or the highest rate permitted by applicable law. The Promissory Note is payable in equal monthly payments of principal and interest over its term (up to 36 months). You may prepay the Promissory Note in whole or in part without penalty over the term, if you make the prepayments in multiples of \$100.00 and on dates when installments of principal are due. If any required installment payment is not made when due, we can at our option, call the note and demand immediate payment of the entire outstanding balance. In addition, if you transfer your interest in the Franchise Agreement or in the business prior to paying the Promissory Note in full, the entire balance of principal and interest remaining unpaid under the Promissory Note is due and payable upon the date of the transfer. If your corporation or other entity is the franchisee, the owners of the entity must personally guarantee the note. You and each personal guarantor waive presentment for payment, protest rights, and

notice of failure to make payment. You are not required to give or pledge any type of security interest to obtain this financing, although failure to pay amounts due under the Promissory Note is a default under the Franchise Agreement (Franchise Agreement, Subparagraph 16.1(D)). Under the Promissory Note, you must waive the defenses of presentment for payment, protest and notice of dishonor.

It is not our current practice or intent to sell, assign or discount to any third party any note or other financing instrument that franchisees execute. We, however, reserve the right to do so in the future. We also may from time to time pledge our interest in financing instruments to third parties to secure our various obligations to third parties.

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

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

The Franchise Agreement permits us to delegate our responsibilities to you. If you locate your Business in a location where we have appointed an Area Director, or if we appoint an Area Director for an area that encompasses your Territory after you open, our Area Director will discharge for us some or all of the obligations that we describe in this Item 11. Otherwise, JJWC will discharge for us some or all of these obligations in the JJWC Region and JJJL will discharge these obligations in the JJJL Region. Therefore, the term "we" in this Item 11 (and elsewhere where this disclosure document describes our obligations under the Franchise Agreement) refers interchangeably to us, an Area Director that we may appoint, JJWC or JJJL. We will indicate to you whether your proposed franchise is located in the JJWC Region, the JJJL Region or an Area Director territory during your application process and at least 7 calendar days before you execute your Franchise Agreement.

Assistance Before Opening

Before you open your Squeegee Squad Business, we must provide you with: (1) a written schedule for all supplies and equipment for use in your Business (Franchise Agreement Article 11.12); (2) a list of approved sources of furniture, fixtures, supplies, products, printed materials, items, goods and services (Franchise Agreement Article 10.1); (3) training (Franchise Agreement Article 9); and (4) pre-opening assistance and opening assistance (Franchise Agreement Articles 10.3).

Site Selection

You are not required to lease space to operate your Business. If you do lease space for your Business, we do not select the specific location, but we must consent to your proposed location and premises. (Franchise Agreement Article 2.1). We may assist you in evaluating the feasibility of a location for a Squeegee Squad Business, taking into consideration factors such as population and character of the surrounding area, availability of utilities, availability of labor, economic conditions of the area and other related factors. If you lease space for your business, we strongly recommend that you hire a commercial real estate broker or salesperson who has at least 5 years of experience in locating or leasing commercial or light industrial space to locate a site for your Squeegee Squad Business. You must submit to us the address and a detailed description of the site you propose together with photographs and other information we may request. We will provide you with written confirmation of our consent or our objections within 21 days of your submission of all required site information. Neither our review nor our consent to a site you propose is deemed to be a warranty, representation or guaranty by us as to the success of the site of your Squeegee Squad Business. (Franchise Agreement Article 2.1). We may terminate the Franchise Agreement if we do not consent to the site you select for your Business.

Training

You and your General Manager (if you have employed one) must attend our training program at the location we designate (Franchise Agreement Article 9.1). Although we do not charge an additional fee for the training program, you must pay the salaries, fringe benefits, transportation expenses, living expenses and any other costs for all persons who attend the Initial Training (Franchise Agreement Article 9.3).

TRAINING PROGRAM

Subject (1)(2)(3)	Hours Of Classroom Training	Hours On-Site/Field Training	Location
Introduction	.5	0	Your location or another location we designate.
Pre-Opening	.5	0	Your location or another location we designate.
Personnel	4	0	Your location or another location we designate.
Sales Procedures	2	1	Your location or another location we designate.
Squadware, Quickbooks, & Office Procedures	6	0	Your location or another location we designate.
Service Procedures	6	20	Your location or another location we designate.
Advertising	1	0	Your location or another location we designate.
TOTAL	19	21	

- (1) The instructional materials include the Operations Manual, sample business forms, recorded webinars, tutorial videos, and various advertising and marketing materials.
- (2) Our training program is administered by our Co-Presidents Joe Ruegsegger and Jack Ruegsegger. Jack and Joe Ruegsegger co-founded JJFI and each has over 10 years' experience owning, operating and managing window cleaning businesses.
- (3) If you wish to provide high-rise window-cleaning services, we must approve your application to provide such services and you must sign an addendum to your Franchise Agreement and complete additional training at your expense.

Time of Opening

Squeegee Squad Businesses generally open within 2 to 4 months from the date the Franchise Agreement is signed. Factors affecting this length of time include ability to find a suitable Territory or location for your Business, obtaining financing, local ordinance compliance, completion of remodeling or construction, completion of initial training, delivery and installation of signs and equipment, and delivery of initial inventory. Your Business must be opened within 160 days of the date you sign your Franchise Agreement, unless we waive this requirement in writing. (Franchise Agreement Article 16.1).

Opening Assistance

After successful completion of our initial training program, we will assist you in scheduling the opening of your Squeegee Squad Business. If it is your first Squeegee Squad Business, we will provide, you with up to 1 business day of pre-opening and opening assistance and assistance in your grand opening. We will conduct pre-opening assistance either telephonically or electronically, or we may, at our sole option, conduct pre-opening assistance at your Business location. A portion of this assistance will take place directly before your grand opening, with the remainder to take place at a time that we determine, but in any event no later than 60 days following your opening. If you are an existing Squeegee Squad franchisee, then we will have the right (but not the obligation) to provide you with up to 1 business day of pre-opening and opening assistance at a location we determine. The purpose of both the initial and ongoing training programs is to provide you and your managers with information on the Squeegee Squad System and brand standards, and not to control the day-to-day operation of your Business or to supervise your employees.

Assistance During the Operation of the Business

During the operation of your Business, we have the right (but not the obligation) to periodically inspect your Business (Franchise Agreement Article 11.9) and may render written reports as we deem appropriate. Any inspection of your Business by us is to protect our interest in the Marks and System and not to control the day-to-day operation of your Business or for supervision of your employees. We will also: (a) provide you with advisory services pertaining to window cleaning, customer service and operations (Franchise Agreement Article 10); (b) loan to you 1 copy of the Operations Manual and any supplements and modifications to the Operations Manual (Franchise Agreement Article 10.1); (c) provide you with the names and addresses of newly approved vendors and suppliers (Franchise Agreement Articles 10.1 and 11.13); (d) protect, police and enforce the licensed trademarks for the benefit of all franchisees (Franchise Agreement Article 4); and (e) conduct annual conventions as we deem appropriate (Franchise Agreement Article 9.4).

The Operations Manual contains both mandatory and suggested standards and procedures that we develop to ensure the brand standards for Squeegee Squad Businesses and information relating to your obligations as a franchisee. As the date of this disclosure document, the Operations Manual consists of 7 sections that outline the Squeegee Squad Business System and contain a combined total of 324 pages. The current Table of Contents of the Operations Manual is attached to this disclosure document as Exhibit E.

Ongoing Training

We may periodically provide optional additional training for you and your management-level employees on topics we choose. If you or any of your employees attend such additional training, we reserve the right to charge you the then-current training fee applicable to the courses offered. The amount of the fee will depend upon the type, location and duration of the training provided. You must pay the salaries, fringe benefits, transportation expenses, living expenses and any other costs for all persons who attend the optional additional training courses offered by us (Franchise Agreement Article 9.6).

Advertising

You will pay us Weekly Advertising Fees in the amounts described in Item 6 of this disclosure document. Other Squeegee Squad franchisees also pay Weekly Advertising Fees in the amounts specified in their Franchise Agreements, which may be different from the amounts described in Item 6 of this disclosure document. Any Squeegee Squad Businesses that JJWC or JJL operates are not required to

contribute to the marketing fund, although they may choose to do so. The marketing fund does not receive contributions from outside vendors or suppliers.

We will deposit the Weekly Advertising Fees collected from franchisees into a marketing fund, which is kept separate from our other funds (Franchise Agreement Article 7.2). We may use a portion of the Weekly Advertising Fees for purchase of production materials, brochures, radio and television commercials, services provided by advertising agencies, market research and development costs, advertising and promotion development and production, creative costs, product research costs and all the costs of administering and conducting the advertising program. Advertising media which we use are primarily local and regional in scope, and may include television, radio, newspaper, direct mail and billboards. (Franchise Agreement Article 7.3) All Squeegie Squad Franchisees will contribute the same percentage of Gross Revenues into the marketing fund.

The marketing fund is not a trust or escrow account and we have no fiduciary duty to you with respect to the marketing fund. We are not required to spend any particular amount on marketing, advertising or promotion in the area in which your Business is located. During our fiscal year ended December 31, 2020, we collected \$72,940.87 into the marketing fund and made \$71,901.88 in expenditures. Of the marketing fund expenditures we made in 2020, approximately 50.6% was spent on the Squeegie Squad website and search engine optimization, 16% on electronic and email marketing, 12.3% on social media ads, 4.5% on advertising production and placement, 9.8% on training and safety certificates, 1.3% on bidding software, 4.4% on BOMA mailing directory, and 1.1% on shipping and mail list data entry. In 2020, we did not spend any of the marketing fund for advertising that was primarily a solicitation for the sale of franchises, nor do we intend to do so in 2021. Any unused portion of amounts collected into the marketing fund are carried over for future use carry or used to offset any loans made by us to the marketing fund in prior years.

Other than spending the Weekly Advertising Fees paid to us as described above, we are not obligated to conduct any additional advertising, marketing or promotion.

We will prepare an unaudited accounting of expenditures made from the marketing fund and it will be available to you for review on request. Marketing fund monies not spent in a given fiscal year are retained in the fund for use during the following fiscal year. We do not use marketing fund monies to solicit franchise sales. We have the right to form, change, dissolve or merge local advertising groups. When there are 2 or more Squeegie Squad Businesses in a Designated Market Area (“DMA”) as defined in Article 1.5 of the Franchise Agreement, we may require all Squeegie Squad Businesses in the DMA to join a local DMA advertising group to carry out joint advertising in the DMA (Franchise Agreement Article 7.8). The membership of the DMA advertising group will consist of all Squeegie Squad Franchisees in the DMA. The members administer the DMA advertising group in accordance with written governing documents. Either the DMA advertising group or we on its behalf will prepare an annual or more frequent accounting of the group’s expenditures. You may examine the DMA advertising group’s written governing documents and accountings upon request if a DMA advertising group exists in the DMA in which you will operate your Squeegie Squad Business. A majority of the members of the DMA advertising group approve advertising strategies and expenditures. The costs of advertising approved by the DMA advertising group are allocated among and paid by the members of the group either on a pro rata basis or on a percentage of Gross Revenues. A majority of the members of the group selects the method of allocation of the cost of advertising. Your contributions to the DMA advertising group will apply to, but may exceed, your 3% local advertising requirement.

As of the date of this disclosure document, there is no advertising council for the System. We have the power, however, to form, change, or dissolve any advertising council. In addition, any advertising council we form will serve in only an advisory capacity.

In addition to the Weekly Advertising Fees, you are required to spend at least 3% of Gross Revenues on local advertising activities. You must obtain our prior written approval of all promotional and advertising materials not supplied by us. We may require you to appoint us or our designee as an administrator and primary owner of any online marketing accounts that you establish in accordance with our Operations Manual or otherwise in writing.

We have the right to establish a centralized call center and/or a system-wide toll-free telephone number for all Squeegee Squad Businesses. If we do so, your Business will be required to use the call center or toll-free number and may be required to pay a line activation fee, toll charges, operating charges, although the total of the charges that you must pay in connection with the call center or toll-free number will not exceed 5% of your weekly Gross Revenues, as described in Item 6. We have the right to require you to use a uniform toll-free number designated by us as the sole telephone number for customers to contact your Business and to require that all advertising conducted by you list the system-wide toll-free number exclusively. We have the right to place reasonable conditions on your use of the system-wide toll-free number and/or call center including, without limitation, the requirement that you be in compliance with the Franchise Agreement as a condition of receiving customer calls.

Computer Systems

You must purchase computer hardware with enough computing power to run our proprietary software and any of the currently available commercial software that will be used in your Squeegee Squad Business, in accordance with the requirements that we set out in the Operations Manual. Since you will need to run not only our proprietary software, but other business software such as accounting, contact management and word processing software, we suggest a computer with the latest generation processor, and sufficient hard drive storage and RAM capability for the next 2 to 3 years. Currently, we estimate that your computer will need a minimum of 4 GB of RAM (8 GB recommended), a 2.4 GHz processor, and a 4X DVD-ROM drive. We estimate that a new computer system meeting these criteria will cost between \$500 and \$2,500. However, you are not required to purchase a new computer system if you already own a computer system capable of running the applications listed above. You must maintain high-speed internet access at all times.

You must upgrade your computer hardware to meet our then-current standards, which we may update as necessary in the Operations Manual. There are no contractual limitations on the frequency with which we may require you to upgrade your computer hardware or the costs you may incur in doing so. (Franchise Agreement Article 9.3). Licensing of our proprietary Squadware™ software is required. The Software license fees are disclosed in Items 5 and 6 of this disclosure document. The Software License Agreement is attached to this disclosure document as Exhibit B. We may provide you with periodic upgrades and enhancements to our proprietary software, though we are not obligated to do so. We have the right to increase the amount of the Software license fees if we substantially upgrade the proprietary software to provide additional or enhanced services to your customers.

Although we do not currently maintain a system-wide Squeegee Squad intranet communications site, we reserve the right to require you to participate in such a site, if we create one. We will not charge you a fee for participation in any intranet site we create. We reserve the right to access, both electronically and through hard copy, all data and other information maintained by you on our intranet site for purposes of monitoring your compliance with obligations under the Franchise Agreement and for any other purpose we deem beneficial to the Squeegee Squad Business System and all Squeegee Squad franchisees.

ITEM 12. TERRITORY

Except as otherwise described in this Item 12, 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.

You receive the right to operate a Squeegee Squad Business within a specified geographic area (your “Territory”), which is described in the Franchise Agreement. We will not, during the term of your franchise, operate or grant others the right to operate any other Squeegee Squad Business within your Territory, except as generally described in this Item 12 and more fully set forth in the Franchise Agreement. 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. We have the right (either directly or through the grant of a franchise or license to another party) to offer High-Rise Services in your Territory using the Marks or any other names or marks.

The criteria used for determining the boundaries of the Territory include: the population base; density of population; growth trends of population; apparent degree of affluence of population; the density of residential and business entities; and major topographical features which clearly define contiguous areas, like rivers, mountains, major freeways, and underdeveloped land areas. A Territory will have a general trade area with a population base of up to 300,000. The minimum population base for a Territory is 100,000. We determine the Territory. A written description or a map attached to the Franchise Agreement describes the Territory. We may agree to increase the size of your Territory in the future under terms and conditions that you and we agree to, but we are under no obligation to do so.

We and our affiliates have the right outside of your Territory to grant other franchises or operate company or affiliate-owned Squeegee Squad Businesses or to offer, sell or distribute any products or services associated with the System under the Marks or any other trademarks or through any distribution channel or method, all without compensation to you or any franchisee. We and our affiliates have the right to operate and franchise others to operate Businesses or any other business, including those relating to window cleaning, other Squeegee Squad services and related products and services, both within and outside of the Territory under trademarks other than the Squeegee Squad Marks, all without compensation to you or any franchisee. We, our affiliates and other Squeegee Squad franchisees have the right to perform window cleaning and other services inside your Territory pursuant to the then-current Inter-Territory Referral Policy, as further described in this Item 12. We have the right to change or eliminate the Inter-Territory Referral Policy as we deem appropriate, upon 14 days’ prior written notice to you.

Continuation of your Territory does not depend on the achievement of a certain sales volume, market penetration or other contingency, although you will be required to pay us Gross Revenue Default Fees if you fail to meet certain minimum revenue requirements, as described in Item 6.

If, in the course of operating your Business, you are requested by a customer to perform services to take place outside of your Territory, you will be required to follow our then-current Inter-Territory Referral Policy.

Currently, our Inter-Territory Referral Policy provides that a franchisee who is offered a job outside of its Territory (a “Referring Franchisee”) must notify JJFI. If the job is to be performed inside the Territory of another Squeegee Squad franchisee, JJFI will offer the job to the franchisee in whose Territory the work will be performed (the “Local Franchisee”). If the Local Franchisee accepts the job, the Referring Franchisee will coordinate performance of the work with the Local Franchisee and the customer. After the Local Franchisee has completed the job, the Referring Franchisee will bill for the services performed, collect payment from the customer, and remit payment to the Local Franchisee, retaining a 15%

administrative fee. Risk of nonpayment by the customer is the responsibility of the Referring Franchisee. If the Local Franchisee does not accept the job, JJFI will permit the Referring Franchisee (or, as JJFI determines, another Squeegee Squad franchisee or JJWC or JJL) to perform the job in the other franchisee's Territory, without payment to the Local Franchisee. If another Squeegee Squad franchisee, JJWC or JJL completes the job, the Referring Franchisee will be permitted to bill, collect and retain the 15% administrative fee.

A copy of the current policy is attached as an exhibit to the Franchise Agreement. Under the Franchise Agreement, JJFI has the right to change the Inter-Territory Referral Policy upon 14 days' prior written notice to you. The Inter-Territory Referral Policy will apply to you and to other Squeegee Squad franchisees in the System.

Other than the option for purchasing additional area (if available) contiguous to your Territory, as described in Item 5, you do not receive the right to acquire additional franchises within or outside of your Territory unless you sign another franchise agreement with us.

Though we and any affiliate may do so, neither we nor any affiliate of ours has established or has any present plans to establish other franchises or company-owned businesses or another channel of distribution offering similar products or services under a different trade name or trademark, except as described above in this disclosure document.

ITEM 13. TRADEMARKS

The Franchise Agreement licenses you to operate your Business under the registered service mark "SQUEEGEE SQUAD®" as well as other trademarks, service marks, trade names and commercial symbols (collectively, the "Marks"). We also authorize you to use the logo that appears on the cover page of this disclosure document. You may only use our trademarks and service marks in the manner authorized in writing by us. You may not use the words "SQUEEGEE SQUAD" in your company, partnership or sole proprietorship name. You may not use the Marks on your employment applications, employee evaluation forms, benefits statements, payroll checks or other documents or materials relating to your employees.

The following is a list of Marks that are registered or are the subject of a currently pending application with the United States Patent and Trademark Office ("USPTO"):

Mark	Principal/ Supplemental Register	Registration Date	Registration Number	Status
SQUEEGEE SQUAD	Principal	February 7, 2006	3,057,752	Renewed March 25, 2016
YOUR NEIGHBORHOOD WINDOW CLEANERS	Principal	August 1, 2006	3,123,554	Renewed September 25, 2016

The logo design that appears on the cover page of this disclosure document is not separately registered with the USPTO, and we have not applied for registration of this logo. As noted above, however, we have obtained federal registration of the mark SQUEEGEE SQUAD (words only). Without federal

registration, our logo does not have many legal benefits and rights as a federally registered trademark would have. If our right to use the logo is challenged, you may have to change to an alternative logo (still using the word mark SQUEEGEE SQUAD), which may increase your expenses. We have filed or intend to file all required affidavits and renewals.

Your use of the Marks and any goodwill is to our and our affiliates' exclusive benefit and you retain no rights in the Marks. You also retain no rights in the Marks upon expiration or termination of the Franchise Agreement. You are not permitted to make any changes or substitutions of any kind in or to the use of the Marks unless we direct you to in writing. We may make changes to the Business System presently identified by the Marks including the adoption of new Marks, new products, new equipment or new techniques and you must adopt the changes in the Business System, as if they were part of the Franchise Agreement and the time of signing. You must comply within a reasonable time if we notify you to discontinue or modify your use of any Mark. We will have no liability or obligation as to your modification or discontinuance of any Mark.

There are no presently effective determinations of the USPTO, the Trademark Trial and Appeal Board, or the trademark administrator in any state or any court, no pending infringement, opposition or cancellation proceedings, and no pending material litigation involving the Marks which have limited or restricted the use of Marks in any state. There are currently no effective agreements that significantly limit our rights to use or license any of the Marks listed in this Item 13.

To our knowledge, there are no infringing uses which could materially affect your use of the Marks or other related rights in any state. We will protect your rights to use the Marks and protect you against claims of infringement and unfair competition relating to the Marks. You must notify us immediately of any infringement or unauthorized use of the Marks that you become aware of and cooperate with any action we undertake. If you are named as a defendant or party in an action alleging that your use of the Marks infringes on the trademark rights of a third-party claimant, then you will have the right to tender the defense of those claims to us and we will defend, indemnify and hold you harmless from any damages assessed against you. We will control and conduct all litigation involving the Marks. If anyone establishes to our satisfaction that its rights are, for any legal reason, superior to any of the Marks then you must use the variances or other service marks, trademarks or trade names as may be required by us to avoid conflict with the superior rights.

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not own any patents and we do not have any pending patent applications material to the franchise.

We have copyrighted advertising copy and design, training materials, workbooks, the Operations Manual, and items relating to the operation of the franchised business. We have not applied to the United States Copyright Office to register the copyrights. The Operations Manual that we loan to you and other information relating to the operation of a SqueegEE Squad Business is proprietary to us and must be kept confidential by you and your employees. You may not copy or alter any copyrighted or proprietary materials without our written consent and may not use these materials except in operating your SqueegEE Squad Business.

There are no infringing uses actually known to us that could materially affect your use of any copyrighted material supplied by us. There are no presently effective determinations of the Copyright Office or any court, no pending interference, opposition or cancellation proceedings, nor any pending material litigation involving our copyrighted or proprietary materials that are relevant to their use in any

state. There are no agreements currently in effect which significantly limit our right to use or license the use of the copyrighted or proprietary materials in any manner material to the franchise.

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

You are not required to participate “on premises” in the operation of the franchised business, but we strongly recommend that you actively participate in the day-to-day operation of the franchised business. In the event you do not actively participate in the day-to-day operations of your Business, you must employ a General Manager to supervise the day-to-day operations of your Business. We must approve your General Manager, and your General Manager must complete our Initial Training (and any other training that we require) in advance and at your expense. Either you or your General Manager must devote full-time efforts to the operation of the Business and must refrain from engaging in any other occupation. You and your General Manager (if you have one) must attend and successfully complete our training program before managing or operating your Squeegee Squad Business. Your General Manager and other employees must sign a copy of the Confidentiality Agreement (included with Exhibit C to this disclosure document), agreeing to maintain the confidentiality of our confidential and proprietary information. The following people must sign the Personal Guaranty that is included in the Franchise Agreement attached to this disclosure document at Exhibit A: (i) you and your spouse, if you are an individual; (ii) all holders of any ownership interests in you, if you are an entity; and (iii) any other individual guaranteeing your obligations under the Franchise Agreement.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell the services and products required by us. We have the right to add additional required products and services during the term of the Franchise Agreement. Although the Franchise Agreement does not require us to give you a specific notice period before requiring you to offer new types of products and services, it is our intended practice to give franchisees at least 30 days’ notice of any change in the required product and service offerings, or a longer period if circumstances require a longer period. There is no contractual limit on additional amounts you may be required to spend in order to comply with changes that we may make to the required product and service offerings.

You may not offer or sell products or services that are not authorized by us, and you may not use your Business, its location, or its assets (including your vehicle) for any purposes other than operating a Squeegee Squad Business. We have the right under the Franchise Agreement to change the types of authorized goods and services that you must provide and there is no limit on our right to make changes. For certain types of service offerings, we have the right to require you to attend additional training programs.

The franchise does not include the right to offer High-Rise Services, which we define as window cleaning for a building of 4 or more stories in height or which requires a swing stage or scaffolding equipment. Although we may offer our existing Franchisees the opportunity to enter into an amendment to the Franchise Agreement for the offer of High-Rise Services, we are not obligated to do so.

ITEM 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise Agreement	Summary
a. Length of the term of the franchise	3.1	15 years from the date your Business opens for business to the public
b. Renewal or extension of the term	3.2	2 consecutive 5-year terms, provided you comply with all conditions for reacquiring the franchise.
c. Requirements for you to renew or extend	3.2, 3.3, 5.2	Give 180 days' notice; satisfy all material requirements of your current agreement; pay all amounts due to us; pay a renewal fee; execute our then-standard agreement, which may contain materially different terms and conditions than your original agreement; and complete any required additional training.
d. Termination by you	17	We violate any material term of the Franchise Agreement and fail to cure such failure within 60 days of receiving written notice of the violation (subject to state law).
e. Termination by us without cause	Not Applicable	Not Applicable.
f. Termination by us with cause	16	If you are in breach of the Franchise Agreement.
g. "Cause" defined – curable defaults	16.1, 16.2	You will have 30 days to cure if you: violate any material provision of your agreement, fail to conform to the Business System during your operation, fail to file or pay any type of tax return for your business, fail to pay any uncontested fee to any of your suppliers, or fail to open and commence operations of your business within the time required (160 days of signing your franchise agreement). You will have 10 days to cure for nonpayment of amounts you owe us.
h. "Cause" defined - defaults which cannot be cured	16.4	If you are convicted of violating any law relating to your business or committing a felony; you abandon your business; you attempt to transfer your business or the franchise agreement without complying with the transfer requirements, your conduct materially impairs our Marks or the system and you fail to correct it within 24 hours of written notice; you file bankruptcy or are determined to be insolvent; you refuse to permit us to audit your business or records; or you are in default under your agreement for a 3 rd time within 24 months.

Provision	Section in Franchise Agreement	Summary
i. Your obligations on termination/nonrenewal	18, 16.5	You must cease all use of the Marks; pay what you owe us or any affiliate; return all printed materials we provided you including the Operations Manual; comply with post-term covenant not to compete; not use any Marks in a negative manner; discontinue use of all confidential and proprietary information; cease using, uninstall, and return all copies of our proprietary Squadware™ software; alter your vehicle(s) and your business location to distinguish them from Squeegee Squad vehicles and Businesses; cease participation in our website; and transfer your telephone directory listings to us.
j. Assignment of the contract by Us	15.1	No restriction on our right to assign.
k. “Transfer” by you – defined	15.2, 15.3	Assignment to entity or to immediate family members, transfer of ownership interests or assignment upon death or disability.
l. Our approval of transfer by you	15.5	We have the right to approve any transfer made by you but will not unreasonably withhold our consent.
m. Conditions for our approval of transfer	15.5-15.8	You pay all money owed to us and any affiliate; comply with our right of first refusal; complete a written agreement satisfactory to us; transferee and its owners shareholders agree to be personally bound to the agreement; transferee meets our standards; transferee signs a current form of agreement; transferee does not manage or control any competitive business; transferee pays for and successfully completes applicable training program; you or transferee pay the transfer fee; and we may require you to remain liable for obligations of the transferee if the transferee does not meet our net worth requirements.
n. Our right of first refusal to acquire your business	14.1	You may not sell to a third party, unless you provide us with advance notice and offer to us the right to buy the business at the same price and on the same terms as the you propose to accept from the third party.
o. Our option to purchase your business	Not Applicable	Not Applicable.
p. Your death or disability	15.4	You may transfer your Franchise Agreement without first offering it to us.
q. Noncompetition covenants during the term of the franchise	19.1	You may not seek to employ or retain any employee or independent contractor who is at that time employed by us, any affiliate or any other Squeegee Squad business without our prior written consent; and you may not participate in any business that competes with Squeegee Squad businesses (subject to state law).

Provision	Section in Franchise Agreement	Summary
r. Noncompetition covenants after the franchise is terminated or expires	19.2	For 2 years, you may not seek to employ or retain any employee or independent contractor who is at any time employed by us, any affiliate or any other Squeegee Squad business, or participate in any business that competes with Squeegee Squad businesses within 10 miles of any other Squeegee Squad Territory (subject to state law).
s. Modification of the agreement	22.8	Any modification must be in writing and signed by both you and us.
t. Integration/merger clauses	22.8	Only the terms of the Franchise Agreement are binding, subject to state law. Any representations or promises outside of the disclosure document and the agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	21	Except for certain claims, disputes must be arbitrated in Minneapolis, Minnesota (subject to state law).
v. Choice of forum	21.2, 22.1	Arbitration and litigation must be in Minneapolis, Minnesota; (see Exhibit D for any state-specific provisions regarding choice of forum) (subject to state law).
w. Choice of law	22.1	Governing law will be the law of the state where your business is located; (see Exhibit E for any state-specific provisions regarding choice of law) (subject to state law).

ITEM 18. PUBLIC FIGURES

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

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

We have included below a financial performance representation setting forth Gross Revenues information for existing Squeegee Squad franchised Businesses that had been open and continuously operating in the U.S. on a full-time basis for at least one full calendar year as of December 31, 2020 (“Qualifying Businesses”).

In Section A below, the information is grouped (and averaged) according to the number of years each Qualifying Business had been in operation for the year reported. For example, in the table below for the row listing “1” under the “Year of Operation” column, we state the average Gross Revenues for the Qualifying Businesses’ first full calendar year of operations, regardless of what calendar year that was for each individual Qualifying Business. In the row stating “2” in the “Year of Operation” column, we state the average Gross Revenue for the Qualifying Businesses’ second full calendar year of operations (if

applicable), and so on through year 14. The purpose of this is to demonstrate average Gross Revenues for Squeegee Squad Businesses as the Businesses become more established. In addition to the averages, we have also listed the median (midpoint) figure and the high and low performing Business for each Year of Operation. We have excluded from the financial performance representation Qualifying Businesses that failed to report their full financial data to us.

In Section B below, the information discloses the annual difference in percent of total systemwide Gross Revenues from 2019 and 2020 for all Businesses that were open and operating for at least two full years as of December 31, 2020.

The figures shown are unaudited results that Qualifying Businesses reported to us for operations in calendar years 2006 through 2020. We have not included any Gross Revenues for any partial years of operations (*i.e.*, Gross Revenues in the calendar year in which the Qualifying Business was first opened).

Written substantiation of the data contained in this financial performance representation will be made available to you upon reasonable request. We do not otherwise furnish to prospective franchisees any oral or written information concerning the actual or potential sales, income or profits of a Squeegee Squad Business.

Section A. Annual Gross Revenue Based upon Years in Operation

Of the 52 franchised Squeegee Squad Businesses that were open and operating as of December 31, 2020, 16 Businesses were excluded from the below financial performance representations for the following reasons: (i) 3 Businesses had been in operation for fewer than one full year as of December 31, 2020, (ii) 8 Businesses were not operated on a full-time basis during one or more of the years for which information was reported, (iii) 3 Businesses operate in multiple territories but each report data as single units, and (iv) 2 Businesses did not report complete information to us or inaccurate reporting. Also excluded from this Item 19 are 5 Businesses that were terminated in 2020, and therefore were not operating as of December 31, 2020. Information for the 36 Qualifying Businesses was included in at least one of the rows of the table, depending on the number of full calendar years each such Business had been in operation as of December 31, 2020.

Year of Operation	Average Gross Revenues	Number of Franchisees	Number & Percent that Met or Exceeded Average	Median Gross Revenues	Top Performer	Bottom Performer
1	\$119,015	36	11 (31%)	\$83,509	\$530,654	\$33,401
2	\$180,766	33	10 (30%)	\$137,875	\$676,100	\$30,150
3	\$212,848	28	10 (36%)	\$163,817	\$693,912	\$47,329
4	\$274,099	24	10 (42%)	\$228,713	\$885,911	\$62,457
5	\$326,581	19	7 (37%)	\$230,429	\$1,439,389	\$68,689
6	\$354,283	18	6 (33%)	\$243,037	\$1,598,634	\$83,408
7	\$373,029	16	5 (31%)	\$263,422	\$1,878,703	\$83,180
8	\$461,288	12	3 (30%)	\$276,196	\$2,250,881	\$82,435
9	\$504,909	10	3 (30%)	\$248,526	\$2,446,610	\$87,784
10	\$671,273	7	1 (15%)	\$299,398	\$2,651,907	\$89,078
11	\$795,562	5	1 (20%)	\$379,767	\$2,941,270	\$88,053
12	\$1,227,552	3	1 (33%)	\$658,108	\$2,953,916	\$70,632

13	\$1,662,070	2	1 (50%)	\$1,662,070	\$3,255,619	\$68,521
14	\$1,306,770	2	1 (50%)	\$1,306,770	\$2,546,123	\$67,417

1. “Gross Revenues” means all income of the reported Qualifying Businesses from the sale of services and products, by both cash and credit. Gross Revenues does not include any sales, use or gross receipts taxes if the amount of the tax was added to the selling price, charged to the customer, and paid to the appropriate taxing authority. Gross Revenues are reported for the applicable period using cash basis accounting.
2. A Qualifying Business may have changed ownership or may have ceased operations on one or more occasions during its operating history.
3. The Qualifying Businesses listed in the table have Territories of varying size, and some Businesses have increased the size of their Territory at various points during their operation, by executing an Additional Territory Addendum to their Franchise Agreement.

Section B. Change in Percent of Systemwide Gross Revenues from 2019 to 2020

The table below shows the difference in percent of total systemwide Gross Revenues from 2019 to 2020 for all 33 Qualifying Businesses that were open and operating for at least two full years as of December 31, 2020. Excluded from this table are the 16 Businesses that were excluded from Section A above for the same reasons, as well as 3 additional Businesses that commenced operations in 2019. The change in percent was calculated by aggregating the 2020 Gross Revenue among the 33 Businesses, and dividing it by the aggregate 2019 Gross Revenue among the same 33 Businesses.

	Percent Change
Change in % of Systemwide Gross Revenue from 2019 to 2020	-7.89%

Notes to Sections A and B:

1. “Gross Revenues” means all income of the reported Qualifying Businesses from the sale of services and products, by both cash and credit. Gross Revenues does not include any sales, use or gross receipts taxes if the amount of the tax was added to the selling price, charged to the customer, and paid to the appropriate taxing authority. Gross Revenues are reported for the applicable period using cash basis accounting.
2. A Qualifying Business may have changed ownership or may have ceased operations on one or more occasions during its operating history.
3. The Qualifying Businesses listed in the table have Territories of varying size, and some Businesses have increased the size of their Territory at various points during their operation, by executing an Additional Territory Addendum to their Franchise Agreement.

Some Businesses have sold the amounts listed above. Your individual results may differ. There is no assurance that you’ll sell as much.

You are responsible for developing your own business plan for your Business, including capital budgets, financial statements, projections and other elements appropriate to your particular circumstances. We encourage you to consult with your own accounting, business, and legal advisors in doing so.

The above statement does not include any information on expenses, such as cost of goods, supplies, labor, start-up expenses, development costs, franchise fees, royalties, advertising expenses, or any other costs associated with the opening and operation of a Squeegee Squad Business. You also may incur other additional expenses including, but not limited to, insurance, legal and accounting, interest on debt service, rent (if applicable), depreciation/amortization, property taxes, and other taxes and licenses.

Other than the preceding financial performance representations, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting contact Jack Ruegsegger, 8427 172nd Ave NE, Columbus, MN 55025, or Joe Ruegsegger, 7750 Ranchview Lane N, Maple Grove, MN 55311, 763-286-3465 or 612-919-7130, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-Wide Outlet Summary
For years 2018 to 2020

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2018	50	53	+3
	2019	53	55	+2
	2020	55	52	-3
Company-Owned	2018	3	2	-1
	2019	2	2	0
	2020	2	2	0
Total Outlets	2018	53	55	+2
	2019	55	57	+2
	2020	57	54	-3

All numbers are as of December 31 of each calendar year.

Table No. 2
Transfers of Outlets From Franchisee
to New Owners (Other than the Franchisor)
For years 2018 to 2020

State	Year(1)	Number of Transfers
Arizona	2018	0
	2019	0
	2020	0
Arkansas	2018	1
	2019	0
	2020	0
Colorado	2018	1
	2019	0

State	Year(1)	Number of Transfers
	2020	0
Florida	2018	1
	2019	0
	2020	0
Illinois	2018	0
	2019	0
	2020	1
Michigan	2018	1
	2019	0
	2020	0
Minnesota	2018	0
	2019	1
	2020	1
Nebraska	2018	0
	2019	0
	2020	0
Oklahoma	2018	0
	2019	0
	2020	0
Tennessee	2018	0
	2019	0
	2020	0
Texas	2018	0
	2019	0
	2020	0
TOTAL	2018	4
	2019	1
	2020	2

Table No. 3
Status of Franchised Outlets
For years 2018 to 2020

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Outlets at the End of the Year
Arizona	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
Arkansas	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
California	2018	1	0	1	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0

State	Year	Outlets at the Start of the Year	Outlets Opened	Termina- tions	Non- Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Outlets at the End of the Year
Colorado	2018	2	1	0	0	0	0	3
	2019	3	0	1	0	0	0	2
	2020	2	0	0	0	0	0	2
Florida	2018	7	1	0	0	0	0	8
	2019	8	1	1	0	0	0	8
	2020	8	0	0	0	0	0	8
Georgia	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Illinois	2018	2	0	0	0	0	0	2
	2019	2	1	0	0	0	0	3
	2020	3	1	0	0	0	0	4
Iowa	2018	1	0	0	0	0	0	1
	2019	1	1	0	0	0	0	2
	2020	2	0	0	0	0	0	2
Kansas	2018	0	0	0	0	0	0	0
	2019	0	3	0	0	0	0	3
	2020	3	0	0	0	0	0	3
Kentucky	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
Maine	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Michigan	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Missouri	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
Minnesota	2018	5	1	0	0	0	0	6
	2019	6	1	0	0	0	0	7
	2020	7	0	0	0	0	0	7

State	Year	Outlets at the Start of the Year	Outlets Opened	Termina- tions	Non- Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Outlets at the End of the Year
Nebraska	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	1	0	0	0	0
Nevada	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
New York	2018	1	0	0	0	0	0	1
	2019	1	0	1	0	0	0	0
	2020	0	0	0	0	0	0	0
North Carolina	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
North Dakota	2018	1	0	0	0	0	0	1
	2019	1	1	0	0	0	0	2
	2020	2	0	0	0	0	0	2
Ohio	2018	1	0	0	0	0	0	1
	2019	1	0	1	0	0	0	0
	2020	0	0	0	0	0	0	0
Oklahoma	2018	2	0	0	0	0	0	2
	2019	2	0	1	0	0	0	1
	2020	1	0	0	0	0	0	1
Pennsylvania	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	1	0	0	0	1
South Dakota	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	1	1	0	0	0	1
Tennessee	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Texas	2018	5	1	0	0	0	0	6
	2019	6	0	1	0	0	0	5
	2020	5	0	2	0	0	0	3
Virginia	2018	1	0	1	0	0	0	0

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Outlets at the End of the Year
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
Wisconsin	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
Brazil	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Nigeria	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Panama	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
TOTAL	2018	50	5	2	0	0	0	53
	2019	53	8	6	0	0	0	55
	2020	55	2	5	0	0	0	52

All numbers are as of December 31 of each calendar year.

Table No. 4
Status of Company-Owned Outlets
For years 2018 to 2020

State	Year	Outlets at the Start of the Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at the End of the Year
Minnesota	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
North Carolina	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
Texas	2018	1	0	0	0	1*	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
TOTAL	2018	3	0	0	0	1	2
	2019	2	0	0	0	0	2
	2020	2	0	0	0	0	2

All numbers are as of December 31 for each calendar year.

*This outlet was sold to an existing franchisee as an additional territory. Because Table 3 above only reflects the number of franchisees, not the number of territories, this change in ownership is not reflected in Table 3.

The outlets listed in this table were owned and operated by our affiliate, JJWC. This Business was of the same type as the franchise offered herein.

Other than as described above in this Item 20 and in Item 1, as of December 31, 2020, neither we, JJWC, JJJL nor any other affiliate have offered franchises, nor owned and operated, any businesses that are substantially similar to the business being franchised.

Table No. 5
Projected Openings as of December 31, 2020

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Florida	0	1	0
Illinois	0	1	0
Indiana	0	0	0
Iowa	0	0	0
Georgia	0	0	0
Kansas	0	0	0
Kentucky	0	1	0
Michigan	0	1	0
Minnesota	0	0	0
Missouri	0	1	0
Nebraska	0	0	0
North Carolina	0	1	0
South Carolina	0	1	0
Texas	0	1	0
West Virginia	0	1	0
TOTAL	0	9	0

Included in this disclosure document as Exhibit G is a list of the Squeegee Squad franchises in operation as of December 31, 2020. Also included within Exhibit G is a list of Franchisees (if any) that have had their agreement terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement between January 1, 2020 and December 31, 2020, and a list of any franchisees who have not communicated with us within 10 weeks of the Issuance Date of this disclosure document. If you buy a Squeegee Squad franchise, your contact information may be disclosed to other buyers when you leave the system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Squeegee Squad. 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. The Franchise Agreement requires franchisees to keep confidential our Operations Manual and other proprietary and trade secret information. We may also require franchise applicants to sign a confidentiality and non-disclosure undertaking, which requires applicants to keep confidential any proprietary and trade secret information of ours.

We are not aware of any trademark-specific franchisee organizations associated with the Squeegee Squad® franchise system.

ITEM 21. FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit F are our audited Financial Statements for our fiscal years ended December 31, 2020, December 31, 2019, and December 31, 2018.

ITEM 22. CONTRACTS

Exhibit A is the Franchise Agreement (Including Personal Guaranty; Exhibit A – Territory; Exhibit B – Additional Territory Addendum; Exhibit E – Addendum to Lease; Exhibit F – Form of Promissory Note).

Exhibit B is our current Software License Agreement.

Exhibit C contains the Agreements to be Signed by Franchisee, its Manager and/or Employees (Including Franchisee Questionnaire; Assignment of Phone Number; Authorization for Direct Payment; and the Confidentiality Agreement).

ITEM 23. RECEIPTS

Attached as Exhibit K are 2 copies of the detachable Receipt.

Exhibit A

FRANCHISE AGREEMENT

(Including Personal Guaranty; Exhibit A – Territory; Exhibit B – Additional Territory Addendum; Exhibit C – High-Rise Addendum; Exhibit D– Inter-Territory Referral Policy; Exhibit E – Addendum to Lease; Exhibit F – Form of Promissory Note.)

**SQUEEGEE SQUAD®
FRANCHISE AGREEMENT**

between

JACK & JOE'S FRANCHISING, INC.

d/b/a Squeegee Squad
7750 Ranchview Lane N
Maple Grove, MN 55311
800-927-4669

www.squeegeesquad.com

and

Name(s) of **Franchisee**

INITIAL BUSINESS ADDRESS:

Street

City State Zip Code

Telephone: () (-)
Area Code Number

Fax: () (-)
Area Code Number

DATE OF FRANCHISE AGREEMENT

_____, 20____

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PERSONAL GUARANTY

Exhibit A – TERRITORY

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Exhibit D – INTER-TERRITORY REFERRAL POLICY

Exhibit E – ADDENDUM TO LEASE

Exhibit F – FORM OF PROMISSORY NOTE

SQUEEGEE SQUAD®
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this “Agreement”) is made and entered into to be effective as of this _____ day of _____, 20__ by and between **JACK & JOE’S FRANCHISING, INC.**, a Minnesota corporation, hereinafter referred to as “JJFI”, and _____, a _____ hereinafter referred to as the “Franchisee.”

RECITALS:

A. JJFI has developed a business concept for operating residential and commercial window cleaning service businesses of a distinctive character and quality under the name “Squeegee Squad” (hereinafter referred to as the “Business System” as defined in Article 1 below) and has publicized the name Squeegee Squad to the public and other businesses as an organization of businesses operating under the Business System; and

B. JJFI represents that it has the right and the authority to license the use of the name Squeegee Squad, and certain other trademarks, trade names, service marks, slogans, logos and commercial symbols (hereinafter referred to as the “Marks”) for use in connection with the businesses operated in conformity with the Business System to selected persons, businesses or entities who will comply with JJFI’s uniformity requirements and quality standards; and

C. The Franchisee desires to operate a business using the name Squeegee Squad and the other Marks within the Territory set forth in Article 1 in conformity with the Business System and JJFI’s uniformity requirements and quality standards as established and promulgated from time to time by JJFI (hereinafter referred to as a “Squeegee Squad Business” or the “Business”); and

D. The Franchisee has had a full and adequate opportunity to read and review this Agreement and to be thoroughly advised of the terms and conditions of this Agreement by an attorney or other personal advisor, and has had sufficient time to evaluate and investigate the Business System, the financial requirements and the economic and business risks associated with the Business System; and

E. JJFI is willing to provide the Franchisee with marketing, advertising, operational and other business information and “know-how” about the Business that has been developed by JJFI over time and at a significant cost and investment to JJFI; and

F. The Franchisee acknowledges that it would take substantial capital and human resources to develop a business similar to the Business and as a result, desires to acquire from JJFI the right to use the Marks and the Business System and to own and operate a Squeegee Squad Business subject to and under the terms and conditions set forth in this Agreement; and

G. The Franchisee acknowledges that JJFI would not grant the Franchise to the Franchisee or provide the Franchisee with any business information or operational know-how about the Business and the Business System unless the Franchisee agreed to comply in all respects with the terms and conditions of this Agreement and to pay the Initial Franchise Fee, the Continuing Fees and Advertising Fees, all as defined below, and the other fees and payments specified in this Agreement and any other agreements executed in connection with this Agreement; and

H. The Franchisee acknowledges that JJFI may designate an Area Director to serve as its representative in providing support services to the Franchisee and its Business.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Agreement and for other good and valuable consideration, the parties hereby contract as follows:

ARTICLE 1

DEFINITIONS

For purposes of this Agreement, the following words will have the following definitions:

1.1. ABANDON. “Abandon” will mean the conduct of the Franchisee, including acts of omission as well as commission, indicating the willingness, desire or intent of the Franchisee to discontinue operating the Franchisee’s Business in accordance with the quality standards, uniformity requirements and the Business System as set forth in this Agreement and the Manuals.

1.2. BUSINESS SYSTEM. “Business System” will mean the distinctive business products and services which are associated with JJFI’s trademarks, trade names, service marks, copyrights, decor, slogans, signs, logos and commercial symbols. “Business System” will include all of the uniformity requirements, standards of quality, procedures, specifications and instructions promulgated by JJFI.

1.3. COMPETITIVE BUSINESS. “Competitive Business” will mean a business that provides the public with residential and/or commercial window cleaning products or services.

1.4. CONTROL OR CONTROLLED. “Control” or “controlled” will mean the record ownership of ownership interests in an entity equal to not less than 51% of all ownership interests in such entity.

1.5. DESIGNATED MARKET AREA. “Designated Market Area” or “DMA” will mean each television market exclusive of another based upon a preponderance of television viewing hours as defined by ratings service utilized by JJFI or its designated advertising agency.

1.6. FINANCIAL STATEMENTS. “Financial statements” will mean a balance sheet, profit and loss statement, statement of cash flows and footnotes prepared in accordance with generally accepted accounting principles applied on a consistent basis.

1.7. FRANCHISE. “Franchise” will mean the right granted by JJFI to the Franchisee authorizing the Franchisee to operate a Squeegee Squad Business in conformity with the Business System using the name “Squeegee Squad” and the other Marks.

1.8. MANAGER. “Manager” will mean that individual, designated by the Franchisee, who will be responsible on a full-time basis for the overall management of the Franchisee’s business, including responsibility for operations and sales.

1.9. MARKS. “Marks” will include the name “Squeegee Squad” and such other trademarks, trade names, service marks, logos and commercial symbols as JJFI has or may develop for use in connection with the Businesses operated in conformity with the Business System, including JJFI’s uniformity requirements and quality standards.

1.10. GROSS REVENUES. “Gross Revenues” will mean the total dollar income resulting from all sales made to customers or clients of the Franchisee’s Squeegee Squad Business, and of any other business of the Franchisee or any entity owned or controlled by or under common control with the Franchisee, for all products and services including, without limitation, residential and commercial window cleaning services, whether made for cash or credit. “Gross Revenues” will not include any sales, use or gross receipts tax imposed by

any federal, state, municipal or governmental authority directly upon sales, if: (A) the amount of the tax is added to the selling price and is expressly charged to the customer; (B) a specific record is made at the time of each sale of the amount of such tax; and (C) the amount of such tax is paid to the appropriate taxing authority.

1.11. SHAREHOLDER. “Shareholder” will mean any individual or entity who owns shares of capital stock in the Franchisee, if the Franchisee is a corporation.

1.12. WEEK. “Week” will mean 7 consecutive days beginning on Monday and ending on Sunday.

1.13. PERSONAL GUARANTORS. “Personal Guarantors” will mean any persons executing the Personal Guaranty and Agreement to be Bound Personally by the Terms and Conditions of the Franchise Agreement, attached to this Agreement, which would include all holders of ownership interests in any entity which is the Franchisee, any spouse of any individual that is the Franchisee, and any other individual guaranteeing the obligations of the Franchisee under this Agreement.

ARTICLE 2

GRANT OF FRANCHISE; TERRITORY

2.1. FRANCHISED TERRITORY. JJFI hereby grants to the Franchisee the personal right to operate one Squeegee Squad Business in conformity with the Business System using the name “Squeegee Squad” and the other Marks in the specific Territory described on Exhibit A attached hereto and incorporated herein by reference, hereinafter referred to as the “Territory”. The Franchisee must locate and maintain a business office for its Squeegee Squad Business at a location that JJFI approves. The business office may be located in a commercial or industrial building or in a residence owned by Franchisee or a Personal Guarantor. The business office must be located in the Territory, unless JJFI approves otherwise, in writing. To obtain JJFI’s approval of a proposed location for the business office, the Franchisee must submit to JJFI the address, a detailed description of the location, photographs, and any other information JJFI requests. JJFI will give its consent or objections within 21 days of the Franchisee’s submission of all required information. If the business office will be located in leased commercial industrial, or retail space, the lease must contain the Addendum to Lease attached hereto as Exhibit E. The Franchisee may not relocate its business office, unless the new location is within the Territory and is approved by JJFI. JJFI’s review and/or consent to a location or a Territory shall in no event be deemed to be a warranty, representation or guaranty by JJFI as to the success of a Squeegee Squad Business.

2.2. ADDITIONAL TERRITORY. At the time this Agreement is made, or during its term, JJFI and Franchisee may amend this Agreement to increase the size of the Territory for an additional fee (“Additional Territory Fee”). Any such change must be made pursuant to a written Additional Territory Addendum, in the form attached to this Agreement as Exhibit B. Depending upon the geographic and demographic characteristics of the resulting Territory, JJFI may require the Franchisee to open and maintain an additional business office, and if so required, the Franchisee will open and maintain such additional business office at the time that additional territory is added.

2.3. NO EXCLUSIVITY; RESERVATION OF RIGHTS. During the term of this Agreement, neither JJFI, its affiliate(s) nor any other Squeegee Squad franchisee shall have the right to own or operate a Squeegee Squad Business located in the Territory or the right to market window cleaning and other Squeegee Squad services under the name Squeegee Squad within the Territory, without the prior consent of the Franchisee. The right granted under this Agreement to perform window cleaning and other Squeegee Squad services within the Territory is not, however, exclusive. JJFI and its affiliate(s) will have the right, directly or by appointment of franchisees or licensees other than the Franchisee, to: (A) use the name “Squeegee Squad,”

and the other Marks and the Business System outside of the boundaries of the Territory; (B) operate a business offering high-rise window cleaning services (as defined in Article 11.11 below) within the Territory using the name “Squeegee Squad” and the other Marks, or any other trademarks or trade names; (C) market, distribute and sell window cleaning products and other products and merchandise under the name “Squeegee Squad” and the other Marks, through channels of distribution other than the operation of a window cleaning business, such as (but not limited to) sales at hardware stores, grocery stores, thrift stores, gas stations, and other retail outlets; and (D) locate a business, sell products, and perform services (including window cleaning services and related products and services) within the Territory under any name or trademark other than the Marks. JJFI, a JJFI affiliate, or any Squeegee Squad franchisee may also perform requested window cleaning and other Squeegee Squad services utilizing the Marks inside the Territory, but only in accordance with the Squeegee Squad Inter-Territory Referral Policy in effect at the time such service is to be performed. A copy of the current Squeegee Squad Inter-Territory Referral Policy is attached hereto as Exhibit D. JJFI has the right to modify the Squeegee Squad Inter-Territory Referral Policy from time to time.

2.4. CONDITIONS. The Franchisee hereby undertakes the obligation to operate a Squeegee Squad Business using the Business System within the Territory in strict compliance with the terms and conditions of this Agreement for the entire term of this Agreement. The rights and privileges granted to the Franchisee by JJFI under this Agreement are personal in nature and, subject to the provisions of Articles 2.2 and 2.3 above, are applicable only in the Territory and may not be used elsewhere or at any other location or within any other territory by the Franchisee without the permission of JJFI.

2.5. PERSONAL LICENSE. The Franchisee will not have the right to franchise, subfranchise, license or sublicense its rights under this Agreement. The Franchisee will not have the right to assign or transfer this Agreement or its rights under this Agreement, except as specifically provided in this Agreement.

ARTICLE 3

TERM OF FRANCHISE; FRANCHISEE’S RIGHT OF FIRST REFUSAL

3.1. TERM. The term of this Agreement will be for 15 years, and will commence on the date set forth on Page 1 of this Agreement. This Agreement will not be enforceable until it has been signed by both the Franchisee and JJFI, and until the signed Agreement has been delivered to the Franchisee.

3.2. CONDITIONS TO RIGHT OF FIRST REFUSAL. At the end of the term of this Agreement, the Franchisee will have a right of first refusal to reacquire the Franchise for 2 additional terms of 5 years each, provided that the Franchisee has agreed to and has complied in all respects with the following conditions:

- (A) The Franchisee has given JJFI written notice at least 180 days prior to the end of the term of this Agreement of its intention to reacquire the Franchise for the Territory;
- (B) The Franchisee has complied with all of the terms and conditions of this Agreement and has complied with JJFI’s operating and quality standards and procedures;
- (C) All monetary obligations owed by the Franchisee to JJFI and any affiliate of JJFI have been paid or satisfied prior to the end of the term of this Agreement and have been timely met throughout the term of this Agreement;
- (D) The Franchisee agrees to execute and comply with the then-current standard Franchise Agreement then being offered to new franchisees by JJFI, subject further to the provisions of

Article 3.3 of this Agreement, and executes such agreement at least 90 days prior to the expiration of this Agreement;

- (E) The Franchisee pays to JJFI, simultaneously with the execution and delivery of the then-current standard Franchise Agreement, a renewal fee in the amount of \$1,500;
- (F) At the time of the exercise of such right of first refusal and prior to the end of the term of this Agreement, the Franchisee has not received 3 or more notices of default from JJFI during any 12-month period during the term of this Agreement; and
- (G) The Franchisee agrees to complete and does successfully complete to JJFI's reasonable satisfaction, prior to commencement of the renewal term, any training program JJFI may prescribe, attendance at such training program to be at the sole expense of the Franchisee including, but not limited to, all expenses of transportation and lodging.

3.3. TERMS OF RIGHT OF FIRST REFUSAL. The Franchisee will have a right of first refusal to reacquire the Franchise for the Territory under the same terms and conditions then being offered to other franchisees by JJFI under JJFI's then-current standard Franchise Agreement. If the Franchisee exercises its right of first refusal to reacquire the Franchise for the Territory and executes the then-current standard Franchise Agreement, then the Franchisee will not be required to pay the Initial Franchise Fee, if any, specified in the then-current standard Franchise Agreement. The Franchisee will, however, be required to pay a renewal fee of \$1,500, the Continuing Fees, Advertising Fees and all other fees at the rates specified in the then-current standard Franchise Agreement, and to pay any additional fees not specified or provided in this Agreement but which are required to be paid to JJFI or others by the terms of the then-current standard Franchise Agreement. JJFI will not offer to sell the Franchise for the Territory at the end of the term of this Agreement to any other person or entity on more favorable terms or conditions than those being offered to the Franchisee. The Franchisee acknowledges that the terms, conditions, capital requirements, equipment costs and economics of subsequent Franchise Agreements and the then-current standard Franchise Agreement of JJFI may, at that time, vary in substance and form from the terms, conditions and economics of this Agreement.

ARTICLE 4

LICENSING OF MARKS AND BUSINESS SYSTEM TO FRANCHISEE

4.1. FRANCHISOR'S RIGHT TO LICENSE MARKS. JJFI warrants that it has the right to grant the Franchise and, except as provided herein, to license the Marks and the Business System to the Franchisee. Any and all improvements made by the Franchisee relating to the Marks or the Business System will be the sole and absolute property of JJFI who will have the exclusive right to register and protect all such improvements in its name in accordance with applicable law. The Franchisee's right to use and identify with the Marks and the Business System will exist concurrently with the term of this Agreement and such use by the Franchisee will inure exclusively to the benefit of JJFI.

4.2. CONDITIONS TO LICENSE OF MARKS. JJFI hereby grants to the Franchisee the nonexclusive personal right to use the Marks and the Business System in accordance with the provisions of this Agreement. The Franchisee's nonexclusive personal right to use the name "Squeegee Squad" as the name of the Franchisee's Business and its right to use the Marks and the Business System applies only to the Franchisee's Squeegee Squad Business within the Territory and such rights will exist only so long as the Franchisee fully performs and complies with all of the conditions, terms and covenants of this Agreement. The Franchisee will not have or acquire any rights in any of the Marks or the Business System other than the right of use as provided herein. The Franchisee will have the right to use the Marks and the Business System only in the

manner prescribed, directed and approved by JJFI in writing. JJFI has the right to determine if the acts of the Franchisee infringe upon or demean the goodwill, uniformity, quality or business standing associated with the Marks or the Business System, and if JJFI makes such a determination, then the Franchisee will, upon written notice from JJFI, immediately modify its use of the Marks or the Business System in the manner prescribed by JJFI in writing. Any and all goodwill associated with the Marks and the Business System will inure exclusively to JJFI's benefit and, upon the expiration or termination of this Agreement, no monetary amount will be assigned as attributable to any goodwill associated with the Franchisee's use of the Marks and the Business System. The Franchisee will at no time take any action whatsoever to contest the validity or the ownership of JJFI's Marks and Business System and the goodwill associated therewith.

4.3. RESTRICTIONS ON INTERNET AND WEBSITE USE. JJFI retains the exclusive right to advertise the Business System on the internet and to create, operate, maintain and modify, or discontinue the use of, a website using the Marks. The Franchisee has the right to personally access JJFI's website. Except as JJFI may authorize in writing, however, the Franchisee will not: (1) link or frame JJFI's website; (2) conduct any business or offer to sell or advertise any products or services on the internet (or other existing or future form of electronic communications); and (3) create or register any internet domain name in connection with the Franchisee's Squeegee Squad Business. The Franchisee will not register, as internet domain names, any of the Marks now or hereafter owned by JJFI or any abbreviation, acronym or variation of the Marks, or any other name that could be deemed confusingly similar.

4.4. ADVERSE CLAIMS TO MARKS. If there are any claims by any third party that its rights to any or all of the Marks are superior to those of JJFI, then JJFI has the right to determine whether such claims may have merit. If there occurs any such third-party claim and if JJFI determines that such claim may have merit, or if there is an adjudication by a court of competent jurisdiction that any party's rights to the Marks are superior to those of JJFI, then upon written notice from JJFI, the Franchisee will, at its sole expense, immediately adopt and use the changes and amendments to the Marks that are specified by JJFI in writing. In that event, the Franchisee will immediately cease using the Marks specified by JJFI, and will, as soon as reasonably possible, commence using the new trademarks, trade names, service marks, logos, designs and commercial symbols designated by JJFI in writing in connection with all advertising, marketing and promotion of the Franchisee's Business. The Franchisee will not make any changes or amendments whatsoever to the Marks or the Business System unless specified or approved in advance by JJFI in writing.

4.5. DEFENSE OR ENFORCEMENT OF RIGHTS TO MARKS OR BUSINESS SYSTEM. The Franchisee will have no right to and will not defend or enforce any rights associated with the Marks or the Business System in any court or other proceedings for or against imitation, infringement, prior use or for any other claim or allegation. The Franchisee will give JJFI prompt and immediate written notice of any and all claims or complaints made against or associated with the Marks and the Business System and will, without compensation for its time and at its expense, cooperate in all respects with JJFI in any lawsuits or other proceedings involving the Marks and the Business System. JJFI will have the right to determine whether it will commence any action or defend any litigation involving the Marks and/or the Business System, and the cost and expense of all litigation incurred by JJFI, including attorneys' fees and interest on such cost, expenses, and fees, specifically relating to the Marks or the Business System will be paid by JJFI.

4.6. TENDER OF DEFENSE. If the Franchisee is named as a defendant or party in any action involving the Marks or the Business System and if the Franchisee is named as a defendant or party solely because the plaintiff or claimant is alleging that the Franchisee does not have the right to use the Marks or the Business System licensed by JJFI to the Franchisee within the Territory pursuant to this Agreement, then the Franchisee will have the right to tender the defense of the action to JJFI and JJFI will, at its expense, defend the Franchisee in the action providing that the Franchisee has tendered the action to JJFI within 10 days after receiving service of the summons and complaint involving the action. JJFI will indemnify and hold the Franchisee harmless from any damages assessed against the Franchisee in any actions resulting solely from the Franchisee's use

of the Marks and the Business System within the Territory if the Franchisee has tendered the defense of the action to JJFI.

4.7. FRANCHISEE'S RIGHT TO PARTICIPATE IN LITIGATION. The Franchisee may, at its expense, retain an attorney to represent it individually in all litigation and court proceedings involving the Marks or the Business System, and may do so with respect to matters involving only the Franchisee (i.e. not involving JJFI or its interests); however, JJFI and its attorneys will control and conduct all litigation involving the Marks or the Business System. Except as provided for herein, JJFI will have no liability to the Franchisee for any costs that the Franchisee may incur in any litigation involving the Marks or the Business System, and the Franchisee will pay for all costs, including attorneys' fees, that it may incur in any litigation or proceeding arising as a result of matters referred to under this Article, unless it tenders the defense to JJFI in a timely manner as provided for herein.

ARTICLE 5

INITIAL FRANCHISE FEE; APPROVAL OF FRANCHISEE

5.1. INITIAL FRANCHISE FEE; USE OF INITIAL FRANCHISE FEE. The Franchisee will pay JJFI an Initial Franchise Fee of \$45,000, all of which will be due and payable on the date this Agreement is executed by the Franchisee. The Initial Franchise Fee payable by the Franchisee is payment, in part, to JJFI for the costs incurred by JJFI to operate its business, including costs for general sales and administrative expenses, market research, travel, training, marketing and promotion, legal and accounting fees, compliance with federal and state franchising and other laws, and the initial services rendered by JJFI to the Franchisee as set forth in this Agreement. The Initial Franchise Fee is fully earned upon execution of this Agreement and is nonrefundable, except as set forth in Article 5.3 below.

5.2. FRANCHISOR'S UNILATERAL RIGHT TO REJECT FRANCHISEE. JJFI has the right to reject or disapprove the Franchisee and to cancel this Agreement at any time within 60 days after the date of this Agreement if JJFI determines, in the exercise of JJFI's absolute judgment which shall not be subject to any limitation or review, that: (A) any required or other financial, personal or other information provided by the Franchisee to JJFI is materially false, misleading, incomplete or inaccurate; or (B) the Franchisee or the Franchisee's Manager is not qualified or competent to properly manage or operate the Franchisee's Squeegee Squad Business because such person has failed to successfully complete JJFI's training program, or because the Franchisee or the Franchisee's Manager is deemed by JJFI to be incapable of successfully completing JJFI's training program. If the Franchisee's Manager fails to complete training, the Franchisee will have 30 days to hire and schedule the new Manager for training.

5.3. REFUND OF INITIAL FRANCHISE FEE. If the Franchisee is rejected by JJFI pursuant to Article 5.2, then the Initial Franchise Fee paid by the Franchisee pursuant to Article 5.1 will be refundable to the Franchisee after JJFI deducts all reasonable administrative and out-of-pocket expenses incurred by JJFI including, but not limited to, executives' and employees' salaries, costs for salespersons' commissions, attorneys' fees, accountants' fees, travel expenses, training costs, marketing costs, and telecommunications charges. The Franchisee will be notified by JJFI in writing if the Franchisee is disapproved by JJFI pursuant to Article 5.2, and JJFI will provide the Franchisee with a written accounting of the administrative and out-of-pocket expenses that were incurred by JJFI and deducted from the Initial Franchise Fee paid by the Franchisee.

ARTICLE 6

CONTINUING FEES

6.1. AMOUNT OF CONTINUING FEES. The Franchisee shall, for the entire term of this Agreement, pay JJFI weekly Continuing Fees equal to a percentage of the Franchisee's total weekly Gross Revenues. The percentage of Gross Revenues used to compute the weekly Continuing Fee shall vary based on the annual Gross Revenues achieved by Franchisee, as follows:

- (A) Tier 5. (Annual Gross Revenues up to \$250,000): the Continuing Fee percentage shall be 7% for Gross Revenues of up to \$250,000 during the calendar year;
- (B) Tier 4. (Annual Gross Revenues of at least \$250,001): the Continuing Fee percentage will be lowered to 6% if the Franchisee achieves annual Gross Revenues of at least \$250,001 for the calendar year, and shall remain at 6% until the Franchisee either: (a) achieves the Tier 3 Gross Revenue threshold amount (below) or (b) fails to maintain annual Gross Revenues at the Tier 4 level or higher for any subsequent calendar year, at which time the percentage will be raised to the Tier 5 amount;
- (C) Tier 3. (Annual Gross Revenues of at least \$500,001): the Continuing Fee percentage will be lowered to 5% if the Franchisee achieves annual Gross Revenues of at least \$500,001, and shall remain at 5% until the Franchisee either: (a) achieves the Tier 2 Gross Revenue threshold amount (below) or (b) fails to maintain annual Gross Revenues at the Tier 3 level or higher for any subsequent calendar year, at which time the percentage will be raised to the Tier 4 or Tier 5 percentage, as applicable;
- (D) Tier 2. (Annual Gross Revenues of at least \$1,000,000): the Continuing Fee percentage will be lowered to 4.5% if the Franchisee achieves annual Gross Revenues of at least \$1,000,000, and shall remain at 4.5% until the Franchisee either: (a) achieves the Tier 1 Gross Revenue threshold amount (below) or (b) fails to maintain annual Gross Revenues at the Tier 2 level or higher for any subsequent calendar year, at which time the percentage will be raised to the Tier 3, Tier 4 or Tier 5 percentage, as applicable;
- (E) Tier 1. (Annual Gross Revenues of at least \$2,000,001): the Continuing Fee percentage will be lowered to 4% if the Franchisee achieves annual Gross Revenues of at least \$2,000,001, and shall remain at 4% until the Franchisee either fails to maintain annual Gross Revenues at the Tier 1 level for any subsequent calendar year, at which time the percentage will be raised to the Tier 2, Tier 3, Tier 4, or Tier 5 percentage, as applicable.

Continuing Fees paid by the Franchisee to JJFI will not be refundable to the Franchisee under any circumstances.

6.2. FRANCHISEE'S OBLIGATION TO PAY. The weekly Continuing Fees payable to JJFI under this Article will be calculated and paid to JJFI by the Franchisee on a weekly basis during the entire term of this Agreement. The Franchisee's obligation to pay JJFI the Continuing Fees pursuant to the terms of this Agreement will be absolute and unconditional, and will remain in full force and effect until the term of this Agreement has expired or is terminated pursuant to its terms. The Franchisee will not have the "right of offset" and, as a consequence, the Franchisee will timely pay all Continuing Fees due to JJFI under this Agreement regardless of any claims or allegations the Franchisee may allege against JJFI.

6.3. DATE AND TERMS OF PAYMENT. The Franchisee will pay the weekly Continuing Fees to JJFI on or before Monday of each week for the preceding week by pre-authorized electronic bank transfer from the Franchisee's account to the account of JJFI or as otherwise directed by JJFI. Any Continuing Fees not received by JJFI on or before Monday of each week for the preceding week will be past due. The

Franchisee's report of Gross Revenues required under Article 13 of this Agreement will be submitted to JJFI on or before Monday of each week for the preceding week.

6.4. INTEREST ON UNPAID FEES. If the Franchisee fails to remit the Continuing Fees or any other fees or payments due to JJFI as provided in this Agreement, then the amount of the unpaid and past due Continuing Fees or other fees or payments will bear simple interest at the rate equal to the lesser of (A) the maximum legal interest rate allowable in the state in which the Franchisee's Business is located, or (B) 18% per annum. If the Franchisee does not submit a report of gross revenues pursuant to Article 13, then JJFI will have the right to estimate the amount of the Continuing Fees and Advertising Fees payable by the Franchisee, and to take and collect such estimated amounts from the Franchisee, together with interest accrued thereon, by pre-authorized bank transfer pursuant to Article 13 below, and the estimated unpaid weekly Continuing Fees and weekly Advertising Fees will bear interest at the rate set forth above.

6.5. ELECTRONIC TRANSFER, SERVICE CHARGE. All amounts payable to JJFI or its affiliates pursuant to any Article of this Agreement may be collected by JJFI via pre-authorized electronic funds transfer (EFT) from the Franchisee's account to the account of JJFI. JJFI will require Franchisee to sign an EFT authorization form, attached as Exhibit G, and such other documents as JJFI may periodically designate to authorize such transfer for funds and to charge Franchisee's account for all amounts Franchisee owe JJFI. In the event that any payment by or on behalf of the Franchisee to JJFI by EFT, check or any other method of payment fails for any reason, including but not limited to insufficient funds on the part of the payor, the Franchisee must pay Franchisor a service charge of \$100. Franchisor also reserves the right to require Franchisee to have a current credit card that is linked to Franchisee's Business on file with the Franchisor, which the Franchisor may use to charge Franchisee for any amounts owed under this Agreement.

6.6. COLLECTION COSTS. The Franchisee will pay JJFI for any and all costs incurred by JJFI in the collection of unpaid and past due Continuing Fees and any other fees or payments due under this Agreement, including, but not limited to, the amount of actual attorneys' fees paid by JJFI, deposition costs, expert witness fees, investigation costs, accounting fees, filing fees and travel expenses, and interest on such costs, fees, and expenses.

6.7. GROSS REVENUE REQUIREMENTS AND DEFAULT FEES. Franchisee must meet the Gross Revenue Requirements set forth in the chart below. For purposes of determining the Franchisee's compliance with this section, the Gross Revenues of the Business will be calculated for each 6-month period beginning January 1 and ending June 30, and each 6-month period beginning July 1 and ending December 31 (the "Calculation Periods"). Calculation of the Franchisee's Gross Revenues will commence with the first complete Calculation Period following the date that the Franchisee's Squeegee Squad Business first opened or was required to open under this Agreement, whichever is earlier, and will continue for the entire term of this Agreement. The Gross Revenues for the period of time after the Business first opens or is required to open, but before the first complete Calculation Period begins will not be used in determining the Franchisee's compliance with this section, although the Franchisee is nonetheless obligated to record and report such Gross Revenues in compliance with the provisions of this Agreement. Gross Revenues are defined in section 1.10 of this Agreement.

<u>Calculation Period</u>	<u>Gross Revenue Requirement</u>
Months 1 – 6	\$7,500
Months 7 – 12	\$7,500
Months 13 – 18	\$22,500
Months 19 – 24	\$22,500
Months 25 – 30	\$35,000

Months 31 – 36	\$35,000
Months 37 – 42	\$50,000
Months 43 – 48	\$50,000
Months 49 – 54	\$63,750
Months 55- 60 and each 6-month period thereafter	\$63,750

If, for any reason, the Franchisee does not meet the applicable Gross Revenue Requirement for the 6-month period under consideration, then, among all other rights and remedies available to the JJFI upon a default by the Franchisee, the Franchisee shall be required to pay to JJFI 7% of the difference between the applicable Gross Revenue Requirement and the Franchisee’s actual Gross Revenues for that period (the “Gross Revenue Default Fee”).

Additionally, if Franchisee fails to timely submit a Gross Revenue report (as described more fully in Section 13.4 of this Agreement) for a prior week, then we may automatically withdraw from your bank account via EFT as a part of your Continuing Fee an amount equal to the weekly pro-rata share of the Gross Revenue Requirement multiplied by the applicable Continue Fee percent based the Tier that you are in under Section 6.1 of this Agreement. Upon our subsequent receipt of your Gross Revenue report for that period, we reserve the right, in addition to all other remedies available to us, to withdraw from your account any difference between the amount that you would have paid us as a Continuing Fee for that week and the amount that we actually collected for that week.

6.8. COMPUTER SOFTWARE LICENSE FEES. Simultaneously with the execution of this Agreement by the Franchisee, the Franchisee must execute JJFI’s current standard computer software license agreement (the “Software License Agreement”) for use of JJFI’s proprietary computer software. The Franchisee must comply with all terms and conditions of the Software License Agreement. In accordance with the Software License Agreement, the Franchisee will, upon execution of the agreement, pay JJFI an initial computer software license fee (the “Initial Software License Fee”) of \$1,000. In addition to the Initial Software License Fee, the Franchisee will pay to JJFI the ongoing software licensing fees as required under Software License Agreement. The Initial Software License Fee is fully earned upon execution of this Agreement and the Software License Agreement and is nonrefundable unless the Franchisee or this Agreement is rejected pursuant to Article 5.2 above. If the Franchisee or this Agreement is rejected by JJFI pursuant to Article 5.2 above, then the Initial Software License Fee paid by the Franchisee pursuant to this Article 6.8 will be refunded to the Franchisee upon receipt by JJFI of all copies of the applicable software.

ARTICLE 7

ADVERTISING; ADVERTISING FEES

7.1. APPROVAL OF ADVERTISING. The Franchisee will use its best efforts to advertise and promote its Squeegie Squad Business. With the exception of the advertising materials provided to the Franchisee by JJFI, all concepts, materials or media proposed by the Franchisee for any advertising, promotion, or public relations program or campaign must have the prior written approval of JJFI. The Franchisee will not permit any third party to advertise its business, services or products through the Franchisee’s Business without obtaining the prior written approval of JJFI.

7.2. WEEKLY ADVERTISING FEE. The Franchisee will, for the entire term of this Agreement, pay JJFI weekly Advertising Fees equal to 1.0% of the Franchisee’s weekly Gross Revenues. The weekly

Advertising Fees paid by the Franchisee to JJFI will be deposited in the Squeegee Squad National Advertising Fund and will not be refundable to the Franchisee under any circumstances.

7.3. USE OF FUNDS. Payments to the Squeegee Squad National Advertising Fund by the Franchisee and any other Squeegee Squad Franchisees will be used by JJFI to purchase and pay for product research and development, safety and service programs, production materials, ad slicks, brochures, services provided by advertising agencies and consultants, market research, customer retention, loyalty and incentive programs, radio and television commercials, internet and other advertising, promotions, marketing, public relations, telemarketing, communication and education, and for any other purpose deemed beneficial by JJFI, in the exercise of its absolute judgment which shall not be subject to any limitation or review, to the general recognition and public awareness of the Marks and the Business System, and any administrative costs and expenses related to the foregoing. Without limiting the foregoing, funds in the Squeegee Squad National Advertising Fund may be used to pay for all telecommunication charges, office rental, furniture, fixtures and equipment, leasehold improvements, personnel, salaries, travel costs, office supplies, collection costs (including without limitation attorneys' fees) incurred in attempting to collect past-due weekly Advertising Fees from Franchisees and all other administrative costs associated with and incurred in connection with the Squeegee Squad National Advertising Fund. The Squeegee Squad National Advertising Fund will be administered and controlled exclusively by JJFI. JJFI will have the right to determine when, how and where any funds in the Squeegee Squad National Advertising Fund will be spent. JJFI will have the right to retain and pay agency fees to an advertising agency which is owned by, or is an affiliate of, JJFI or any of its principals. JJFI will have no fiduciary duty to the Franchisee with respect to collection or expenditure of the weekly Advertising Fees, and any advertising fund will not be a trust or escrow account.

7.4. OBLIGATION TO PAY. The weekly Advertising Fees payable to JJFI under this Article will be calculated and paid to JJFI by the Franchisee on a weekly basis during the entire term of this Agreement. The Franchisee's obligation to pay JJFI the Advertising Fees pursuant to the terms of this Agreement will be absolute and unconditional, and will remain in full force and effect until the term of this Agreement has expired or terminated pursuant to its terms. The Franchisee will not have the "right of offset" and, as a consequence, the Franchisee will timely pay all Advertising Fees due to JJFI under this Agreement regardless of any claims or allegations the Franchisee may allege against JJFI or the Squeegee Squad National Advertising Fund.

7.5. DATE AND TERMS OF PAYMENT. The Franchisee will pay the weekly Advertising Fees to JJFI on or before Monday of each week for the preceding week (a) by pre-authorized electronic bank transfer from the Franchisee's account to the account of JJFI or (b) by any other method directed by JJFI. Any Advertising Fees not received by JJFI on or before Monday of each week for the preceding week will be deemed to be past due and will bear interest and will be subject to service charges and collection costs as provided in Article 6.4, 6.5 and 6.6 above.

7.6. GRAND OPENING ADVERTISING. In addition to other marketing and advertising expenditures required by this Agreement, the Franchisee will be required to spend, at least 14 days prior to the opening of the Franchisee's Business, a minimum of \$6,000 for grand opening advertising, marketing, public relations and promotional programs for its Squeegee Squad Business, as follows: (a) a minimum of \$3,000 for the production and/or purchase of advertising materials (including, without limitation, postcards, brochures, forms, and other printed materials, all of which must be approved by JJFI in advance and in writing) and (b) a minimum of \$3,000, inclusive of postage, on direct mail advertising in the Territory. In the event that the Franchisee has not obtained approval of its grand opening advertising expenditures at least 21 days prior to the scheduled opening of its Business, JJFI has the right to require the Franchisee to pay the required amount to JJFI and, in such event, JJFI has the right to determine how to spend such funds on marketing efforts in the Territory.

7.7. LOCAL ADVERTISING. In addition to the weekly Advertising Fees, the Franchisee must spend, on a monthly basis during the term of this Agreement, an amount equal to 3% of the Franchisee's monthly Gross Revenues for approved advertising and promotion within the Franchisee's Territory. Within 30 days following the end of each year during the term of this Agreement, the Franchisee will furnish to JJFI, in the form prescribed by JJFI, an accurate accounting of the Franchisee's expenditures during the preceding year for approved advertising and promotion in the Territory. JJFI has the right, upon 30 days' written notice, to require the Franchisee to provide such information on a monthly or semiannual basis. In addition, JJFI has the right, upon 30 days' written notice, to require the Franchisee to pay up to 50% of the local advertising requirement (i.e., 1½ % of the Franchisee's monthly Gross Revenues) to JJFI for JJFI's use in conducting system-wide direct mail activities. If the Franchisee fails to spend such required minimum for approved advertising and promotion for any month, then, in addition to any other remedies available to JJFI under this Agreement, JJFI may collect the difference between such minimum and what was actually spent for approved advertising and promotion. Such amount will be utilized by JJFI within or outside the Franchisee's Territory for advertising or promotion that JJFI deems, in the exercise of its absolute judgment which shall not be subject to any limitation or review, to be in the best interests of the Franchisee's Squeegee Squad Business.

7.8. LOCAL ADVERTISING GROUP. At such time as there are 2 or more Squeegee Squad Businesses (including the Franchisee's Squeegee Squad Business) in the Franchisee's DMA (as defined in Article 1.5 of this Agreement), JJFI will have the right to require that the Franchisee become a member of, participate in, and contribute to a local DMA advertising group ("Co-op") that will conduct and administer media advertising and promotions in the Franchisee's DMA. Each Co-op will have a membership with equal representation for each Squeegee Squad Business in the DMA, including any Squeegee Squad Business owned and operated in the DMA by JJFI. Each Co-op will submit each year an annual expenditure report to JJFI. The costs for the media advertising and promotions conducted by the Co-op will be allocated among and paid by the members of the Co-op, based either on a percentage of Gross Revenues or on a pro rata basis, the selection of which method to be determined by the majority of the members of the Co-op. Payments to the Co-op by the Franchisee for media advertising and promotion will be applied to the local advertising expenditures required under Article 7.7 above.

7.9. RIGHT TO BORROW FUNDS. If the Squeegee Squad National Advertising Fund does not contain sufficient funds to make the expenditures determined by JJFI, in the exercise of its absolute judgment which shall not be subject to any limitation or review, to be necessary or advisable, then JJFI will have the right, but not the obligation, to loan funds to the Squeegee Squad National Advertising Fund in an amount sufficient to cover such expenditures, and the loan (plus interest as provided herein) will be repaid from future payments to the Fund paid by all Squeegee Squad Businesses pursuant to their Franchise Agreements with JJFI. JJFI will have the right and option to either use its own funds, or borrow the necessary funds in the name of the Squeegee Squad National Advertising Fund from one or more financial institutions. The unpaid balance of any loan made by JJFI to the Fund will accrue and pay interest at either: (a) a rate equal to the prime rate plus 4%, if JJFI utilized its own funds for the loan; or (b) the rate equal to the rate of interest charged to JJFI by the financial institution for the amount of the loan, if JJFI borrowed the funds for the loan from a financial institution.

7.10. ACKNOWLEDGMENTS REGARDING NATIONAL ADVERTISING FUND. The Franchisee acknowledges and agrees that the Squeegee Squad National Advertising Fund is intended to maximize general recognition of the Marks and patronage of all of Squeegee Squad Businesses, including without limitation the Franchisee's Business. The Franchisee further acknowledges and agrees that JJFI has no obligation to ensure that the expenditures by the Squeegee Squad National Advertising Fund in or affecting any Territory or area will be proportionate to contributions by Squeegee Squad Franchisee or owners operating in that Territory or area or that any Squeegee Squad Franchisee benefit directly or in proportion to its contributions or from the development of advertising and marketing materials, the placement of advertising or otherwise. The Franchisee further acknowledges and agrees that JJFI is not required to spend any amount

on advertising in the Territory, that JJFI uses the funds in the Squeegee Squad National Advertising Fund to develop advertising materials which are made available to the Franchisee, and that, in any event, the Franchisee will be liable for the costs of personalization, printing and shipping of advertising materials.

ARTICLE 8

CONFIDENTIAL STANDARD OPERATION MANUALS AND OTHER INFORMATION

8.1. COMPLIANCE WITH MANUALS. In order to protect the reputation and goodwill of JJFI, and to maintain uniform operating standards under the Marks and the Business System, the Franchisee will at all times during the term of this Agreement conduct its Squeegee Squad Business in accordance with JJFI's confidential standard operation manuals and all supplemental bulletins and notices from JJFI, all of which are deemed a part of the operations manuals (collectively referred to as the "Manuals"). The Manuals will contain both mandatory and suggested standards that JJFI develops for the Business System and the operation of Squeegee Squad Businesses. The Manuals may consist of written, audio, video or other types of content as JJFI deems appropriate and may be transmitted or made accessible via hard copy, electronically, through access to JJFI's extranet (if any) or through any other form of media designated by JJFI.

8.2. CONFIDENTIALITY OF MANUALS. The Franchisee will at all times during the term of this Agreement and thereafter treat the Manuals, any other materials created for or approved for use in the operation of the Franchisee's Squeegee Squad Business, and the information contained therein as secret and confidential, and the Franchisee will use all reasonable means to keep such information secret and confidential, including keeping the manuals under lock and key when not in use. Neither the Franchisee nor any employees of the Franchisee will: (A) make any copy, duplication, record or reproduction of the Manuals, or any portion thereof, available to any unauthorized person (except as specifically permitted by the Manual itself); or (B) use the Manuals or any information contained therein in connection with the operation of any other business or for any purpose other than in conjunction with the operation of the Franchisee's Squeegee Squad Business.

8.3. REVISIONS TO MANUALS. The Manuals and all supplements, changes and modifications to the Manuals will remain the sole and exclusive property of JJFI. JJFI may from time to time revise the Manuals and the Franchisee expressly agrees to operate its Squeegee Squad Business in accordance with all such revisions. The Franchisee will at all times keep the Manuals current and up-to-date, and in the event of any dispute regarding the Manuals, the terms of the master copy of the Manuals maintained by JJFI will be controlling in all respects. The Franchisee will promptly return to JJFI all versions of the Manuals and Supplements that have been revised by JJFI.

8.4. CONFIDENTIALITY OF OTHER INFORMATION. JJFI will be disclosing and providing to the Franchisee certain confidential and proprietary information concerning the Business System and the procedures, operations and data used in connection with the Business System. The Franchisee will not, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any person or entity any such confidential and proprietary information, knowledge or know-how concerning the methods of operation of Squeegee Squad Business which may be communicated to the Franchisee, or of which the Franchisee may be apprised by virtue of this Agreement. The Franchisee will divulge such confidential and proprietary information only to its employees who must have access to it in order to operate the Franchisee's Squeegee Squad Business. Any and all information, knowledge and know-how including, without limitation, drawings, client lists, materials, brochures, marketing materials, equipment, technology, methods, procedures, specifications, techniques, teaching methods, computer software programs, systems and other data which JJFI copyrights or designates as confidential or proprietary will be deemed confidential and proprietary for the purposes of this Agreement ("Confidential Information"). Neither the Franchisee nor any employees of the

Franchisee will make any copy, duplication, record or reproduction or any of the Confidential Information available to any unauthorized person. Any client lists developed by either JJFI or the Franchisee and any information designated as Confidential Information by JJFI will be and remain the sole and exclusive property of JJFI.

8.5. CONFIDENTIALITY AGREEMENTS. All of the Franchisee's Managers and employees must sign agreements in a form satisfactory to JJFI agreeing to maintain the confidentiality, during the course of their employment and thereafter, of all information copyrighted or designated by JJFI as confidential and proprietary. Copies of all confidentiality agreements executed by the Franchisee's Managers and employees will be promptly submitted to JJFI.

8.6. REMEDIES. The Franchisee acknowledges that the provisions of this Article are reasonable and necessary for the protection of JJFI and JJFI's franchisees. If the Franchisee violates any of the provisions contained in this Article, then JJFI will have the right to: (A) terminate this Agreement as provided for in Article 16 below; (B) seek injunctive relief from a court of competent jurisdiction; (C) commence an action or lawsuit against the Franchisee for damages; and (D) enforce all other remedies or take such other actions against the Franchisee that are available to JJFI under this Agreement, common law, in equity and any federal or state laws.

ARTICLE 9

TRAINING PROGRAM

9.1. TRAINING PROGRAM. JJFI will provide a training program for the Franchisee and the Franchisee's General Manager (if one is employed) at its offices in Brooklyn Park, Minnesota or another location designated by JJFI, to educate, familiarize and acquaint them with the operations of a Squeegee Squad Business. The training program will consist of classroom and in-the-field training session, to be held at a time designated by JJFI prior to the opening of the Franchisee's Business, and to be attended by the Franchisee (or the Franchisee's designated General Manager), and one other manager/crew leader involved in the Business. The training program will include both classroom and on-the-job instruction in the Business System and basic operating skills such as daily operational procedures, inventory control, work flow management and other topics selected by JJFI. The Franchisee and the Franchisee's General Manager (if any) must successfully complete the training program prior to commencing any business operations. The training program will be scheduled by JJFI. In the event the Franchisee, or the Franchisee's General Manager (if any) fails to successfully complete JJFI's training program within the time period expressed in this Article 8.1, he or she will not be permitted or authorized to manage or operate the Franchisee's Squeegee Squad Business and JJFI will have the right to reject the Franchisee pursuant to Article 5.2 of this Agreement.

9.2. HIRING OF NEW GENERAL MANAGER. In the event the Franchisee hires a General Manager who has not successfully completed the training program(s) prescribed by JJFI, and if JJFI determines, in its absolute, exclusive and unrestricted judgment, that the new General Manager does not have sufficient knowledge or experience relating to the management of the Franchisee's Squeegee Squad Business, then JJFI will require the individual to successfully complete the prescribed training prior to the time he or she will be allowed to manage or operate the Franchisee's Squeegee Squad Business, and the Franchisee will be required to pay JJFI the then-current training fee charged by JJFI.

9.3. PAYMENT OF SALARIES AND EXPENSES DURING TRAINING. The Franchisee will pay the salaries, fringe benefits, payroll taxes, unemployment compensation, workers' compensation insurance, lodging, food, automobile rental, travel costs, and all other expenses for the Franchisee, the Franchisee's General Manager and all other persons sent to the training program by the Franchisee, and the Franchisee

will comply with all applicable state and federal laws pertaining to all employees who attend JJFI's training program.

9.4. ANNUAL CONVENTION. JJFI may, during the term of this Agreement, conduct an annual convention for all Squeegee Squad franchisees at such times and at such locations as JJFI deems appropriate. The Franchisee will attend any annual convention conducted by JJFI for Squeegee Squad franchisees during each year of this Agreement. All expenses incurred by the Franchisee or any employees of the Franchisee in traveling to and attending the annual convention conducted by JJFI will be paid for by the Franchisee. JJFI will charge, and the Franchisee will pay, a registration fee for the annual convention, which will not exceed \$800 during the initial term of this Agreement. The registration must be paid regardless of whether the Franchisee, or any representative of the Franchisee, attends the convention, and an additional registration fee may be charged for each person in addition to the first person attending the annual convention on behalf of the Franchisee.

9.5. REQUIRED ONGOING TRAINING. JJFI may, during the term of this Agreement, require Franchisee to attend up to 30 hours of ongoing training on topics chosen by JJFI, at a location designated by JJFI. All expenses incurred by the Franchisee or any employees of the Franchisee in traveling to and attending ongoing training sessions will be paid for by the Franchisee.

9.6. OPTIONAL ADDITIONAL TRAINING. JJFI may, during the term of this Agreement, provide optional additional training and instruction to the Franchisee on topics determined by JJFI in its absolute, exclusive and unrestricted judgment. JJFI reserves the right to add or delete additional training topics at any time without notice to the Franchisee. The Franchisee will be required to pay JJFI the greater of \$1,500 and the then-current training fee charged by JJFI for any additional training attended by the Franchisee or its employees. All expenses incurred by the Franchisee or any employees of the Franchisee in traveling to and attending optional additional training will be paid for by the Franchisee.

ARTICLE 10

FRANCHISOR'S OBLIGATIONS

10.1. BUSINESS SYSTEM. Consistent with JJFI's uniformity requirements and quality standards, JJFI or its authorized representative or designee will: (A) provide the Franchisee with a list of approved suppliers and sources for the goods and services necessary and required for the Franchisee's Business; (B) make available to the Franchisee basic accounting and business procedures for use by the Franchisee in its Business; (C) make advertising and marketing recommendations; (D) review the Franchisee's Business as often as JJFI deems necessary and render written reports to the Franchisee as deemed appropriate by JJFI; (E) legally protect and enforce the Marks and the Business System for the benefit of all Squeegee Squad franchisees in the manner deemed appropriate by JJFI; (F) loan to the Franchisee the Manuals and any supplements and modifications to the Manuals that may be published by JJFI from time to time; (G) provide the training set forth in Article 9 above; and (H) upon the reasonable written request of the Franchisee, render reasonable advisory services by telephone or in writing pertaining to use of the Business System and the operation of the Franchisee's Business as deemed appropriate, reasonable and necessary by JJFI.

10.2. CONSULTING SERVICES. During the term of this Agreement, JJFI will, upon the reasonable written request of the Franchisee, provide consulting services to the Franchisee in the Territory regarding marketing, advertising and promotional issues, operational issues, accounting matters, personnel issues, and other business matters or special projects relating to Squeegee Squad Business. JJFI reserves the right to charge, and the Franchisee agrees to pay JJFI, JJFI's then-current fee for such consulting services. The Franchisee will also pay for the travel, room and board and other expenses incurred by the individual or individuals employed or retained by JJFI who provide such consulting services to the Franchisee.

10.3. PRE-OPENING AND OPENING ASSISTANCE. After the Franchisee or the Franchisee's General Manager (if any) have successfully completed JJFI's training program, JJFI will assist the Franchisee in scheduling the initial opening of the Franchisee's Squeegee Squad Business. If the Business is the Franchisee's first Squeegee Squad Business, then JJFI will provide the Franchisee with up to one day of pre-opening and opening assistance, which will include grand opening assistance, training the Franchisee's Squeegee Squad staff in daily operational procedures, customer relations, teaching techniques, training methods, product knowledge and other topics selected by JJFI. JJFI will conduct pre-opening and opening assistance either telephonically or electronically, or JJFI may, at its sole option, conduct pre-opening assistance at the Franchisee's business office at JJFI's expense. If the Franchisee is an existing Squeegee Squad franchisee, then JJFI may, but is not obligated to, provide the Franchisee with the foregoing pre-opening and opening assistance. The Franchisee will not open and commence initial business operations until JJFI has given the Franchisee written approval to open the Franchisee's Squeegee Squad Business.

10.4. PERFORMANCE BY AREA DIRECTORS. The Franchisee acknowledges that JJFI shall have the right, at its sole option, to designate an Area Director to serve as its representative in providing services and assistance to the Franchisee and its Business.

ARTICLE 11

QUALITY CONTROL UNIFORMITY AND STANDARDS REQUIRED OF FRANCHISEE

11.1. QUALITY AND SERVICE STANDARDS. JJFI will promulgate, from time to time, uniform standards of quality and service regarding the business operations of the Franchisee's Squeegee Squad Business so as to protect and maintain (for the benefit of all Squeegee Squad franchisees and JJFI) the distinction, valuable goodwill and uniformity represented and symbolized by the Marks and the Business System. Accordingly, to ensure that all Squeegee Squad franchisees will maintain and adhere to the uniformity requirements and quality standards for the products and services associated with the Marks and the Business System, the Franchisee agrees to maintain the uniformity and quality standards required by JJFI for all products and services associated with the Marks and the Business System and agrees to the following terms and conditions to assure that all Squeegee Squad Businesses will be uniform in nature and will sell and dispense quality products and services to the public. The Franchisee will operate its Squeegee Squad Business and use the Marks and the Business System in strict compliance with the highest business and ethical practices and standards and the quality standards, operating procedures, policies, specifications, requirements and instructions required by JJFI, which may be amended and supplemented by JJFI from time to time.

11.2. COMPLIANCE WITH QUALITY AND SERVICE STANDARDS AND SPECIFICATIONS. The Franchisee will obtain and pay for the vehicles, supplies and equipment required by JJFI and used by the Franchisee for the operation of its Squeegee Squad Business. The vehicles, supplies and equipment used in the Franchisee's Business must comply with then-current prescribed color schemes, display the Marks as designated by JJFI, and conform to the quality standards and uniformity requirements established by JJFI from time to time. As of the date of this Agreement, the Franchisee is required to utilize in the operation of its Squeegee Squad Business vehicles painted white that display the Squeegee Squad logo. All replacement vehicles, supplies, equipment and other items used in the Business by the Franchisee must comply with JJFI's then-current standards and specifications.

11.3. COMPLIANCE WITH MANUALS. JJFI will loan to the Franchisee one copy of its Manuals. The Franchisee will conform to the common image and identity created by the products and services associated with Squeegee Squad Business which are portrayed and described by the Manuals and the Franchisee will conform to all changes and modifications to the Manuals made by JJFI and provided to the Franchisee that

are deemed necessary by JJFI to: (A) improve the standards of service or the products offered for sale under the Business System; (B) protect the goodwill associated with the Marks; or (C) improve the operation or efficiency of the Franchisee's Business. JJFI reserves the right to revise the Manuals at any time during the term of this Agreement.

11.4. MODERNIZATION OR REPLACEMENT. From time to time as JJFI requires, the Franchisee must upgrade, modernize and/or replace the trade dress, equipment and other assets of the Business, as may be necessary for the Business to conform to the standards for a similarly situated new Squeegee Squad Business. The maximum cumulative amount (the "Maximum Modernization Amount") that the Franchisee may be required to spend during the initial term of this Agreement is \$5,000. JJFI may adjust the Maximum Modernization Amount every year in proportion to the annual change in the National Consumer Price Index All Urban Consumers as reported for each calendar year by the U.S. Department of Labor (or the successor index or agency thereto) using 2015 as the base year, and as so adjusted will apply to the Maximum Modernization Amount, subsequent to the adjustment date but prior to the next adjustment date.

Additionally, from time to time as JJFI requires, the Franchisee must upgrade, modernize and/or replace the vehicle(s) of the Business, as may be necessary for the Business to conform to the standards for a similarly situated new Squeegee Squad Business. Costs associated with upgrading, modernization and/or replacement of the vehicle(s) shall not count toward the Maximum Modernization Amount.

11.5. FRANCHISEE'S NAME. The Franchisee will not use the words "SQUEEGEE SQUAD" in its corporate, partnership or sole proprietorship name. The Franchisee will hold itself out to the public as an independent contractor operating its Squeegee Squad Business pursuant to a franchise from JJFI. Whenever practical, the Franchisee will clearly indicate on its business checks, stationery, business cards, invoices, receipts, video tapes, advertising, public relations and promotional materials, website, and other written materials that the Franchisee is a franchisee of JJFI. The Franchisee will display signs on the Franchisee's vehicles which are clearly visible to the general public indicating that the Franchisee's Squeegee Squad Business is independently owned and operated as a franchised business. The Franchisee will file for a certificate of assumed name in the manner required by applicable state law so as to notify the public that the Franchisee is operating its Squeegee Squad Business as an independent business pursuant to this Agreement. Prior to adoption of an assumed name, the Franchisee owner must submit such name to, and obtain the written approval of such name by, JJFI.

11.6. BUSINESS IDENTIFICATION. The Franchisee will operate the Business so that it is clearly identified and advertised as a Squeegee Squad Business. The style and form of the words "Squeegee Squad" and the Marks used in any advertising, marketing, public relations, telemarketing or promotional program or campaign must have the prior written approval of JJFI. The Franchisee will use the name "Squeegee Squad", the approved logo and all graphics commonly associated with the Business System and the Marks which now or hereafter may form a part of JJFI's Business System, on all vehicles, equipment, uniforms, advertising, public relations and promotional materials, signs, business cards and other materials only as authorized by JJFI and in the identical combination and manner prescribed by JJFI in writing. The Franchisee may not use the Marks on its employment applications, employee evaluation forms, benefits statements, payroll checks or other documents or materials relating to the Franchisee's employees. The Franchisee will, at its expense, comply with all legal notices of registration required by JJFI or its attorneys and will, at its expense, comply with all trademark, trade name, service mark, copyright, patent and other notice markings that are required by JJFI or by applicable law. The Franchisee must use in the operation of its Business an email account within the "squeegeesquad.com" domain. The Franchisee's squeegeesquad.com email account will be assigned by JJFI, posted on the squeegeesquad.com website, and will be administered by JJFI at no additional cost to the Franchisee. The Franchisee may, at its option, request that JJFI assign and administer additional squeegeesquad.com email accounts for Franchisee; however JJFI may charge a reasonable fee for each such additional account, which in no event will be less than \$150 per account, per year.

11.7. STANDARD ATTIRE. The Franchisee will require its employees to wear only the standard attire or uniforms which have been established and approved by JJFI and will wear the safety or protective clothing or equipment designated by JJFI. All employees of the Franchisee will wear clean and neat attire and will practice good personal hygiene.

11.8. SMOKING, DRUG AND ALCOHOL USE. The Franchisee will prohibit its employees from smoking on the Franchisee's customers' premises. The Franchisee will prohibit its employees from using, possessing or being under the influence of alcohol or any controlled substance (except as prescribed by a physician) during all times that the employee is on duty. The Franchisee will adopt and enforce employee policies requiring discharge of any employee who violates the above policies.

11.9. FRANCHISOR'S INSPECTION RIGHTS. JJFI will have the right to interview the Franchisee's employees, to take photographs and videotapes of the Franchisee's vehicles and of the work being performed by the Franchisee's employees on the Franchisee's customers' premises at all times during normal business hours, to examine representative samples of the goods and products sold or used in the Franchisee's Business and to evaluate the quality of the services provided by the Franchisee to its customers and clients. JJFI will have the right to use all interviews, photographs and videotapes of the Franchisee's Squeegee Squad Business for such purposes as JJFI deems appropriate including, but not limited to, use in training, advertising, marketing and promotional materials, and as evidence in any court or other proceeding. The Franchisee will not be entitled to, and hereby expressly waives, any right that it may have to be compensated by JJFI, its advertising agencies, or other Squeegee Squad franchisees for the use of such interviews, photographs or videotapes for training, advertising, marketing, promotional and/or litigation purposes. Any inspections, evaluations or other visits to the Business by JJFI are to protect JJFI's interest in the System and the Marks and not to control the day-to-day operation of the Business or for the supervision of the Franchisee's employees.

11.10. LIMITATIONS ON PRODUCTS AND SERVICES. The Franchisee will promote and sell only those products and services approved by JJFI in writing and will offer for sale all products and services prescribed by JJFI. The Franchisee will conform to all customer service standards and policies prescribed by JJFI in writing. The Franchisee will have the right to sell all products and services to its customers and clients at whatever prices and on whatever terms it deems appropriate. JJFI has the right to require Franchisee and its employees to attend additional training programs, pursuant to Article 9.5 above, in connection with any new service offerings that JJFI authorizes, in its sole and absolute judgment.

11.11. HIGH-RISE WINDOW CLEANING EXCLUDED. Without limiting the generality of Article 11.10 above, the Franchisee shall not provide window cleaning services for buildings of four or more stories in height or which require rope and/or swing stage scaffolding access ("high-rise buildings") without written authorization from JJFI. JJFI may, at its sole option, grant or deny authorization for the Franchisee to provide window cleaning to high-rise buildings, or may condition such authorization upon the Franchisee's execution of a written High-Rise Addendum to this Agreement in the form attached as Exhibit C hereto, completion of additional training and purchase of equipment at the Franchisee's sole expense, payment of an additional fee to JJFI, and other conditions as JJFI may require. In addition, JJFI reserves, for itself and/or its future franchisees, licensees or designees, the right to operate a business offering window cleaning services for high-rise buildings within the Territory using the name "Squeegee Squad" and the other Marks, or any other trademarks or trade names.

11.12. INITIAL INVENTORY OF EQUIPMENT AND SUPPLIES. The Franchisee is required to purchase an initial inventory of equipment and supplies from Approved Supplier(s) prior to the opening of the Business. The specific items required for the initial inventory of equipment and supplies will be set forth in writing by JJFI.

11.13. APPROVED SUPPLIERS. The Franchisee will purchase from suppliers, approved in writing by JJFI, those products, goods, machinery, signs, vehicles, supplies, equipment and services (sometimes referred to in this Agreement as “goods and services”) which are to be used or sold by the Franchisee and which JJFI determines meet the standards of quality and uniformity required to protect the valuable goodwill and uniformity symbolized by and associated with the Marks and the Business System. The Franchisee will have the right and option to purchase these goods and services from other suppliers provided that such goods and services conform in quality to JJFI’s standards and specifications. If the Franchisee desires to purchase any goods or services from such other suppliers, then the Franchisee must, at its expense, submit samples and specifications to JJFI for review and/or testing to determine whether the goods and services comply with JJFI’s standards and specifications. The written approval of JJFI must be obtained by the Franchisee prior to the time that any previously unapproved goods and services are sold by or used by the Franchisee. Regardless of whether JJFI approves the request, the Franchisee must reimburse JJFI for all costs and expenses it incurs in reviewing the alternative supply or supplier, including an hourly rate (not to exceed \$150 per hour) for JJFI’s staff time spent on the review of the alternative supply or supplier.

11.14. APPROVED ADVERTISING AND PROMOTION. The Franchisee will not conduct any media advertising, promotion, marketing, public relations or telemarketing programs or campaigns for its Squeegee Squad Business unless or until JJFI has given the Franchisee prior written approval for all concepts, materials or media proposed for any media advertising, promotion, marketing, public relations or telemarketing program or campaign. The Franchisee will not permit any third party to advertise its business, services or products through the Franchisee’s Business without obtaining the prior written approval of JJFI. The Franchisee will only display signs that have been approved by JJFI in writing, and the Franchisee will not use or display any other signs of any kind or nature on the Franchisee’s vehicles without obtaining the written approval of JJFI prior to their installation or use.

11.15. SALES TO OTHERS. The Franchisee hereby acknowledges and agrees that JJFI has the right to directly or indirectly sell any proprietary or other products or merchandise under the name “Squeegee Squad,” or any other name that has been or may be developed by JJFI, to other persons, businesses or entities, including without limitation those that are not Squeegee Squad franchisees, through any method of distribution anywhere in the world, including in the Franchisee’s Territory.

11.16. MAINTENANCE OF VEHICLES AND EQUIPMENT. The Franchisee will, at its expense, repair and keep in good working order at all times all vehicles and equipment used in the Franchisee’s Business in accordance with JJFI’s quality standards. The Franchisee will replace all equipment, supplies and vehicles as such items become worn-out or in disrepair. All replacement equipment, supplies, vehicles and other items used in the Business by the Franchisee must comply with JJFI’s then-current standards and specifications.

11.17. COMPUTER SYSTEM; ACCESS TO INFORMATION. The Franchisee will, at its sole expense, obtain and maintain at all times during the term of this Agreement, such computer equipment, electronic telephone facsimile, and other equipment as may from time to time be required by JJFI for use in the operation of the Franchisee’s Squeegee Squad Business. JJFI shall have no obligation to update, upgrade, or otherwise modify any computer software utilized in Squeegee Squad Business System. All such equipment must meet the then-current standards and specifications established by JJFI. The Franchisee acknowledges and agrees that JJFI has the right to access, both electronically and through hard copy of printed data, all data and other information maintained by the Franchisee on such computer equipment for purposes of monitoring compliance by the Franchisee with its obligations under this Agreement and for any other purpose deemed beneficial by JJFI to the Squeegee Squad Business System and all Squeegee Squad Franchisees. The failure of the Franchisee to provide or allow such access to the data and other information maintained on the Franchisee’s computer equipment will give JJFI the right, among all other remedies hereunder or at law, to immediately terminate all computer support provided by JJFI. The Franchisee must comply with all laws and

regulations relating to privacy and data protection, including the payment card industry data security standards (“PCI Compliance”), and must comply with any privacy policies or data protection and breach response policies JJFI periodically may establish. Franchisee must not publish, disseminate, implement, revise, or rescind a data privacy policy without JJFI’s prior written consent. The Franchisee must notify JJFI immediately of any suspected data breach at or in connection with the Business.

11.18. USE OF INTERNET. The Franchisee’s conduct on the internet, including without limitation, its use of the Marks on the internet and in domain names for the internet, is subject to the provisions of this Agreement. JJFI reserves the right to establish and modify, from time to time, rules which will govern the Franchisee’s conduct and use of the internet in connection with the Franchisee’s Squeegee Squad Business, and the Franchisee agrees to abide by such rules. The Franchisee’s right to use the Marks and the Business System on the internet will terminate when this Agreement terminates or expires.

11.19. INTRANET SYSTEM; ACCESS TO INFORMATION. The Franchisee will participate in any system-wide Squeegee Squad intranet communications site and other online communications system that JJFI may in the future develop, although JJFI will retain all rights to any intranet site and online communications system. The Franchisee’s general conduct on any Squeegee Squad intranet site will be subject to the provisions of this Agreement and the Franchisee agrees to comply with the intranet terms of use posted on the Squeegee Squad intranet site, which terms of use are incorporated herein by reference. The Franchisee acknowledges and agrees that JJFI has the right to access, both electronically and through hard copy, all data and other information maintained by the Franchisee on JJFI’s intranet site for purposes of monitoring compliance by the Franchisee with its obligations under this Agreement and for any other purpose deemed beneficial by JJFI to the Squeegee Squad Business System and all Squeegee Squad franchisees.

11.20. TELEPHONE EQUIPMENT AND NUMBER. In addition to standard telephone equipment at the office for the Franchisee’s Business, the Franchisee will, at its sole expense, obtain and maintain at all times during the term of this Agreement either a telephone answering machine, voice mail system or mobile cellular telephone equipment as may be required for the Franchisee’s Squeegee Squad Business. The Franchisee’s telephone answering machine, voice mail system or mobile cellular telephone equipment must meet the then-current standards and specifications established by JJFI. The Franchisee must obtain new telephone numbers for the conduct of the Franchisee’s Squeegee Squad Business and must assign, in writing, on instruments approved in advance by JJFI, all rights to each of such numbers to JJFI, such assignment to be effective upon termination of this Agreement. Assignment of such phone numbers must occur when representatives of the Franchisee attend JJFI’s training program. The Franchisee must, at all times during the term of this Agreement, subscribe to an internet service provider and an electronic mail service provider and install and maintain high speed internet connection for such service. The Franchisee is solely responsible for protecting itself from disruptions, internet access failures, internet content failures, and attacks by hackers and other unauthorized intruders and the Franchisee waives any and all claims the Franchisee may have against JJFI as the direct or indirect result of such disruptions, failures or attacks.

11.21. SQUEEGEE SQUAD TOLL FREE LINE/CALL CENTER. The Franchisee will participate in any system-wide Squeegee Squad call center or system-wide toll-free telephone number program that JJFI, in its sole discretion, may develop in the future for the Squeegee Squad system. If JJFI develops a system-wide call center and/or toll-free telephone number, the Franchisee will be required to pay any and all charges or costs associated with participation including, but not limited to, any line activation fees, toll charges, operating charges, administrative fees, etc., provided, however, that the total of all such charges will not exceed 5% of the Franchisee’s Gross Revenues on an annual basis. JJFI will have the right to require the Franchisee to use the system-wide toll-free number as the sole telephone number for customers contacting the Business and to require that all advertising conducted by the Franchisee list the system-wide toll-free number to the exclusion of any other phone number(s). JJFI will have the right to place reasonable conditions on the

Franchisee's continued participation in the call center and/or toll-free number program including, without limitation, the requirement that the Franchisee at all times be in compliance with the Franchise Agreement.

11.22. PAYMENT OF OBLIGATIONS. The Franchisee will timely pay all of its uncontested and liquidated obligations and liabilities due and payable to JJFI and its affiliates and other Squeegee Squad franchisees, and to the suppliers, lessors and creditors of the Franchisee.

11.23. PAYMENT OF TAXES. The Franchisee will be absolutely and exclusively responsible and liable for the prompt filing and payment of all federal, state, city and local taxes including, but not limited to, individual and corporate income taxes, sales and use taxes, franchise taxes, gross receipts taxes, employee withholding taxes, F.I.C.A. taxes, unemployment taxes, inventory taxes, personal property taxes, real estate taxes and other taxes payable in connection with the Franchisee's Business (hereinafter referred to as "Taxes"). JJFI will have no liability for the Taxes which arise or result from the Franchisee's Business and the Franchisee will indemnify JJFI for any such Taxes that may be assessed or levied against JJFI which arise or result from the Franchisee's Business. It is expressly understood and agreed by the Personal Guarantors, as defined in Article 1.13, to this Agreement that their personal guaranty applies to the prompt filing and payment of all Taxes which arise or result from the Franchisee's Business.

11.24. REIMBURSEMENT OF FRANCHISOR FOR TAXES. In the event any "franchise" or other tax which is based upon the Gross Revenues, receipts, sales, business activities or operation of the Franchisee's Business is imposed upon JJFI by any taxing authority, then the Franchisee will reimburse JJFI in an amount equal to the amount of such taxes and related costs imposed upon and paid by JJFI. The Franchisee will be notified in writing if JJFI is entitled to reimbursement for the payment of such taxes and, in that event, the Franchisee will pay JJFI the amount specified in the written notice within 10 days of the date of the written notice.

11.25. COMPLIANCE WITH APPLICABLE LAWS. The Franchisee will, at its expense, comply with all applicable federal, state, city, local and municipal laws, ordinances, rules and regulations pertaining to the operation of the Franchisee's Squeegee Squad Business, including, but not limited to, health and safety regulations, all environmental laws, all laws relating to employees and compensation of employees, all discrimination laws, all sexual harassment laws and all laws relating to the disabled. The Franchisee will, at its expense, consult an attorney to obtain advice with regard to the Franchisee's compliance with all federal and state environmental laws, OSHA laws, licensing laws and all other laws relating to the application, storage and disposal of products used by the Franchisee in its Squeegee Squad Business. The Franchisee will, at its expense, be absolutely and exclusively responsible for determining the licenses and permits required by law for the Franchisee's Squeegee Squad Business, for filing, obtaining and qualifying for all such licenses and permits, and for complying with all applicable laws.

11.26. SECURITY INTEREST. This Agreement and the Franchise granted to the Franchisee hereunder may not be the subject of a security interest, lien, levy, attachment or execution by the Franchisee's creditors or any financial institution, except with the prior written approval of JJFI.

11.27. NOTICES OF DEFAULT, LAWSUITS OR OTHER CLAIMS. The Franchisee will immediately deliver to JJFI a copy of any notice of default received from any mortgagee, trustee under any deed of trust, contract for deed holder, lessor or any other party with respect to the Franchisee's Squeegee Squad Business, and copies of all written notifications of any lawsuits, consumer claims, employee claims, federal or state administrative or agency proceedings or investigations or other claims, actions or proceedings relating to the Franchisee's Business. Upon request from JJFI, the Franchisee will provide such additional information as may be required by JJFI regarding the alleged default, lawsuit, claim, action, investigation or proceeding, and any subsequent action or proceeding in connection with the alleged default, lawsuit, claim, action, investigation or proceeding.

11.28. OPERATION OF SQUEEGEE SQUAD BUSINESS. The Franchisee will be totally and solely responsible for the operation of its Squeegee Squad Business. The Franchisee will hire a sufficient number of suitable employees for the operation of its Squeegee Squad Business and Franchisee will be exclusively responsible for terms of employment, work hours and compensation. All personnel decisions shall be made by Franchisee, without any influence or advice from JJFI. The Franchisee will supervise and manage any agents and independent contractors who work for or with the Franchisee. The Franchisee will be responsible for the acts of its employees, agents and independent contractors, and will take all reasonable business actions necessary to ensure that its employees, agents and independent contractors comply with all federal, state and local laws, rules and regulations including, but not limited to, all employment laws, discrimination laws, sexual harassment laws and laws relating to the disabled. JJFI will not have any right, obligation or responsibility to control, supervise or manage the Franchisee's employees, agents or independent contractors.

11.29. OPERATION BY JJFI IN EVENT OF MATERIAL DEFAULT. In the event that the Franchisee abandons the Business or materially fails to operate the Business in accordance with the Squeegee Squad Business System (unless such failure to operate is due to fire, flood, earthquake, an unforeseen act of government authority beyond Franchisee's control, or other similar causes beyond Franchisee's control), JJFI and the Franchisee agree that JJFI or its designee may, at JJFI's option (but not obligation), operate the Franchised Business on the Franchisee's behalf. In such event, the Franchisee shall pay JJFI its reasonable costs and expenses of operating (or arranging for operation of) the Franchised Business. Franchisee's failure to operate the Franchise Location may constitute abandonment of the Franchised Business under this Agreement.

11.30. DATA POLLING. The Franchisee will participate in any data polling system developed by JJFI for purposes of collecting, evaluating and distributing financial data in connection with the operation of Squeegee Squad businesses on an individual and system-wide basis. The Franchisee will purchase, install and utilize in its Business, at the Franchisee's expense, all hardware, software and monthly data polling services required by JJFI to provide access to such data and to participate in the data polling system.

ARTICLE 12

INSURANCE

12.1. REQUIRED INSURANCE. The Franchisee will purchase and maintain in full force and effect, at its sole cost and expense, insurance that insures both the Franchisee and JJFI, and their respective officers, directors, agents, employees and affiliates, and any other persons designated by JJFI by name. The insurance policies must cover any and all loss, liability, claim or expense whatsoever related to the insurance and must include, at a minimum:

- (A) **GENERAL LIABILITY.** The Franchisee must acquire and maintain in full force and effect, at its sole cost and expense, a general liability insurance policy insuring the Franchisee, JJFI, Jack & Joe's Window Cleaning, Inc. ("JJWC"), and Jack and Joes Janitorial LLC ("JJJL"), and each of their respective officers, directors, governors, managers and employees from and against any loss, liability, bodily injury, personal injury, death, damage, claim or expense of any kind whatsoever including claims for bodily injury, personal injury, death, property damage, products liability resulting from the condition, operation, use, business or occupancy of the Franchisee's Squeegee Squad business, with minimum coverage limits of \$500,000 for each occurrence, \$1,000,000 annual aggregate, and \$5,000 per person medical benefits, or such higher amounts as designated in writing from time to time by JJFI.

- (B) **VEHICLE INSURANCE.** The Franchisee must acquire and maintain in full force and effect, at its sole cost and expense, automobile liability coverage insuring the Franchisee, JJFI, and their respective officers, directors, governors, managers and employees from any and all loss, liability, damage, claim or expense of any kind whatsoever resulting from the use, operation or maintenance of any automobile or vehicle used by the Franchisee or any of its employees in connection with the Franchisee's Squeegee Squad business, with minimum coverage limits of \$300,000 for each occurrence, or such higher amounts as designated in writing from time to time by JJFI.
- (C) **UMBRELLA POLICY.** The Franchisee must acquire and maintain in full force and effect, at its sole cost and expense, an "umbrella" policy insuring the Franchisee, JJFI, and their respective officers, directors, governors, managers and employees with minimum coverage limits of \$1,000,000 for each occurrence.
- (D) **OTHER INSURANCE.** The Franchisee will, at its sole cost and expense, procure and maintain workers' compensation insurance and all other insurance prescribed by JJFI from time to time or as required by state or federal law, together with all insurance required under any lease, mortgage, deed of trust or other legal contract in connection with the Franchisee's Squeegee Squad business. JJFI reserves the right to modify the insurance requirements at any time.

12.2. INSURANCE COMPANIES; EVIDENCE OF COVERAGE. All insurance companies providing coverage to the Franchisee and the Franchisee's Business must be acceptable to and approved by JJFI, and must be licensed in the state where coverage is provided. The Franchisee will provide JJFI with certificates of insurance evidencing the insurance coverage required of the Franchisee pursuant to this Article prior to the date the Franchisee's representatives attend JJFI's training program, and the Franchisee will immediately provide, upon expiration, change or cancellation, a new certificate of insurance to JJFI. The Franchisee will also provide JJFI with copies of the additional insured endorsement, declarations page, the certificate of insurance, and other evidence of compliance with these requirements as we may require or upon our request. JJFI does not represent or warrant that any insurance that Franchisee is required to purchase will provide Franchisee with adequate coverage. The insurance requirements specified in this Agreement are for JJFI's protection. Franchisee should consult with its own insurance agents, attorneys and other insurance advisors to determine the level of insurance protection Franchisee needs and desires, in addition to the coverage and limits JJFI requires.

12.3. DEFENSE OF CLAIMS. All liability insurance policies procured and maintained by the Franchisee will require the insurance company to provide and pay for attorneys to defend any legal actions, lawsuits or claims brought against the Franchisee, JJFI, and their respective officers, directors, employees and agents.

12.4. FRANCHISOR'S RIGHTS. All insurance policies procured and maintained by the Franchisee pursuant to this Article will name JJFI as an additional insured, will contain endorsements by the insurance companies waiving all rights of subrogation against JJFI, and will stipulate that JJFI will receive copies of all notices of cancellation, nonrenewal, or coverage reduction or elimination at least 30 days prior to the effective date of such cancellation, nonrenewal or coverage change.

12.5. BREACH. The Franchisee's failure to comply with the provisions of this Article 12 will give JJFI the right, but not the obligation, to procure on behalf of the Franchisee and the Franchisee's Business, any and all insurance required under this Agreement with the agent and insurance company of JJFI's choice. JJFI will invoice the Franchisee for all costs and expenses incurred by JJFI to procure the required insurance coverage on behalf of the Franchisee and the Franchisee's Business. Within 10 days of receipt of an invoice from JJFI,

the Franchisee must pay all amounts owed to JJFI for costs and expenses to procure insurance coverage on behalf of the Franchisee and the Business.

ARTICLE 13

FINANCIAL STATEMENTS, REPORTS OF GROSS REVENUES; FORMS AND ACCOUNTING

13.1. FINANCIAL STATEMENTS; CUSTOMER INFORMATION. The Franchisee will, at its expense, provide JJFI with annual financial statements for the Franchisee's Business, which will consist of a balance sheet, profit and loss statement, statement of cash flows and explanatory footnotes, within 60 days after the Franchisee's fiscal year end. Upon 30 days' written notice to the Franchisee, JJFI has the right to require the Franchisee to provide balance sheets and profit and loss statements to JJFI on a monthly or semiannual basis, in JJFI's sole judgment. All financial statements provided to JJFI for the Franchisee's Business will be presented in the exact form and format prescribed by JJFI in writing, and will be categorized according to the standard chart of accounts developed and approved by JJFI. The Franchisee's financial statements will be prepared in accordance with generally accepted accounting principles applied on a consistent basis. In addition, the Franchisee will maintain an accurate record of all existing customers and any canceled customers, including, but not limited to, the name, address, telephone number, budget information and price of services and will, upon JJFI's reasonable request, remit a report of such customer information using such formats as JJFI may from time to time prescribe in writing.

13.2. VERIFICATION OF FINANCIAL STATEMENTS. If the Franchisee's annual financial statements are not audited by an independent certified public accountant, then, if the Franchisee is a corporation, the Franchisee's annual financial statements must be certified in writing as accurate by the Franchisee's President and Chief Financial Officer, or if the Franchisee is a partnership, then by the Franchisee's Partners, or if the Franchisee is an individual, then by the Franchisee.

13.3. TAX RETURNS. Within 10 days after the Franchisee files any such return with the applicable governmental agencies, the Franchisee will provide JJFI with a signed copy of each of the Franchisee's annual federal and state income tax returns, sales tax returns, and a copy of any other federal, state and local tax returns filed by the Franchisee including, but not limited to, any amended tax return filed by the Franchisee for a preceding year or other period, together with written proof that the Franchisee has paid all taxes due. JJFI will not disclose any such tax returns to persons not employed by JJFI except as may be reasonably necessary in the conduct of JJFI's business. The Franchisee will also provide the tax returns of each of the Personal Guarantors upon JJFI's request.

13.4. WEEKLY REPORTS OF GROSS REVENUES. The Franchisee will maintain an accurate record of the daily Gross Revenues of the Franchisee's Business and will remit a report of the Gross Revenues generated by, at, as a result of, or from the Franchisee's Business using such formats as JJFI may from time to time prescribe in writing. The Gross Revenue report must be signed and certified as accurate by the Franchisee and must be delivered to JJFI on or before Monday of each week for the preceding week. In the event that Franchisee fails to timely submit its required weekly report, JJFI has the option to charge Franchisee a late fee in an amount determined by JJFI, up to a maximum of \$50 per occurrence.

13.5. FRANCHISOR'S AUDIT RIGHTS. The Franchisee and the Franchisee's accountants will make all of their records, ledgers, work papers, books, accounts and financial information ("financial records") available to JJFI during regular business hours and at all other reasonable times for review and audit by JJFI or its designee. To the extent the financial records are computerized, JJFI will have the right to access the Franchisee's computer and software programs containing the financial records and to copy the financial records to a computer disk or to any portable or other computer owned or controlled by JJFI. The Franchisee's

financial records for each fiscal year will be kept in a secure place by the Franchisee and will be available for audit by JJFI for at least 5 years. If an audit by JJFI results in a determination that the Franchisee's Gross Revenues were understated by more than 2%, or that the Franchisee has underpaid the monthly Continuing Fees by more than \$500 during any 12-month period, then the Franchisee will pay JJFI for all costs and expenses (including salaries of JJFI's employees, travel costs, room and board, and audit fees) that JJFI incurred as a result of the audit of the Franchisee's financial records. If the Franchisee has underpaid JJFI, then the Franchisee will, within 10 days of receipt of an invoice from JJFI indicating the amounts owed, pay to JJFI any deficiency in Continuing Fees or other amounts owed to JJFI, together with interest as provided for herein. The Franchisee's failure or refusal to produce the books and financial records for audit by JJFI in accordance with this Article 13.6 will be grounds for the immediate termination of this Agreement by JJFI.

13.6. PRE-AUTHORIZED BANK TRANSFERS. The Franchisee will, from time to time during the term of this Agreement, execute such documents as JJFI may request to provide the Franchisee's unconditional and irrevocable authority and direction to its bank or financial institution authorizing and directing the Franchisee's bank or financial institution to transfer directly to the bank account of JJFI, and to charge to the account of the Franchisee, on Monday of each week for the preceding week, the amount of Continuing Fees, Advertising Fees and other sums due and payable by the Franchisee to JJFI pursuant to this Agreement, or any other agreement between JJFI and the Franchisee. The transfer authorizations will be in the form prescribed by JJFI's bank. The Franchisee's authorizations will permit JJFI to designate the amount to be transferred from the Franchisee's account, and to adjust such amount from time to time, for the Continuing Fees, Advertising Fees and other sums then payable to JJFI from the Franchisee. If the Franchisee fails at any time to provide the weekly reports of Gross Revenues required under Article 13 of this Agreement, then JJFI will have the right to estimate the amount of Continuing Fees, Advertising Fees and other sums due and payable to JJFI, and to transfer such estimated amount from the Franchisee's bank account to JJFI's bank account. The Franchisee will at all times maintain a balance in its account at its bank or financial institution sufficient to allow the appropriate amount to be transferred from the Franchisee's account for payment of the Continuing Fees and other sums payable by the Franchisee directly to JJFI's bank account. The Franchisee shall pay all charges imposed by its financial institution for the establishment and implementation of the pre-authorized electronic bank transfers referenced above. The Franchisee must execute an EFT Authorization in a form acceptable to Franchisor.

13.7. ELECTRONIC REPORTING. The Franchisee acknowledges and agrees that JJFI may require that all financial statements, returns, reports and other information required be provided to JJFI by the Franchisee pursuant to this Article 13 or otherwise pursuant to this Agreement be provided to JJFI in electronic format.

ARTICLE 14

FRANCHISOR'S RIGHT OF FIRST REFUSAL TO PURCHASE

14.1. RESTRICTIONS. The Franchisee will not sell, assign, trade, transfer, lease, sublease, or otherwise dispose of any interest in or any part of the Franchisee's Squeegee Squad Business or the Business Assets, as defined in this provision, to a third party without first offering the same to JJFI in writing, at the same price and on the same terms as the Franchisee proposes to accept from such third party. "Business Assets" shall mean (A) the Franchisee's Squeegee Squad Business; (B) the lease for the Franchisee's office (if applicable); (C) the land and building for the Franchisee's office (if applicable); (D) this Agreement; and (E) the vehicles, supplies and equipment used in the Business, except for transactions involving the sale of the items listed in this Article 14.1 to the extent such sales occur in the normal course of business. The Franchisee's written offer to JJFI must contain all material terms and conditions of the proposed sale or transfer, including but not limited to the name, address, business experience and financial condition of the proposed third party transferee. Upon receipt by JJFI of written notice specifying such material terms and conditions of the

proposed sale or transfer, JJFI will have the right (but not the obligation), exercisable by written notice to the Franchisee within 15 business days thereafter, to (1) accept such offer, (2) waive its right of first refusal to purchase, or (3) state an interest in negotiating to purchase the Business Assets. If JJFI elects to commence negotiations to purchase the Franchisee's Business Assets as set forth herein, the Franchisee may not sell the Business Assets to such third party for at least 30 days or until JJFI and the Franchisee agree in writing that the negotiations have terminated, whichever comes first. If JJFI waives its right to purchase, the Franchisee shall have the right to complete the sale or transfer of the Business Assets according to the terms set forth in the written notice to JJFI; however, any such sale, transfer or assignment to such third party is expressly subject to the terms and conditions set forth in Article 15 below and any material variation in the terms of the sale from those set forth in the original notice to JJFI, including but not limited to a change to the identity of such third party, shall constitute a new offer to purchase that shall be submitted to JJFI in the manner provided above. If JJFI elects to accept the offer from the Franchisee, the sale shall be consummated in accordance with the terms and conditions of the offer. The Franchisee's obligations under this Agreement including, but not limited to, its obligations to pay the Continuing Fees and to operate the Business Assets as a Squeegee Squad Business shall not be affected or changed because of JJFI's nonacceptance of the Franchisee's written offer.

14.2. ACKNOWLEDGMENT OF RESTRICTIONS. The Franchisee acknowledges and agrees that the restrictions imposed by JJFI on the transfer of the Business Assets and the Ownership Interests are reasonable and necessary to protect the goodwill associated with the Business System and the Marks, as well as JJFI's reputation and image, and are for the protection of JJFI, the Franchisee and all other franchisees that own and operate Squeegee Squad Businesses. Any assignment or transfer of the Business Assets or the Ownership Interests permitted by this Article 14 will not be effective until JJFI receives fully executed copies of all documents relating to the assignment or transfer, and JJFI has consented in writing to the assignment or transfer.

14.3. SELLING HOLDERS SUBJECT TO COVENANT NOT TO COMPETE. Any holder of Ownership Interests in the Franchisee that sells, assigns, trades, bequeaths, transfers or disposes of any Ownership Interests in the Franchisee will be subject to the provisions of Article 19 of this Agreement after the sale or assignment.

14.4. RIGHT OF FRANCHISOR TO PURCHASE FRANCHISE ASSETS. If this Agreement expires or is terminated by either JJFI or the Franchisee for any reason whatsoever, if the Franchisee wrongfully terminates this Agreement by failing to comply with Article 17 or otherwise, or if the Franchisee at any time ceases to do business within the Territory as a Squeegee Squad Business, then JJFI will have the right, but not the obligation, to purchase the Franchisee's Squeegee Squad Business, including the then-usable vehicles, supplies, inventory and equipment, and all other assets that are required by JJFI for a standard Squeegee Squad Business and owned by the Franchisee in its Business and to acquire any lease or other contract rights of the Franchisee (hereinafter referred to in this provision as the "Franchise Assets"). JJFI will not purchase any assets from the Franchisee that are not part of the standard Squeegee Squad Business. Within 2 business days after this Agreement expires or is terminated by either party, wrongfully terminated by the Franchisee or the Franchisee ceases to do business as a Squeegee Squad Business, the Franchisee must give JJFI written notice of the Franchisee's asking price for the Franchise Assets. If the Franchisee fails to give JJFI this notice and/or if JJFI and the Franchisee cannot agree on the price of the Franchise Assets, then, without considering any value for goodwill associated with the name "Squeegee Squad," the Assets will be valued at book value (cost less depreciation). JJFI will have the right, but not the obligation, to purchase any or all of the Franchise Assets from the Franchisee for cash within 20 days after the fair market value of the Franchise Assets has been established and delivered to the parties in writing. Nothing in this provision may be construed to prohibit JJFI from enforcing the terms and conditions of this Agreement, including the covenants not to compete contained in Article 19.

ARTICLE 15

ASSIGNMENT

15.1. ASSIGNMENT BY FRANCHISOR. This Agreement may be unilaterally assigned and transferred by JJFI without the approval or consent of the Franchisee, and will inure to the benefit of JJFI's successors and assigns. JJFI will give the Franchisee written notice of any such assignment or transfer, and the assignee will be required to fully perform JJFI's obligations under this Agreement.

15.2. ASSIGNMENT BY THE FRANCHISEE TO CONTROLLED ENTITY OR IMMEDIATE FAMILY MEMBERS. If the Franchisee is an individual or a partnership, this Agreement may be transferred or assigned by the Franchisee, without first offering it to JJFI pursuant to Article 14 above, to (i) a corporation, limited liability company or other similar entity which is owned or controlled (controlled, for purposes of this Agreement, means ownership of at least 51% of the issued and outstanding capital stock, membership interests or other similar ownership interests) by the Franchisee or (ii) the Franchisee's spouse or children ("Immediate Family Members"), provided that: (A) the Franchisee and each transferee owner (including shareholders, members or Immediate Family Members, as the case may be) sign the personal guaranty and agreement to be bound by the terms and conditions of this Agreement attached hereto; (B) the Franchisee furnishes prior written proof to JJFI substantiating that each transferee owner will be financially able to perform all of the terms and conditions of this Agreement; (C) none of the transferee owners owns, operates, franchises, develops, manages or controls any business that is in any way competitive with or similar to a Squeegee Squad Business; and (D) in the event of a transfer or assignment to an Immediate Family Member, the transferee must successfully complete JJFI's training program, at the Franchisee's expense, and must be qualified from a managerial and financial standpoint, determined by JJFI in the exercise of its absolute judgment which shall not be subject to any limitation or review, to operate the Squeegee Squad Business in an economic and business-like manner. The Franchisee will give JJFI 15 days' written notice prior to the proposed date of assignment or transfer of this Agreement to an owned or controlled entity of the Franchisee or an Immediate Family Member; however, the transfer or assignment of this Agreement will not be valid or effective until JJFI has received the legal documents which its legal counsel deems necessary to properly and legally document the transfer or assignment of this Agreement as provided herein.

15.3. TRANSFER OF OWNERSHIP INTERESTS. If the Franchisee is a corporation, limited liability company or other similar entity, then ownership interests of the Franchisee owned by the Franchisee's owners ("ownership interests") may not be sold, pledged, assigned, traded, transferred or otherwise disposed of by the Franchisee's owners until the ownership interests have been first offered to JJFI in writing under the same terms and conditions offered to any third party as provided for in Article 14 above and the conditions of Article 15.5 below are satisfied. Notwithstanding the terms of this Article 15, the Franchisee's owner may bequeath, sell, assign, trade or transfer his or her ownership interests to the other owners of the Franchisee or an Immediate Family Member without first offering the interests to JJFI, provided that each proposed transferee owner who will be involved in the operations or management of the Squeegee Squad Business has successfully completed JJFI's training program, at the Franchisee's expense, and is qualified from a managerial and financial standpoint to operate the Squeegee Squad Business in an economic and businesslike manner. The Franchisee and the Franchisee's owners must provide JJFI with written notice of all such transactions, and the proposed transferee owners must agree to be personally liable under this Agreement and enter into a written agreement where they agree to perform all the terms and conditions contained in this Agreement. All shares of ownership interests issued by the Franchisee to its owners must bear the following legend:

The ownership interests represented by this certificate are subject to a written Franchise Agreement which grants JACK & JOE'S

FRANCHISING, INC. the right of first refusal to purchase these interests from the holder. Any person acquiring the interests represented by this certificate will be subject to the terms and conditions of the Franchise Agreement between the company specified on the face of this certificate and JACK & JOE'S FRANCHISING, INC. which includes provisions containing covenants not to compete that apply to all holders of ownership interest in the company.

15.4. ASSIGNMENT BY INDIVIDUAL FRANCHISEE IN EVENT OF DEATH OR PERMANENT DISABILITY. If the Franchisee is an individual, then in the event of the death or permanent disability of the Franchisee, this Agreement may be assigned, transferred or bequeathed by the Franchisee to any designated individual or beneficiary without first offering JJFI the right to acquire this Agreement pursuant to Article 14 of this Agreement and without the payment of any transfer fee. However, the assignment of this Agreement to the transferee, assignee or beneficiary of the Franchisee will be subject to the provisions of Articles 15.5(A) through (F) and 15.4(H) through (K), and will not be valid or effective until the transferee, assignee or beneficiary of the Franchisee have completed JJFI's training program, at their expense and JJFI has received the properly executed legal documents which its attorneys deem necessary to properly and legally document the transfer, assignment or bequest of this Agreement. Furthermore, the transferee, assignee or beneficiary must agree to be unconditionally bound by the terms and conditions of this Agreement and to personally guarantee the performance of the Franchisee's obligations under this Agreement.

15.5. APPROVAL OF TRANSFER. Subject to the provisions of Article 15.2, 15.3 and 15.4, this Agreement or the Business Assets, as defined in Article 14.1, may be sold, assigned or transferred by the Franchisee only with the prior written approval of JJFI. JJFI will not unreasonably withhold its consent to any sale, assignment or transfer under this Agreement, provided that Franchisee gives JJFI not less than ninety (90) days' written notice of Franchisee's intent to transfer this Agreement or the Business Assets and the Franchisee and the transferee comply with the following conditions:

- (A) The Franchisee has complied in all respects with the applicable provisions of Article 14 of this Agreement;
- (B) The Franchisee and the transferee have disclosed to JJFI all material terms of their transaction, including providing JJFI with a copy of all written agreements relating to the transfer;
- (C) All of the Franchisee's monetary obligations due to JJFI have been paid in full, and the Franchisee is not otherwise in default under this Agreement or any other agreement with JJFI;
- (D) The Franchisee and its owners have executed a written agreement in a form satisfactory to JJFI in which they agree to release JJFI of all claims to observe all applicable obligations and covenants (including noncompete covenants) contained in this Agreement;
- (E) The transferee and its owners have executed a written agreement in a form satisfactory to JJFI to be personally liable and discharge all of the Franchisee's obligations under this agreement;
- (F) The transferee has demonstrated to JJFI's satisfaction that he, she or it meets JJFI's managerial, financial and business standards for new franchisees, possesses a good business reputation and credit rating, and possesses the aptitude and ability to operate Squeegee Squad

Business in an economic and businesslike manner (as may be evidenced by prior related business experience or otherwise);

- (G) The transferee must successfully complete the training program prescribed by JJFI, at the transferee's expense;
- (H) the Franchisee has paid the transfer fee required under Article 15.8;
- (I) None of the transferee and its owners owns, operates, franchises, develops, manages or controls any business that is in any way competitive with or similar to a Squeegee Squad Business;
- (J) The transferee and all parties having a legal or beneficial interest in the transferee, including, if applicable, the holders of all ownership interests in the transferee and the transferee's personal guarantors as required by JJFI, execute JJFI's then-current standard Franchise Agreement and such other ancillary agreements as JJFI may require for the transfer of the Franchisee's Business;
- (K) The transferee will not be required to pay the Initial Franchise Fee; however, the transferee will be required to pay the Continuing Fees and the Advertising Fees to JJFI at the rate specified in the Agreement; and
- (L) If the transferee does not meet JJFI's net worth requirements for operations of the Squeegee Squad Business, then the Franchisee, its owners and the Personal Guarantors will execute a written agreement in a form satisfactory to JJFI agreeing to remain liable to JJFI for the obligations of the transferee hereunder.

15.6. TRANSFER TO COMPETITOR PROHIBITED. The Franchisee will not sell, assign or transfer this Agreement to any person, partnership, corporation or entity that owns, operates, franchises, develops, consults with, manages, is involved in, or controls any business that is in any way competitive with a Squeegee Squad Business. If JJFI refuses to permit a transfer of this Agreement under this Article 15.6, the Franchisee's only remedy will be to have a court of competent jurisdiction determine whether the proposed transferee is a competitor of JJFI.

15.7. ACKNOWLEDGMENT OF RESTRICTIONS. The Franchisee acknowledges and agrees that the restrictions imposed by JJFI pursuant to this Article 15 are reasonable and necessary to protect the goodwill associated with the Business System and the Marks, as well as JJFI's reputation and image, and are for the protection of JJFI, the Franchisee and all other franchisees that own and operate Squeegee Squad Businesses. Any assignment or transfer permitted by this Article 15 will not be effective until JJFI receives fully executed copies of all documents relating to the assignment or transfer, and JJFI has consented in writing to the assignment or transfer.

15.8. TRANSFER FEE. If, pursuant to the terms of this Article 15, this Agreement is assigned, transferred or sold to another person or entity, or if the holders of Ownership Interests in the Franchisee representing more than 50% of the voting power in the Franchisee transfer their interests in the Franchisee to a third party, then the Franchisee will pay JJFI a transfer fee to help defray the costs incurred by JJFI for training, attorneys' fees, accountants' fees, out-of-pocket expenses, administrative costs and the time of its employees and officers. The amount of the transfer fee shall be either (a) 1/2 of the Initial Franchise Fee listed JJFI's then-current or most-recently issued franchise disclosure document or (b) \$9,500, whichever is lower. The transfer fee must be paid by the Franchisee to JJFI prior to the date of transfer. JJFI will waive the transfer fee in the

event of a transfer to an Immediate Family Member; although the Immediate Family Member, if such a person has not already successfully completed JJFI's training program, must pay to JJFI the then-current training fee.

ARTICLE 16

FRANCHISOR'S TERMINATION RIGHTS; DAMAGES

16.1. CONDITIONS OF BREACH. In addition to its other rights of termination contained in this Agreement including under Article 16.4 below, JJFI will have the right to terminate this Agreement if:

- (A) The Franchisee fails to open and commence operations of its Squeegee Squad Business within 160 days from the date of this Agreement;
- (B) The Franchisee violates any material provision, term or condition of this Agreement or any other agreement between the Franchisee and JJFI or an affiliate of JJFI, including, but not limited to, failure to timely pay any Continuing Fees, Advertising Fees or any other monetary obligations or fees due to JJFI or its affiliates;
- (C) The Franchisee fails to conform to the Business System, the standards of uniformity and quality for the goods and services or the policies and procedures promulgated by JJFI in connections with the Business System, or is involved in any act or conduct which materially impairs the goodwill associated with the Marks or the Business System including, but not limited to, the application of non-approved products or false warranty representations;
- (D) The Franchisee fails to timely pay any of its uncontested obligations or liabilities due and owing to its employees, suppliers, banks, purveyors and other creditors, or JJFI;
- (E) Any check issued by the Franchisee is dishonored because of insufficient funds (except where the check is dishonored because of an error in bookkeeping or accounting) or closed accounts;
- (F) The Franchisee fails to pay for the vehicles, supplies and equipment required for its Business prior to commencing business;
- (G) The Franchisee fails to file any required federal, state or other income or sales tax return or fails to timely pay any federal, state or other income or sales taxes when due.

16.2. NOTICE OF BREACH. Except as provided for in Article 16.4 of this Agreement, JJFI will not have the right to terminate this Agreement unless and until written notice setting forth the alleged breach has been given to the Franchisee by JJFI and, after having been given such written notice of breach, the Franchisee fails to correct the alleged breach within the period of time specified by applicable law. If applicable law does not specify a time period to correct an alleged breach, then the Franchisee will have 30 days after having been given such written notice to correct the alleged breach, except for nonpayment of amounts owed to JJFI, in which case the Franchisee will have 10 days after having been given such written notice to correct the alleged breach. If the Franchisee fails to correct the alleged breach set forth in the written notice within the applicable period of time, then this Agreement may be terminated by JJFI as provided for in this Agreement.

16.3. NOTICE OF TERMINATION. If the Franchisee has not corrected the alleged breach set forth in the written notice within the time period specified in this Article, then JJFI will have the right to terminate this Agreement by giving the Franchisee written notice stating to the Franchisee that this Agreement is

terminated, and in that event, unless applicable law provides to the contrary, the effective date of termination of this Agreement will be the day such written notice is given.

16.4. NOTICE OF IMMEDIATE TERMINATION. JJFI will have the right and privilege, unless prohibited by applicable law, to immediately terminate this Agreement, without any opportunity to cure, if:

- (A) The Franchisee or any of its partners, directors, officers, governors, managers or majority stockholders is convicted of, or pleads guilty or no contest to, a charge of violating any law relating to the Franchisee's Squeegee Squad Business or any felony;
- (B) The Franchisee voluntarily or otherwise abandons, as defined herein, the Franchisee's Squeegee Squad Business;
- (C) The Franchisee is involved in any act or conduct which materially impairs the goodwill associated with JJFI's Marks or Business System, and the Franchisee fails to correct such act or conduct within 24 hours of receipt of written notice from JJFI;
- (D) The Franchisee fails to allow or provide to JJFI electronic access to the Franchisee's data or information as required under 11.15 above;
- (E) The Franchisee fails or refused to permit JJFI to audit the Franchisee's financial records, or fails or refuses to produce its financial records for audit by JJFI in accordance with Article 13.6;
- (F) The Franchisee is determined to be insolvent within the meaning of any state or federal law, files for bankruptcy or is adjudicated bankrupt under any state or federal law;
- (G) The Franchisee makes an assignment for the benefit of creditors or enters into any similar arrangement for the disposition of its assets for the benefit of creditors; or
- (H) The Franchisee's default is its third default within the last 24 months.

16.5. DAMAGES. In the event this Agreement is terminated by JJFI pursuant to this Article, or if the Franchisee breaches this Agreement by a wrongful termination or a termination that is not in accordance with the terms and conditions of Article 17 of this Agreement, then JJFI will be entitled to seek recovery from the Franchisee for all of the damages that JJFI has sustained and will sustain in the future as a result of the Franchisee's breach of this Agreement, which will include damages based upon the Continuing Fees, Advertising Fees, and other fees that would have been payable by the Franchisee for the remaining term of this Agreement.

ARTICLE 17

FRANCHISEE'S TERMINATION RIGHTS

17.1. GROUND FOR TERMINATION. The Franchisee will have the right and privilege to terminate this Agreement, as provided for herein, if JJFI violates any material provision, term or condition of this Agreement.

17.2. NOTICE OF BREACH. The Franchisee will not have the right to terminate this Agreement unless and until written notice setting forth the alleged breach in detail has been given to JJFI by the Franchisee and JJFI fails to correct the alleged breach within 60 days after having been given such written

notice. If JJFI fails to correct the alleged breach within 60 days after having been given such written notice, then this Agreement may be terminated by the Franchisee; provided that the Franchisee complies with the post-term obligations described in Article 18.

17.3. WAIVER. The Franchisee must give JJFI immediate written notice of an alleged breach or violation of this Agreement after the Franchisee has knowledge of, determines or is of the opinion that there has been an alleged breach or violation of this Agreement by JJFI. If the Franchisee fails to give written notice to JJFI of an alleged breach or violation of this Agreement within one year from the date that the Franchisee has knowledge of, determines, is of the opinion that, or becomes aware of facts and circumstances reasonably indicating that the Franchisee may have a claim under any state law, federal law or common law, then the alleged breach or violation will be deemed to be condoned, approved and waived by the Franchisee, and the Franchisee will be barred from commencing any legal or other action against JJFI for that alleged breach or violation.

ARTICLE 18

FRANCHISEE'S OBLIGATIONS UPON TERMINATION OR EXPIRATION

18.1. OBLIGATIONS UPON TERMINATION. Upon expiration or termination of this Agreement for any reason, the Franchisee's right to use the service mark Squeegee Squad and the other Marks and the Business System will terminate immediately and revert back to JJFI. In addition, the Franchisee will: (A) within 5 days after expiration or termination, pay all Continuing Fees, Advertising Fees, and other amounts due and owing to JJFI or its affiliates under this Agreement, or any other contract, promissory note or other obligation payable by the Franchisee to JJFI or its affiliates; (B) immediately return to JJFI by first class prepaid United States mail all copies of the Manual, advertising materials and all other printed materials containing the Marks or pertaining to the Franchisee's Squeegee Squad Business; (C) immediately inform its suppliers in writing of the termination of the Franchisee's rights to operate a franchised Squeegee Squad; (D) immediately discontinue use of all confidential and proprietary information; (E) immediately deliver all customer lists and records to JJFI; (F) cease participation in any Squeegee Squad website; (G) discontinue use of the Marks in any online communications; (H) alter its business as specified in Article 18.2; (I) comply with the post-term covenant not to compete described in Article 19.2 and all other applicable post-term obligations; and (J) not use any of the Marks in a derogatory, negative, or other inappropriate manner in any media, including but not limited to, print or electronic media.

18.2. ALTERATION OF VEHICLES AND OFFICE. If this Agreement expires or is terminated for any reason or if the Squeegee Squad Business office ever ceases to be used as a Squeegee Squad Business, then the Franchisee will, at its expense, remove the Squeegee Squad signs and decals from, and change the colors and décor of, all vehicles and other equipment and the business office used by the Franchisee in its Squeegee Squad Business.

18.3. TRANSFER OF TELEPHONE DIRECTORY LISTINGS. Upon termination or expiration of this Agreement, JJFI will have the right to notify the telephone company and all listing agencies of the termination or expiration of the Franchisee's right to use all telephone numbers and all classified and other directory listings for the Franchisee's Squeegee Squad Business or otherwise placed under the name Squeegee Squad, and to authorize the telephone company and all listing agencies to transfer to JJFI or its assignee all telephone numbers and directory listings for the Franchisee's Squeegee Squad Business. The Franchisee acknowledges that JJFI has all rights, title and interest in and to all telephone numbers and directory listings associated with the Marks, and the Franchisee hereby authorizes JJFI to direct the telephone company and all listing agencies to transfer all of the Franchisee's telephone numbers and directory listings to JJFI or its assignee if this Agreement expires or is terminated for any reason whatsoever.

The telephone company and all listing agencies will accept this Agreement as evidence of the exclusive rights of JJFI to such telephone numbers and directory listings. This Agreement will constitute the Franchisee's authorization for the telephone company and listing agencies to transfer the telephone numbers and directory listings for the Franchisee's Squeegee Squad Business to JJFI, and will constitute a release of the telephone company and listing agencies by the Franchisee from any and all claims, actions and damages that the Franchisee may at any time have the right to allege against them in connection with this provision.

ARTICLE 19

FRANCHISEE'S COVENANTS NOT TO COMPETE

19.1. IN-TERM COVENANT NOT TO COMPETE. The Franchisee, the Franchisee's owners and the Personal Guarantors will not, during the term of this Agreement, on their own account or as an employee, agent, consultant, partner, officer, director, governor, manager or owner of any other person, firm, entity, partnership, limited liability company or corporation, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity engaged in any business that is in any way competitive with or similar to the Squeegee Squad Businesses operated by JJFI, any entity affiliated with JJFI or JJFI's franchisees, except with the prior written consent of JJFI.

19.2. POST-TERM COVENANT NOT TO COMPETE. The Franchisee, the Franchisee's owners and the Personal Guarantors will not, for a period of 24 months after the termination or expiration of this Agreement, on their own account or as an employee, independent contractor, agent, consultant, partner, officer, director, governor, manager or owner of any other person, firm, entity, partnership, limited liability company or corporation:

- (A) Own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity engaged in any or other related business that is in any way competitive with (including, but not limited to, over the internet) or similar to the Squeegee Squad Business or a facet thereof, which is located (i) within the Territory, (ii) within the territories of any other Squeegee Squad business operated by JJFI or any of its affiliates or franchisees, (iii) within 10 miles of any of the areas described in (i) or (ii) above, or (iv) over the internet;
- (B) Divert or attempt to divert any existing or potential business or customers of JJFI, any JJFI affiliate or any Squeegee Squad franchisee;
- (C) Employ, or seek to employ, any person who is employed by JJFI or an affiliate of JJFI or by another Squeegee Squad franchisee, or induce or attempt to induce any such person to leave such employment; or
- (D) Solicit or perform residential and/or commercial window cleaning or other Squeegee Squad services for any customer for whom or which such services was performed by the Franchisee under the Squeegee Squad service marks, trademarks, and Business System during the term of this Agreement.

The Franchisee, the holders of all Ownership Interests in the Franchisee and the Personal Guarantors expressly agree (i) that the time, the internet and the geographical limitations set forth in this provision are reasonable and necessary to protect JJFI and JJFI's franchisees if this Agreement expires or is terminated by either party for any reason, (ii) that the time period expressed above shall be extended by an amount of time equal to the time the Franchisee, the holders of all Ownership Interests in the Franchisee or the Personal Guarantors are in breach of the provisions of this Article 19.2, and (iii) that this covenant not to compete is

necessary to permit JJFI the opportunity to resell and/or develop a new Squeegee Squad Business at or in the area near the Territory.

ARTICLE 20

INDEPENDENT CONTRACTORS

20.1. INDEPENDENT CONTRACTORS. JJFI and the Franchisee are each independent contractors and, as a consequence, there is no employer-employee, principal-agent or fiduciary relationship between JJFI and the Franchisee. The Franchisee will not have the right to and will not make any agreements, representations or warranties in the name of or on behalf of JJFI or represent that their relationship is other than that of franchisor and franchisee. Neither JJFI nor the Franchisee will be obligated by or have any liability to the other under any agreements or representations made by the other to any third parties. Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its employees and operations, saving and indemnifying the other party from any liability of any nature whatsoever.

20.2. INDEMNIFICATION. JJFI will not be obligated to the Franchisee or any other person or entity for damages arising out of, from, in connection with, or as a result of the Franchisee's negligence or the operation of the Franchisee's Squeegee Squad Business. The Franchisee will indemnify, defend and hold JJFI and its affiliates harmless against all claims, lawsuits, damages, obligations, liability, actions and judgments of any nature whatsoever (regardless of cause or any concurrent or contributing fault or negligence of JJFI) (collectively, "Claims") arising out of, from, as a result of, or in connection with the Franchisee's negligence or the operation of the Franchisee's Squeegee Squad Business or any business conducted by the Franchisee pursuant to this Agreement, including, without limitation, any Claims arising from or relating to: (A) any personal injury, property damage, commercial loss or environmental contamination resulting from any negligence or act or omission of the Franchisee or its employees, independent contractors, agents or representatives; (B) any failure on the part of the Franchisee to comply with any requirement of any governmental authority; (C) any failure of the Franchisee to comply with any requirement or condition of this Agreement or any other agreement with JJFI or any affiliate of JJFI. Further, the Franchisee will indemnify and reimburse JJFI and its affiliates for all costs reasonably incurred by JJFI in the defense of any such Claims brought against it or in any action in which it is named as a party, including, without limitation, attorneys' fees. Notwithstanding the Franchisee's obligation to defend JJFI as described above, JJFI will have the right to defend any claim made against it that results from or arises out of the Franchisee's Squeegee Squad Business.

20.3. CONTINUATION OF OBLIGATIONS. The indemnification and other obligations contained in this Article will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

ARTICLE 21

DISPUTE RESOLUTION

21.1. REQUIRED DISPUTES MEETING. JJFI and Franchisee agree that all disputes arising under this Agreement or the parties' relationship generally shall be resolved through binding arbitration in accordance with this Article. Prior to initiation of any Arbitration proceeding, and except for actions initiated in accordance with Article 21.4, the parties thereto shall participate in a meeting, at a mutually agreeable time and location, and engage in a good-faith attempt to resolve the dispute. The burden of arranging the meeting will fall to the party desiring to initiate arbitration, although both the Franchisee and JJFI shall have a duty to cooperate in the scheduling of any such meeting in good faith. The required dispute meeting may be waived only in a writing signed by both parties, or if a party refuses to schedule such a

meeting, or fails to respond to written request for a meeting within 10 business days. This Article 21.1 shall not apply to disputes initiated by JJFI for the collection of past due fees, or other amounts owed, where the amount at issue is \$20,000 or less.

21.2. DISPUTES SUBJECT TO ARBITRATION. Except as expressly provided in Article 21.5 below, all disputes and controversies between JJFI and the Franchisee and their officers, directors, governors, managers and owners or partners and the Personal Guarantors, including allegations of fraud, misrepresentation or violation of any state or federal laws or regulations, arising under, as a result of, or in connection with this Agreement, the Territory or the Franchisee's Squeegee Squad Business will be submitted to binding arbitration under the authority of the Federal Arbitration Act and will be arbitrated in accordance with the then-current Commercial Rules and Regulations of the American Arbitration Association. All arbitration hearings will take place exclusively in Minneapolis, Minnesota. Franchisee further agrees that no cause of action arising out of or under this Agreement may be maintained by Franchisee against JJFI unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after the Franchisee becomes aware of facts or circumstances reasonably indicating that Franchisee may have a claim against JJFI hereunder, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

21.3. POWERS OF ARBITRATOR. The authority of the arbitrator(s) will be limited to making a finding, judgment, decision and award relating to the interpretation of or adherence to the written provisions of this Agreement. The arbitrator(s) will not have the authority or right to add to, delete, amend or modify in any manner the terms, conditions and provisions of this Agreement. All findings, judgments, decisions and awards of the arbitrator(s) will be limited to the dispute set forth in the written demand for arbitration, and the arbitrator(s) will not have the authority to decide any other issues. The arbitrator(s) will not have the right or authority to (A) stay the effectiveness of any pending termination of this Agreement; (B) make any award which extends, modifies or suspends any lawful term of this Agreement; or (C) award punitive damages to JJFI or the Franchisee or their officers, directors, owners or partners and the Personal Guarantors, and JJFI and the Franchisee and their officers, directors, owners or partners, and the Personal Guarantors expressly waive their rights to plead or seek punitive damages. All findings, judgments, decisions and awards by the arbitrator(s) will be in writing and will be final and binding on JJFI and the Franchisee. The written decision of the arbitrator(s) will be deemed to be an order, judgment and decree and may be entered as such in any court of competent jurisdiction by either party.

21.4. NO COLLATERAL ESTOPPEL OR CLASS ACTIONS. All arbitration findings, conclusions, orders and awards made by the arbitrator will be final and binding on JJFI and the Franchisee and their officers, directors, governors, managers, owners or partners, and the Personal Guarantors; however, such arbitration findings, conclusions, orders and awards may not be used to collaterally estop either party from raising any like or similar issues, claims or defenses in any other or subsequent arbitration, litigation, court hearing or other proceeding involving third parties or other Franchisees. No party except JJFI, the Franchisee, and their officers, directors, governors, managers, owners or partners, and the Personal Guarantors will have the right to join in any arbitration proceeding arising under this Agreement, and, therefore, the arbitrator will not be authorized to permit or approve class actions or to permit any person or entity that is not a party to this Agreement to be involved in or to participate in any arbitration hearings conducted pursuant to this Agreement.

21.5. INJUNCTIVE AND OTHER RELIEF. Notwithstanding Article 21.1 above, the Franchisee recognizes that the Business is one of a large number of Businesses identified by the Marks and similarly situated and selling to the public similar products, and hence the failure on the part of a single franchisee to comply with the terms of its franchise agreement could cause irreparable damage to JJFI and/or to some or all other franchisees of JJFI. Therefore, it is mutually agreed that in the event of a breach or threatened breach of

any of the terms of this Agreement by the Franchisee, JJFI shall forthwith be entitled to seek an injunction restraining such breach and/or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, until such time as a final and binding determination is made by the arbitrators. Similarly, it is mutually agreed that in the event of a breach or threatened breach of any of the terms of this Agreement by JJFI, the Franchisee shall forthwith be entitled to seek an injunction restraining such breach and/or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, until such time as a final and binding determination is made by the arbitrators. The foregoing equitable remedies shall be in addition to, and not in lieu of, all other remedies or rights which the parties might otherwise have by virtue of any breach of this Agreement by the other party. Finally, JJFI and its affiliates reserve the right to commence a civil action against the Franchisee or take other appropriate action for the following reasons: to collect sums of money due to JJFI or its affiliates; to compel the Franchisee's compliance with trademark standards and requirements to protect the goodwill of the Marks; to compel the Franchisee to compile and submit required reports to JJFI; or to permit evaluations or audits authorized by this Agreement.

21.6. PAYMENT OF COSTS AND EXPENSES. The nonprevailing party will pay all costs and expenses, including attorneys' fees, deposition costs, expert witness fees, investigation costs, accounting fees, filing fees and travel expenses actually incurred by the prevailing party in any arbitration or court proceeding arising under, out of, in connection with, or in relation to this Agreement or the Business conducted hereunder, and interest on such costs, fees, and expenses.

ARTICLE 22

GENERAL PROVISIONS

22.1. APPLICABLE LAW; VENUE AND JURISDICTION. Subject to JJFI's rights under the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 et seq.) and the parties' rights under the Federal Arbitration Act, this Agreement and the relationship between the parties shall be governed by and interpreted in accordance with the laws (statutory or otherwise) of the State in which the Business is located. The parties agree that any state law or regulation applicable to the offer or sale of franchises or the franchise relationship will not apply unless the jurisdictional provisions are independently met. The Franchisee waives, to the fullest extent permitted by law, the rights and protections that may be provided through the franchise or business opportunity laws of any state other than the State in which the Business is located. This Agreement shall be deemed to be amended from time to time as may be necessary to bring any of its provisions into conformity with valid applicable laws or regulations. Any cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship of the parties that is not subject to arbitration under Article 21 hereof, shall be brought in the Federal District Court for the District of Minnesota or in Hennepin County District Court, Minneapolis, Minnesota. Both parties hereto irrevocably submit themselves to, and consent to, the jurisdiction of such courts. The provisions of this Article 22.1 shall survive the termination of this Agreement. The Franchisee is aware of the business purposes and needs underlying the language of this Article 22.1, and with a complete understanding thereof, agrees to be bound in the manner set forth.

22.2. JJFI'S RIGHTS. Whenever this Agreement provides that JJFI has a certain right, that right is absolute and the parties intend that JJFI's exercise of that right will not be subject to any limitation or review. JJFI has the right to operate, administrate, develop, and change the Business System in any manner that is not specifically precluded by the provisions of this Agreement.

22.3. JJFI'S REASONABLE BUSINESS JUDGMENT. Whenever JJFI reserves or is deemed to have reserved discretion in a particular area or where JJFI agrees or is deemed to be required to exercise its rights

reasonably or in good faith, JJFI will have satisfied its obligations whenever JJFI exercises reasonable business judgment in making its decision or exercising its rights. A decision or action by JJFI will be deemed to be the result of reasonable business judgment, even if other reasonable or even arguably preferable alternatives are available, if JJFI's decision or action is intended, in whole or significant part, to promote or benefit the Business System generally even if the decision or action also promotes a financial or other individual interest of JJFI. Examples of items that will promote or benefit the Business System include enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the Business System. Neither the Franchisee nor any third party (including, a trier of fact) may substitute its judgment for JJFI's reasonable business judgment.

22.4. SEVERABILITY. All provisions of this Agreement are severable and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially valid and enforceable provisions will be enforced to the extent valid and enforceable. If any applicable law or rule of any jurisdiction requires a greater prior notice of the termination of or refusal to renew this Agreement than is required hereunder or the taking of some other action not required hereunder, or if under any applicable and binding law of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by JJFI is invalid or unenforceable, the prior notice or other action required by such law or rule will be substituted for the notice requirements hereof, or such invalid or unenforceable provision, specification, standard or operating procedure will be modified to the extent required to be valid and enforceable. Such modifications to this Agreement will be effective only in such jurisdiction and will be enforced as originally made and entered into in all other jurisdictions.

22.5. WAIVER. JJFI and the Franchisee may, by written instrument signed by JJFI and the Franchisee, waive any obligation of or restriction upon the other under this Agreement. Acceptance by JJFI of any payment by the Franchisee and the failure, refusal or neglect of JJFI to exercise any right under this Agreement or to insist upon full compliance by the Franchisee of its obligations hereunder including, without limitation, any mandatory specification, standard or operating procedure, will not constitute a waiver by JJFI of any provision of this Agreement. JJFI will have the right to waive obligations or restrictions for other franchisees under their franchise agreements without waiving those obligations or restrictions for the Franchisee and, except to the extent provided by law, JJFI will have the right to negotiate terms and conditions, grant concessions and waive obligations for other franchisees of JJFI without granting those same rights to the Franchisee and without incurring any liability to the Franchisee whatsoever.

22.6. JJFI'S RIGHTS CUMULATIVE. The rights of JJFI hereunder are cumulative and no exercise or enforcement by JJFI of any right or remedy hereunder will preclude the exercise or enforcement by JJFI of any other right or remedy hereunder or which JJFI is entitled by law to enforce.

22.7. NOTICES. All notices to JJFI will be in writing and will be made by personal service upon a governor or manager of JJFI or sent by prepaid registered or certified United States mail addressed to JJFI at 7750 Ranchview Lane N, Maple Grove, MN 55311 or such other address as JJFI may designate in writing. All notices to the Franchisee will be by personal service upon the Franchisee or any officer, director, governor or manager of the Franchisee, or sent by prepaid registered or certified United States mail addressed to the Franchisee at the Squeegie Squad Business office or such other address as the Franchisee may designate in writing, or by delivery to any employee of the Franchisee by a recognized overnight delivery service (such as Federal Express or UPS) which requires a written receipt of delivery from the addressee. Notice by mail is effective upon depositing the same in the mail in the manner provided above, notice by personal service is effective upon obtaining service and notice by overnight delivery service is effective upon delivery by such delivery service.

22.8. ENTIRE AGREEMENT. This Agreement supersedes and terminates all prior agreements

relating to the operation of a Squeegee Squad Business by the Franchisee in the Territory, either oral or in writing, between the parties and therefore, any representations, inducements, promises or agreements between the parties related to such subject matter, but not contained in this Agreement or not in writing signed by the President or a Vice President of JJFI and by the Franchisee will not be enforceable. The preambles are a part of this Agreement, which constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between JJFI and the Franchisee relating to the subject matter of this Agreement, although nothing in this or any related agreement is intended to disclaim the representations made in the franchise disclosure document that JJFI furnished to the Franchisee. No modification, change, addition, rescission, release, amendment or waiver of this Agreement and no approval, consent or authorization required by any provision of this Agreement may be made except by a written agreement subscribed to by duly authorized officers, partners or representatives of the Franchisee and the President or a Vice President of JJFI. JJFI and the Franchisee will not have the right to amend or modify this Agreement orally or verbally, and any attempt to do so will be void in all respects.

22.9. AGREEMENT BINDING ON HEIRS AND ASSIGNS. This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest.

22.10. JOINT AND SEVERAL LIABILITY. If the Franchisee consists of more than one person, their liability under this Agreement will be joint and several.

22.11. HEADINGS; TERMS. The headings of the Articles and the provisions thereof are for convenience only and do not define, limit or construe the contents of such Articles. The term “the Franchisee” as used herein is applicable to one or more individuals, a corporation, a partnership, a limited liability company or other entity, as the case may be, and the singular usage includes the plural, and the masculine usage includes the neuter and the feminine, and the neuter usage includes the masculine and the feminine. References to “the Franchisee,” “assignee” and “transferee” which are applicable to an individual or individuals will mean the principal owner or owners of the equity or operating control of the Franchisee or any such assignee or transferee if the Franchisee or such assignee or transferee is a corporation, partnership, limited liability company or other entity. If the Franchisee consists of more than one individual, then all individuals will be bound jointly and severally by the terms and conditions of this Agreement.

22.12. EFFECT OF WRONGFUL TERMINATION. If either JJFI or the Franchisee takes any action to terminate this Agreement or to convert the Franchisee’s Squeegee Squad Business to another business, and if such action was taken without first complying with the applicable terms and conditions (including the notice and opportunity to cure provisions) of this Agreement, then such action will not relieve either party of, or release either party from, any of its obligations under this Agreement, and the terms and conditions of this Agreement will remain in full force and effect and the parties will be obligated to perform all terms until such time as this Agreement expires or is terminated in accordance with the provisions of this Agreement and applicable law, as determined by an arbitration or a court of competent jurisdiction.

22.13. WAIVER OF PUNITIVE DAMAGES. THE FRANCHISEE AND JJFI AND THEIR AFFILIATES AGREE TO WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO OR A CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF ANY DISPUTE BETWEEN THEM, EACH WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT.

22.14. WAIVER OF JURY TRIAL. JJFI AND THE FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

22.15. INDEPENDENT INVESTIGATION. Franchisee represents and warrants that Franchisee has conducted its own independent investigation of all financial requirements, economics, business and legal risks as to the window cleaning service industry, and the Squeegee Squad Business in particular. Franchisee further recognizes that the franchised business involves risks and that its success will largely dependent upon Franchisee's own ability and efforts as an independent businessperson.

22.16. TERMS OF OTHER FRANCHISES MAY DIFFER. The Franchisee acknowledges that other franchisees of JJFI have or will be granted franchises at different times and in different situations, and further acknowledges that the terms and conditions of such franchises and the resulting franchise agreements may vary substantially in economics, form and in substance from those contained in this Agreement.

<Signatures on Following Page>

IN WITNESS WHEREOF, JJFI, the Franchisee and the owners of the Franchisee have respectively signed this Agreement to be effective as of the day and year first above written.

In the Presence of:

“JJFI”

JACK & JOE’S FRANCHISING, INC.

By _____
Its _____

In the Presence of:

The “Franchisee”

The undersigned individual owners of the Franchisee hereby agree to be bound by the terms and conditions of this Agreement.

In the Presence of:

Owners

Percentage of
Ownership

_____%
_____%
_____%
_____%

The undersigned spouse(s) of the individual Franchisee(s) hereby agree to be bound by the terms and conditions of this Agreement regarding confidentiality of information and covenants not to compete.

Print Name

Print Name

PERSONAL GUARANTY
OF THE FRANCHISE AGREEMENT AND PROMISSORY NOTE

In consideration of the execution of this Agreement by JJFI, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guaranty for the payment of all amounts and the performance of the covenants, terms and conditions in this Agreement, and the Promissory Note executed concurrently therewith, if any, (collectively the "Agreements") to be paid, kept and performed by the Franchisee.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Agreements and agree that this PERSONAL GUARANTY should be construed as though the undersigned and each of them executed an Agreement containing the identical terms and conditions of the Agreements.

If any default should at any time be made therein by the Franchisee, then the undersigned, their heirs, successors and assigns, do hereby, individually, jointly and severally, promise and agree to pay to JJFI all monies due and payable to JJFI under the terms and conditions of the Agreements.

In addition, if the Franchisee fails to comply with any other terms and conditions of the Agreements, then the undersigned, their heirs, successors and assigns, do hereby, individually, jointly and severally, promise and agree to comply with the terms and conditions of the Agreements for and on behalf of the Franchisee.

In addition, should the Franchisee at any time be in default on any obligation to pay monies to JJFI or any subsidiary or affiliate of JJFI, whether for merchandise, products, supplies, furniture, fixtures, equipment or other goods purchased by the Franchisee from JJFI or any subsidiary or affiliate of JJFI, or for any other indebtedness of the Franchisee to JJFI or any subsidiary or affiliate of JJFI, then the undersigned, their heirs, successors and assigns, do hereby, individually, jointly and severally, promise and agree to pay all such monies due and payable from the Franchisee to JJFI or any subsidiary or affiliate of JJFI upon default by the Franchisee.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this PERSONAL GUARANTY will inure to the benefit of the successors and assigns of JJFI.

<Signatures on Following Page>

PERSONAL GUARANTORS

Individually

Address

City State Zip Code

Telephone

Individually

Address

City

State
Zip Code

Telephone

Individually

Address

City State Zip Code

Telephone

Individually

Address

City

State
Zip Code

Telephone

Individually

Address

City State Zip Code

Telephone

Individually

Address

City

State
Zip Code

Telephone

Exhibit A

TO SQUEEGEE SQUAD FRANCHISE AGREEMENT

TERRITORY

The Franchisee's Territory shall be the following geographic area, as described on the attached written boundaries and/or map.

Exhibit B

TO SQUEEGEE SQUAD FRANCHISE AGREEMENT

ADDITIONAL TERRITORY ADDENDUM

This Additional Territory Addendum (“Addendum”) is appended to, and made a part of, the Squeegee Squad Franchise Agreement, dated _____ (the “Franchise Agreement”), between Jack & Joe’s Franchising, Inc. (“JJFI”) and _____ (“Franchisee”). The following amends and shall be incorporated into the Franchise Agreement. In the event of any conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control. All capitalized terms not defined in this Addendum have the respective meanings set forth in the Franchise Agreement.

1. Additional Territory. Franchisee’s Territory, as described in Exhibit A to the Franchise Agreement, shall be modified so as to include the geographic area, described on the attached written boundaries and/or map, the (“Additional Territory”)

2. Fee. Franchisee must pay JJFI an Additional Territory Fee of \$ _____ at the time this Addendum is executed.

3. Effect. Except as specifically amended by this Addendum, the Franchise Agreement is in full force and effect as written.

4. Effective Date. This Addendum is effective as of the date of its execution and will terminate upon the termination of the Franchise Agreement.

IN WITNESS WHEREOF, the parties have executed this Addendum on the date first noted above.

JJFI:

FRANCHISEE:

By: _____

By: _____

Title: _____

Title: _____

Exhibit C

TO SQUEEGEE SQUAD FRANCHISE AGREEMENT

HIGH-RISE ADDENDUM

This High-Rise Addendum (“Addendum”) is appended to, and made a part of, the Squeegee Squad Franchise Agreement, dated _____ (the “Franchise Agreement”), between Jack & Joe’s Franchising, Inc. (“JJFI”) and _____ (“Franchisee”). The following amends and shall be incorporated into the Franchise Agreement. In the event of any conflict between the terms of the Franchise Agreement and the terms of this Addendum, this Addendum shall control. All capitalized terms not defined in this Addendum have the respective meanings set forth in the Franchise Agreement.

1. High-Rise Services. Subject to Franchisee’s full and continuing compliance with the terms of this Addendum, and provided that Franchisee is otherwise in compliance with the Franchise Agreement, notwithstanding the provisions of Section 11.11 of the Franchise Agreement, Franchisee is authorized to perform window cleaning services on “high-rise buildings” as that term is defined in Section 11.11, within the Territory during the term of the Franchise Agreement or the term of this Addendum, whichever is shorter. For as long as Franchisee is in compliance with this Addendum and is actively marketing and performing high-rise window cleaning services in the Territory, neither JJFI, its affiliate(s) nor any other Squeegee Squad franchisee shall have the right to offer high-rise window cleaning services under the name Squeegee Squad within the Territory, without the prior consent of the Franchisee.

2. Fee. Franchisee shall pay JJFI a supplemental Initial Franchise Fee of \$ _____ at the time this Addendum is executed.

3. Training. Prior to Franchisee’s commencement of window cleaning services on high-rise buildings, Franchisee and all of its applicable employees must successfully complete, at Franchisee’s sole expense, the designated training program provided by the designated company as stated below, or another, equivalent or superior training course that JJFI may approve in advance and in writing:

Company: _____;
Training Program: _____.

4. Equipment. Prior to Franchisee’s commencement of window cleaning services on high-rise buildings, Franchisee, at its sole expense, shall obtain the approved equipment package for high-rise window cleaning services from an approved supplier designated by JJFI.

5. Insurance and Indemnification. Franchisee shall obtain and maintain for as long as this Addendum is in effect, insurance coverage, in compliance with Section 12.1(A) of the Franchise Agreement, covering Franchisee’s window cleaning services on high-rise buildings in addition to Franchisee’s other operations, and naming as additional insureds JJFI, JJWC, JJJL and their respective officers, directors, shareholders and employees. All such insurance policies are subject to each of the provisions of Section 12 of the Franchise Agreement. Prior to Franchisee’s commencement of window cleaning services on high-rise buildings, Franchisee shall provide JJFI with evidence of Franchisee’s compliance with the foregoing, to JJFI’s reasonable satisfaction. Without limiting in any way the applicability of the entire Franchise Agreement to Franchisee’s activities under this Addendum, Franchisee specifically acknowledges and agrees that Franchisee’s indemnification obligations under Sections 20.2 and 20.3 of the Franchise Agreement shall apply to its provision of high-rise window cleaning services.

6. Other Conditions. The following other conditions, if any, shall apply to the Franchisee's provision of high-rise window cleaning services:

7. Termination. Violation of this Addendum in any respect shall be deemed a default under the Franchise Agreement. In addition, and without limiting the foregoing, if Franchisee breaches any of the provisions of this Addendum, JJFI may (at its sole option) immediately terminate this Addendum and Franchisee's authorization to conduct high-rise window cleaning services, upon written notice to Franchisee, with no opportunity to cure the breach, and regardless of whether JJFI chooses to issue a notice of default or notice of termination of the Franchise Agreement as a whole.

8. Effect. Except as specifically amended by this Addendum, the Franchise Agreement is in full force and effect as written.

9. Effective Date. This Addendum is effective as of the date of its execution and will terminate upon the termination of the Franchise Agreement.

IN WITNESS WHEREOF, the parties have executed this Addendum on the date first noted above.

JJFI:

FRANCHISEE:

By: _____

By: _____

Title: _____

Title: _____

TO SQUEEGEE SQUAD FRANCHISE AGREEMENT

SQUEEGEE SQUAD INTER-TERRITORY REFERRAL POLICY

This Squeegee Squad Inter-Territory Referral Policy shall govern all requests for service by customers of JJFI, a JJFI affiliate, or any Squeegee Squad franchisee when: (a) such service is to be performed outside the Territory of the franchisee receiving the request, or (b) in the case of requests made of JJFI's affiliates Jack and Joe's Window Cleaning Inc. ("JJWC") or Jack and Joes Janitorial LLC ("JJJL"), such service is to be performed within a Squeegee Squad franchisee's Territory.

Squeegee Squad franchisees may not perform window cleaning or other Squeegee Squad services outside of its Territory, without prior approval by JJFI. In the event that any Squeegee Squad franchisee is asked to perform window cleaning or other Squeegee Squad services outside of its Territory, the franchisee shall notify JJFI. JJFI will determine whether the requested service is to be performed within the Territory of any Squeegee Squad franchisee. If the service requested is to be performed within the Territory of another Squeegee Squad franchisee, the franchisee that received the request for service ("Referring Franchisee") will be obligated to refer the actual, physical performance of such services ("Referral Work") to the franchisee in whose Territory the work is to be performed (the "Local Franchisee"). Upon referral, the Local Franchisee must accept or reject the Referral Work within 48 hours of receiving such referral. The pricing to the client, customer or builder of such Referral Work shall be established by the Referring Franchisee, but shall be at the rates then customarily charged by the Referring Franchisee for similar work in the Referring Franchisee's Territory. If the Local Franchisee rejects or fails to timely accept such Referral Work, the Referring Franchisee shall have the right to perform the Referral Work without compensation to the Local Franchisee. The rejection or failure to timely accept Referral Work for one building or home or in one instance shall not affect in any way the rights or obligation of the Franchisee under this Agreement with respect to Referral Work on other or subsequent buildings or homes or in future instances. If the Local Franchisee accepts the job, the Local Franchisee shall perform the work in accordance with the Squeegee Squad standards. The Referring Franchisee shall, in addition to coordinating the performance of the work, bill for services performed, collect, and remit 85% of the total cost of services to the Local Franchisee. Referring Franchisee shall retain the remaining 15%. The risk of non-payment shall fall to Referring Franchisee, who must, in the event of non-payment or inadequate payment by the customer, pay the Local Franchisee 85% of the billed amount for work performed. This paragraph shall apply equally to JJWC and JJJL, as though either is a Squeegee Squad franchisee.

In the event the service requested is to be performed at a location outside the Territory of any franchisee, JJFI will either permit the Referring Franchisee to perform the services itself or require the Referring Franchisee to refer the job to another franchisee, (or JJWC or JJJL) in accordance with the previous paragraph.

Franchisees shall not have the right to and will not make any agreements, representations or warranties in the name of or on behalf of JJFI, any JJFI affiliate or another Squeegee Squad franchisee, including without limitation any contracts or commitments relating to the pricing or commitment to perform any Referral Work to be performed by any entity other than the Franchisee, and shall not have the right to and will not commit itself to perform any Referral Work within the assigned territory of JJFI, any JJFI affiliate or another Squeegee Squad franchisee, without in each instance obtaining the prior written consent of JJFI, the applicable JJFI affiliate or the applicable Squeegee Squad franchisee.

Nothing in this policy shall be construed to permit any Squeegee Squad franchisee to market or advertise outside of its Territory.

All disputes arising out of this policy shall be resolved by JJFI, and JJFI's decision will be binding on all parties.

Exhibit E

TO SQUEEGEE SQUAD FRANCHISE AGREEMENT

ADDENDUM TO LEASE

This Lease Addendum ("Addendum"), dated _____, 20____, is entered into between _____ ("Lessor"), and _____ ("Lessee").

RECITALS

- A. The parties have entered into a Lease Agreement, dated _____, 20____, (the "Lease") for the premises located at _____ (the "Premises").
- B. Lessee has agreed to use the Premises only for the operation of a window cleaning business pursuant to a Franchise Agreement (the "Franchise Agreement") with Jack & Joe's Franchising, Inc. ("JJFI") under the name Squeegee Squad or other name JJFI designates (the "Business").
- C. The parties desire to amend the Lease in accordance with the terms and conditions contained in this Addendum.

AGREEMENT

Lessor and Lessee agree as follows:

- 1. Remodeling and Decor. Lessor agrees to allow Lessee to remodel, equip, paint and decorate the interior of the Premises and to display such proprietary marks and signs on the interior and exterior of the Premises pursuant to the Franchise Agreement and any successor Franchise Agreement.
- 2. Assignment. Lessee has the right to assign all of its right, title and interest in the Lease to JJFI or JJFI's affiliates or successors at any time during the term of the Lease, including any extensions or renewals, without first obtaining Lessor's consent. No assignment will be effective, however, until JJFI or its designated affiliate or successor gives Lessor written notice of its acceptance of the assignment. If JJFI elects to assume the lease under this paragraph or unilaterally assumes the lease as provided for in subparagraphs 3(c) or 4(a), Lessor and Lessee agree that (i) Lessee will remain liable for the responsibilities and obligations, including amounts owed to Lessor, prior to the date of assignment and assumption, and (ii) JJFI will have the right to further assign all of its right, title and interest in the lease, or to sublease the Premises, to another licensee, provided the licensee agrees to operate the Business as a JJFI Business pursuant to a Franchise Agreement with JJFI. JJFI will be responsible for the lease obligations incurred after the effective date of the assignment.
- 3. Default and Notice.
 - (a) In the event there is a default or violation by Lessee under the terms of the Lease, Lessor agrees to give Lessee and JJFI written notice of such default or violation within a reasonable time after Lessor knows of its occurrence. Lessor agrees to provide JJFI the written notice of default as written and on the same day Lessor gives it to Lessee. Although JJFI is under no obligation to cure the default, JJFI will notify Lessor if it intends to cure the default and unilaterally assume Lessee's interest in the lease as provided in Paragraph 3(c). JJFI will have an additional 15 days from the expiration of Lessee's cure period in which to cure the default or violation.

- (b) All notices to JJFI must be sent by registered or certified mail, postage prepaid, to the following address:

JACK & JOE'S FRANCHISING, INC.

d/b/a Squeegee Squad®
7750 Ranchview Lane N
Maple Grove, MN 55311

JJFI may change its address for receiving notices by giving Lessor written notice of the new address. Lessor agrees to notify both Lessee and JJFI of any change in Lessor's mailing address to which notices should be sent.

- (c) Upon Lessee's default and failure to cure a default under either the Lease or the Franchise Agreement, JJFI has the right (but not the obligation) to unilaterally assume Lessee's interest in the Lease in accordance with Paragraph 2.

4. Termination or Expiration.

- (a) Upon the expiration or termination of the Franchise Agreement, JJFI has the right (but not the obligation) to unilaterally assume Lessee's interest in the Lease in accordance with Paragraph 2.
- (b) Upon the expiration or termination of the Lease, if JJFI does not assume Lessee's interest in the Lease, Lessor agrees to cooperate and allow JJFI to enter the Premises, without cost and without being guilty of trespass and without incurring any liability to Lessor, to remove all signs, awnings, and all other items identifying the Premises as a Squeegee Squad Business and to make such other modifications as are reasonably necessary to protect the marks and system, and to distinguish the Premises from Squeegee Squad Facilities.

5. Consideration; No Liability.

- (a) Lessor acknowledges that the provisions of this Addendum are required pursuant to the Franchise Agreement and that Lessee may not lease the Premises without this Addendum.
- (b) Lessor acknowledges that Lessee is not an agent or employee of JJFI and Lessee has no authority or power to act for, or to create any liability on behalf of, or to in any way bind JJFI or any affiliate of JJFI and that Lessor has entered into this Addendum with full understanding that it creates no duties, obligations or liabilities of or against JJFI or any affiliate of JJFI.
- (c) Nothing contained in this Addendum makes JJFI or its affiliates a party or guarantor to the Lease, and does not create any liability or obligation of JJFI or its affiliates.

6. Modification. No amendment or variation of the terms of this Addendum is valid unless made in writing and signed by the parties and the parties have obtained JJFI's written consent.

7. Reaffirmation of Lease. Except as amended or modified in this Addendum, all of the terms, conditions and covenants of the Lease remain in full force and effect.

8. Miscellaneous.

- (a) JJFI is a third-party beneficiary of this Addendum.

- (b) References to the Lease and to the Franchise Agreement include all amendments, addenda, extensions and renewals to the documents.
- (c) References to Lessor, Lessee and JJFI include the successors and assigns of each of the parties.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date written above.

LESSEE:

LESSOR:

By: _____
Title: _____

By: _____
Title: _____

Exhibit F
TO SQUEEGEE SQUAD FRANCHISE AGREEMENT

FORM OF PROMISSORY NOTE

US\$ _____

Date _____

The undersigned, for value received, promises to pay to the order of Jack & Joe's Franchising, Inc. ("JJFI"), a Minnesota corporation, the principal sum of \$_____, together with simple interest on the unpaid principal balance from the date of this Note until fully paid at the rate of ___% per annum, the same to be paid in equal monthly installments of \$_____, beginning on the first day a Squeegee Squad® business is opened, as set forth in the Franchise Agreement dated _____, and on the same day of each month thereafter until paid in full. The maker of this Note shall execute any and all documents reasonably requested by JJFI to allow it to draft the maker's deposit accounts for each and every installment payment, and any and all other amounts due under this Note.

Presentment for payment, protest and notice of dishonor are waived by each maker, endorser and guarantor hereof.

The maker hereof may prepay this Note in whole at any time or in part from time to time, in multiples of \$100 without penalty, provided that such prepayments be made on dates when installments of principal are due hereunder. Each such prepayment shall be applied first against accrued interest and the balance, if any, to the reduction of principal.

It is agreed that if default be made in the payment of any of said installments, the entire balance of principal and accrued but unpaid interest under this Note shall become forthwith due and payable, without notice, at the option of the holder of this Note. Any failure to exercise such option shall not constitute a waiver of the right to exercise it in the event of any subsequent default.

It is agreed that if the maker hereof transfers its interests in the Squeegee Squad® Franchise Agreement or in the business conducted thereunder pursuant to which the maker entered into this Note, the entire balance of principal and interest remaining unpaid hereunder shall be and become due and payable to Jack & Joe's Franchising, Inc. upon the date of such transfer. The term "transfer" shall be defined as in said Franchise Agreement.

This Note represents the unpaid balance due on the Initial Franchise Fee for a new Squeegee Squad® business. It is the intention of the parties that the payments start upon the first date such business is opened. If the business opens on the 1st through the 15th day of any given month, the first payment is due the first day of the month in which the business commences. If the business opens on the 16th through the last day of the month, the first payment is due on the 1st day of the next succeeding calendar month. Payment is due on the 1st of each month thereafter until this Note is paid in full.

Entity's Name _____

Address _____

By _____

Title _____

Individually By _____

PERSONAL GUARANTORS

Individually

Address

CityStateZip Code

Telephone

Individually

Address

CityStateZip Code

Telephone

Exhibit G
TO SQUEEGEE SQUAD FRANCHISE AGREEMENT

ELECTRONIC FUNDS TRANSFER AUTHORIZATION

Franchisee: _____

Location: _____

Date: _____

NEW	CHANGE

Attention: Bookkeeping Department

The undersigned hereby authorizes JACK & JOE’S FRANCHISING, INC., its parent company or any affiliated entity (collectively, “JJFI”), to initiate weekly ACH debit entries against the account of the undersigned with you in payment of amounts for Continuing Fees, Advertising Fees, and other amounts that become payable by the undersigned to JJFI. The dollar amount to be debited per payment will vary.

Subject to the provisions of this letter of authorization, you are hereby directed to honor any such ACH debit entry initiated by JJFI.

This authorization is binding and will remain in full force and effect until 90 days’ prior written notice has been given to you by the undersigned. The undersigned is responsible for, and must pay on demand, all costs or charges relating to the handling of ACH debit entries pursuant to this letter of authorization.

Please honor ACH debit entries initiated in accordance with the terms of this letter of authorization, subject to there being sufficient funds in the undersigned’s account to cover such ACH debit entries.

Sincerely yours,

*** We also need a VOIDED Check ***

Account Name

Bank Name

Street Address

Branch

City State Zip Code

Street Address

Telephone Number

City State Zip Code

By _____

Bank Telephone Number

Its _____

Bank’s Routing Number

Date _____

Customer’s Account Number

Exhibit B

SOFTWARE LICENSE AGREEMENT

SQUEEGEE SQUAD®

SQUADWARE™ SOFTWARE LICENSE AGREEMENT

THIS SQUADWARE™ SOFTWARE LICENSE AGREEMENT (this “Agreement”) is made and entered into to be effective as of the ____ day of _____, 20____ (the “**Effective Date**”), by and between **JACK & JOE’S FRANCHISING, INC.**, a Minnesota Corporation, (“**JJFI**”) and _____, (the “**Licensee**”).

BACKGROUND AND ACKNOWLEDGMENTS

A. JJFI has certain rights to the Squadware™ computer software that operates a business management system used in connection with the operation of a Squeegee Squad window cleaning Business, hereinafter referred to as the “**Software**.” For purposes of this Agreement, “Software” means (a) the object code of all software products supplied to the Licensee by JJFI, whether owned by JJFI or owned by third parties who have licensed such products to JJFI, (b) all documentation, user manuals, and other material related to the Software, whether in machine-readable or printed form, and (c) error corrections supplied by JJFI pursuant to this Agreement, and enhancements, defined as any program or part of a program developed after the date of this Agreement that provides features or functions not included in the Software originally provided by JJFI.

B. The Licensee has signed (as franchisee) a Franchise Agreement with JJFI (as franchisor) on or before the date of this Agreement (hereinafter the “**Franchise Agreement**”). Pursuant to the Franchise Agreement, the Licensee operates or will operate a franchised Squeegee Squad Business in a territory defined in the Franchise Agreement. The Licensee desires to obtain a license to use the Software in connection with the operation of its franchised Squeegee Squad Business.

C. The Licensee has acquired, at its sole expense, prior to or concurrently with delivery of the Software by JJFI, the compatible computer hardware and peripheral equipment, operating system software, database software, and other computer hardware and software required by JJFI to support the operation of the Software.

AGREEMENTS

In consideration of the promises and covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, JJFI and the Developer hereby agree as follows:

1. Grant of License. JJFI grants to the Licensee a nonexclusive and nontransferable license to use one copy of the Software at the Licensee’s business office, in connection with Licensee’s franchised Business as defined in the Franchise Agreement, subject to the terms and conditions of this Agreement. The Licensee is strictly prohibited from using the Software (a) at any location other than the Licensee’s business office, (b) for any purpose other than supporting the operation of the Licensee’s Squeegee Squad Business, or (c) after the expiration or termination of this Agreement or the Franchise Agreement. The Licensee will, at its sole expense, acquire any hardware or third-party software required by JJFI during the term of this Agreement for the support of the Software or the operation of the Licensee’s Squeegee Squad Business, and will pay all license or use fees payable with respect to any software required to support the operation of the Software. Other than the license granted herein, no right, title or interest in all or any portion of the Software is conveyed or assigned to the Licensee, either expressly or by

implication, by virtue of this Agreement, including any patents, copyrights, trade secrets, trademarks, trade names, or other intellectual property associated with the Software.

2. License Fees. (a) **Initial License Fees.** The Licensee will pay JJFI, on the date hereof, an initial license fee in the amount of \$1,000 for each Squeegee Squad Business operated by the Licensee (the “**Initial Software License Fee**”).

(b) **Monthly Software License Fees.** In addition to the Initial Software License Fee, the Licensee will pay JJFI its then-current monthly license fee, which will not exceed \$250 per month, for each Squeegee Squad Business operated by the Licensee (the “**Monthly Software License Fee**”). The Monthly Software License Fee shall be paid each month, in advance, on the date of the month and in the manner that JJFI designates, which may include automatic electronic bank transfers initiated by JJFI.

(c) **Right to Increase Fees.** For purposes of this Agreement, Initial Software License Fees and Monthly Software License Fees will be collectively referred to as “Software License Fees.” The Licensee acknowledges that it has agreed, pursuant to the Franchise Agreement, to obtain and maintain at all times such computer equipment and software (including without limitation, the most current version of the Software) as may from time to time be required by JJFI for use in the operation of the Licensee’s Squeegee Squad Business. The Licensee further acknowledges that future changes in technology and the opportunity and need to meet and surpass competition may necessitate that JJFI upgrade the Software. In the event JJFI effects any such upgrade, the Licensee agrees that JJFI may increase the Software License Fees due hereunder to amounts reasonably sufficient to cover the costs of such upgrade and a reasonable return to JJFI on its investment in and administration of such upgrade. The Licensee further acknowledges that any upgrade to the Software may necessitate upgrades in the Licensee’s hardware and third-party software required to operate the Software, which may result in additional costs or fees payable by the Licensee.

3. Method of Payment; Interest on Past Due Fees. Payment of the Software License Fees to JJFI must be made (a) by pre-authorized electronic bank transfer from the Licensee’s account to JJFI’s account, (b) by major credit card, or (c) as otherwise directed by JJFI. The Licensee will pay all applicable sales, use, excise, and other taxes that maybe levied with respect to the Software License Fees paid hereunder and with respect to the Software, except for taxes based on JJFI’s net income. The Licensee will pay JJFI interest at the rate of 18% simple interest per annum, or the maximum rate permitted by applicable law, whichever is less, on any unpaid Software License Fees for each calendar month or fraction thereof that any Software License Fees are in arrears.

4. Term. Unless sooner terminated, the term of this Agreement and of the license granted herein will begin on the Effective Date and continue until the expiration or termination of the Franchise Agreement. In addition to any other rights to terminate contained in this Agreement or provided by law, the Licensor reserves the right to terminate this Agreement if its license with any third-party licensors terminate or if the Licensor adopts a different software program for operation of Squeegee Squad Businesses. If the Licensee reacquires the franchise for the Franchised Location and executes a new Squeegee Squad franchise agreement with JJFI, then the Licensee will have the right to enter into a successor Software License Agreement with JJFI by signing JJFI’s then-current form of Software License Agreement, and by paying all fees and complying with all terms and conditions set forth in the then-current form of Software License Agreement. The Licensee acknowledges that the terms and conditions of the then-current form of Software License Agreement may be substantially different from the terms and conditions of this Agreement, including without limitation an increased Software License Fee. The Licensee further acknowledges that future changes in technology may necessitate upgrades in hardware

and third-party software required to operate the Software which may result in additional costs or fees payable by the Licensee upon entering into such then-current form of Software License Agreement.

5. **Maintenance and Support.** JJFI will provide the Licensee with Software maintenance and support services as it provides to other licensees of JJFI. JJFI will have the absolute right to contract with third parties to provide any or all maintenance and support services specified in this Agreement. If, in JJFI's absolute, exclusive and unrestricted judgment, it is commercially not feasible to provide any maintenance or support services, JJFI will have the right to terminate any or all of such support or maintenance services.

6. **Reproduction and Modification of Software.** The Licensee is permitted to reproduce the Software for use at the Licensee's Franchised Location only as required for back-up, archival, maintenance or disaster relief purposes in connection with the operation of the Licensee's Squeegee Squad Business. The Licensee will have not more than 3 back-up copies of the Software in its possession at any one time. All copies of the Software, in whole or in part, must contain all restrictive and proprietary notices as they appear on the copy of the Software provided by JJFI. The Licensee will not duplicate, in whole or in part, any manuals or other documentation relating to the Software without JJFI's prior written consent. The Licensee will not modify, change or add to the Software except with JJFI's prior written consent.

7. **Ownership; Third Party Responsibility.** The Licensee is granted only a license to use the Software, and, as between JJFI and the Licensee, JJFI retains all title and ownership to the Software. JJFI retains all ownership rights in the Licensee's data on the computer system operating the Software. Subject to the provisions of the sentence following this one, JJFI reserves all rights in the patents, copyrights, trade secrets and other intellectual property in the Software. The Licensee acknowledges and consents to the fact that all or portions of the Software is or may be owned by others and licensed to JJFI, who is, in turn relicensing such Software, or portions thereof, to the Licensee. The Licensee agrees to comply with all terms and conditions of any license agreement between JJFI and such third party pertaining to the Software, or portions thereof, and agrees to execute any instrument required by JJFI to confirm and acknowledge such obligation to comply.

8. **Confidential Information.** The Licensee agrees that the Software is confidential and proprietary information to JJFI and that its unauthorized disclosure could cause JJFI irreparable harm. The Licensee agrees not to disclose the Software or make the Software available to anyone other than the Licensee's employees or contractors unless the Licensee has JJFI's prior written consent. The Licensee will exercise no less than reasonable care to protect the Software from unauthorized disclosure, and will take reasonable steps to ensure that the Licensee's employees and contractors do not disclose it in violation of this Agreement. The Licensee will be liable to JJFI for damages if the Licensee is negligent in protecting the Software in accordance with this Agreement. THE LICENSEE MUST NOT, UNDER ANY CIRCUMSTANCES, DISASSEMBLE, DECOMPILE, OR REVERSE ENGINEER THE SOFTWARE.

9. **Access to Software and Information.** The Licensee agrees that JJFI will at all times have the right to access the Software, by modem, print-out of data or any other means selected by JJFI, for purposes of obtaining financial, sales, customer, listing, business, supplier, teaching and all other data and information contained, resident or otherwise available in the Licensee's computer system, for purposes of verifying compliance by the Licensee with the terms of this Agreement, the Franchise Agreement or the Development Agreement, and for such other purposes as may be determined by JJFI, in its absolute, exclusive and unrestricted judgment. JJFI will have the right to retain and use any information obtained

by accessing the Licensee's Software for any purposes deemed appropriate by JJFI, in its absolute, exclusive and unrestricted judgment.

10. Limited Warranty. THE SOFTWARE IS LICENSED "AS IS" WITHOUT WARRANTIES OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NONINFRINGEMENT. JJFI's sole obligation to the Licensee and the Licensee's exclusive remedy in the event of any claim of defect or nonperformance will be to have JJFI expend reasonable efforts to remedy any material defect. Those efforts will involve either replacing the media or attempting to correct significant, demonstrable, reproducible errors. If JJFI cannot correct the defect within a reasonable time, then JJFI's sole obligation, and the Licensee's sole remedy, will be to terminate this Agreement and receive a refund of the Software License Fees paid by the Licensee pursuant to this Agreement. The Licensee's right to a refund of Software License Fees paid pursuant to this Agreement will not include a refund of any fees paid pursuant to the Franchise Agreement or any other agreement between the Licensee and JJFI.

THE LICENSOR EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, GUARANTEES OR REMEDIES, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

11. Limitation of Liability. UNDER NO CIRCUMSTANCES WILL THE LICENSOR BE LIABLE FOR LOSS OF DATA, REPROCUREMENT COSTS, LOST REVENUE OR PROFITS OR FOR ANY OTHER SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES EVEN IF THEY WERE FORESEEABLE OR THE LICENSEE HAS INFORMED THE LICENSOR OF SUCH POTENTIAL DAMAGES. JJFI's total liability to the Licensee for damages under this Agreement will in no event exceed the total of the Software License Fees paid by the Licensee.

12. Assignment. The Licensee will not sublicense, transfer, rent or lease the Software except in connection with an assignment of the Licensee's Squeegee Squad Business pursuant to and in accordance with the terms and conditions of the Franchise Agreement, or otherwise with JJFI's prior written consent. If JJFI gives the Licensee written authorization to transfer this Agreement and the license granted hereunder to use the Software, the assignee must agree to accept the terms and conditions of this Agreement or sign JJFI's then-current Software License Agreement, at JJFI's option, and the Licensee must destroy any copy of the Software the Licensee does not transfer. JJFI will have the right to assign this Agreement or the rights to receive Software License Fees to a parent or affiliate company, a successor in interest, or other transferee.

13. Default. Any of the following occurrences will constitute an "Event of Default" under this Agreement:

(a) The Licensee fails to pay when due any Software License Fee or other charge or fee payable to JJFI pursuant to this Agreement;

(b) The Licensee breaches or is in default of any other provision of this Agreement and such breach or default is not corrected within 30 days, or such other period of time specified by applicable law, after JJFI gives the Licensee written notice of breach;

(c) The Franchise Agreement is terminated by either party or expires and is not renewed; or

(d) The Licensee is in default of any of its obligations under the Franchise Agreement and fails to correct such default in accordance with the notice and cure provisions of the Franchise Agreement.

14. Licensor's Remedies Upon Default. Upon the occurrence of any Event of Default, JJFI will have the right to exercise all or any one or more of the following rights and remedies:

(a) Terminate this Agreement;

(b) Declare all amounts owed to JJFI pursuant to this Agreement to be immediately due and payable;

(c) Require that the Licensee cease use of the Software and immediately return the Software to JJFI;

(d) Cease performance of all of JJFI's obligations under this Agreement without liability to the Licensee;

(e) Use computer hardware and/or computer software to limit Licensee's use of the Software;

(f) Use computer hardware and/or computer software to render the Software unusable to the Licensee; and/or

(g) Declare a default under the Franchise Agreement.

15. Sole Agreement; Modification. This Agreement is the sole agreement between the parties relating to the subject matter hereof and supersedes all prior understandings, writings, proposals, representations or communications, oral or written, of either party. This Agreement may be amended only by a writing executed by the party against whom enforcement is sought.

16. Governing Law. This Agreement will be interpreted in accordance with the substantive laws of the state in which the Licensee's Squeegee Squad Business is located.

17. Costs and Attorneys' Fees. The Licensee will indemnify JJFI for all costs that JJFI incurs in any action or proceeding brought to enforce or construe this Agreement including, without limitation, actual attorneys' fees, expert witness fees, costs of investigation, court costs, litigation expenses, travel and living expenses, and all other costs incurred by JJFI.

18. Severability. All provisions of this Agreement are severable and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially valid and enforceable provisions will be enforced to the extent valid and enforceable. If any applicable law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required or the taking of some other action not required, or if under any applicable law or rule of any jurisdiction, any provision of this Agreement is invalid or unenforceable, the prior notice or other action required by such law or rule will be substituted for the notice requirements hereof, or such

invalid or unenforceable provision will be modified to the extent required to be valid and enforceable. Such modifications to this Agreement will be effective only in such jurisdiction and will be enforced as originally made and entered into in all other jurisdictions.

19. Waiver; Consent. JJFI and the Licensee may, by written instrument signed by JJFI and the Licensee, waive any obligation of or restriction upon the other under this Agreement. Acceptance by JJFI of any payment by the Licensee and the failure, refusal or neglect of JJFI to exercise any right under this Agreement or to insist upon full compliance by the Licensee of its obligations hereunder will not constitute a waiver by JJFI of any provision of this Agreement. Whenever this Agreement requires JJFI's prior written consent, such consent may be withheld by JJFI for any or no reason whatever and as determined in JJFI's absolute, exclusive and unrestricted judgment.

20. No Rights of Offset. The Licensee will not, on grounds of the alleged nonperformance by JJFI of any of its obligations or for any other reason, withhold payment of any Software License Fees or payments due JJFI pursuant to this Agreement or pursuant to any other contract, agreement or obligation. The Licensee will not have the right to "offset" any liquidated or unliquidated amounts, damages or other sums allegedly due to the Licensee by JJFI against any payments due to JJFI under this Agreement.

21. JJFI's Rights. The rights of JJFI are cumulative and no exercise or enforcement by JJFI of any right or remedy will preclude the exercise or enforcement by JJFI of any other right or remedy or which JJFI is entitled by law to enforce. Whenever this Agreement provides that JJFI has a certain right, that right is absolute and the parties intend that JJFI's exercise of that right will not be subject to any limitation or review.

22. JJFI's Reasonable Business Judgment. Whenever JJFI reserves or is deemed to have reserved discretion in a particular area or where JJFI agrees or is deemed to be required to exercise its rights reasonably or in good faith, JJFI will have satisfied its obligations whenever JJFI exercises reasonable business judgment in making its decision or exercising its rights. A decision or action by JJFI will be deemed to be the result of reasonable business judgment, even if other reasonable or even arguably preferable alternatives are available, if JJFI's decision or action is intended, in whole or significant part, to promote or benefit the Squeegee Squad Business System generally even if the decision or action also promotes a financial or other individual interest of JJFI. Examples of items that will promote or benefit the Squeegee Squad Business System include enhancing the value of the Squeegee Squad Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the Squeegee Squad Business System. Neither the Licensee nor any third party (including, a trier of fact) may substitute its judgment for JJFI's reasonable business judgment.

23. Jurisdiction; Venue. All litigation, court hearings, arbitration hearings or other proceedings initiated by either party against the other party will be initiated, venued, maintained and governed in strict accordance with the corresponding applicable provisions of the Franchise Agreement.

24. Binding Agreement. This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest.

25. Headings; Recitals. The headings used in this Agreement are for convenience only and do not in any way define, limit or construe the contents hereof. The content and provisions of the Background and Acknowledgements section at the beginning of this Agreement are a part of this Agreement and are binding upon the parties hereto.

26. **Notices.** All notices to JJFI or the Licensee will be given in accordance with and subject to the corresponding applicable terms and conditions of the Franchise Agreement.

27. **Counterparts; Facsimile.** This Agreement may be executed simultaneously in multiple counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. A signature delivered by facsimile or telecopier shall be as binding and enforceable as an original signature.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the day and year first above written.

The "Licensee"

The "Licensor"

JACK & JOE'S FRANCHISING, INC.

By _____
Its _____

Exhibit C

**AGREEMENTS TO BE SIGNED BY FRANCHISEE,
ITS MANAGER AND/OR EMPLOYEES**

(Including Franchisee Questionnaire; Assignment of Phone Number;
Authorization for Direct Payment; and the Confidentiality Agreement)

The following are copies of Agreements and forms that Jack & Joe's Franchising, Inc. requires the Franchisee, and the Franchisee's Managers and Employees to sign.

AGREEMENT/FORM	SIGNED BY
Franchisee Questionnaire	Franchisee
Assignment of Phone Number	Franchisee
Authorization for Direct Payment	Franchisee
Confidentiality Agreement	Manager All Employees

FRANCHISEE QUESTIONNAIRE

As you know, you and we are entering into a Franchise Agreement for the operation of a Squeegee Squad® Business franchise. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your Business. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations*

1. Did you receive a copy of our Disclosure Document (and all exhibits and attachments) at least 14 calendar days prior to signing the Franchise Agreement? **Check one:** () Yes () No. **If no, please comment:** _____

2. Have you studied and reviewed carefully our Disclosure Document and Franchise Agreement? **Check one:** () Yes () No. **If no, please comment:** _____

3. Did you receive a copy of the Franchise Agreement at least 7 calendar days prior to the date on which the Franchise Agreement was executed? **Check one:** () Yes () No. **If no, please comment:** _____

4. If you answered no to question 3, but answered yes to question 1, were all of the changes to the Franchise Agreement made as a result of negotiations that you initiated with us? **Check one:** () Yes () No. **If no, please comment:** _____

5. Did you understand all the information contained in both the Disclosure Document and Franchise Agreement? **Check one:** () Yes () No. **If no, please comment:** _____

6. Was any oral, written or visual claim or representation made to you which contradicted the disclosures in the Disclosure Document? **Check one:** () Yes () No. **If yes, please comment:** _____

7. Did any employee or other person speaking on behalf of JJFI make any statement, claim or promise to you that suggested, predicted or projected sales, revenues, earnings, income or profit of a Squeegee Squad business, or the likelihood of success at your franchised business, other than the information contained in Item 19 and Exhibit F of the Disclosure Document? **Check one:** () Yes () No. **If yes, please state in detail the oral, written or visual**

representation: _____

8. Do you understand that that the franchise granted is for the right to operate the Business in the Territory, as stated in Article 2.1, and that we and our affiliates have the right to issue franchises or operate competing Businesses for or at locations anywhere outside of your Territory using any trademarks, and inside your Territory using trademarks other than the Squeegee Squad trademark, as described in Article 2.3? **Check one:** () Yes () No. **If no, please comment:** _____

9. Do you understand that the Franchise Agreement contains the entire agreement between you and us concerning the franchise for the Business, meaning that any prior oral or written statements not set out in the Franchise Agreement will not be binding? **Check one:** () Yes () No. **If no, please comment:** _____

10. Do you understand that the success or failure of your Business will depend in large part upon your skills and experience, your business acumen, your location, the local market for window cleaning services, the economy, the number of employees you hire and their compensation, competition and other economic and business factors? Further, do you understand that these factors may change? **Check one:** () Yes () No. **If no, please comment:** _____

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

*Such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, OR OTHER ENTITY, EACH OF ITS PRINCIPALS MUST EXECUTE THIS QUESTIONNAIRE.

Signed: _____

Print Name: _____

Date: _____

Signed: _____

Print Name: _____

Date: _____

Signed: _____

Print Name: _____

Date: _____

Approved on behalf of
JACK & JOE'S FRANCHISING, INC.

By: _____

Title: _____

Date: _____

JACK & JOE'S FRANCHISING, INC.
ASSIGNMENT OF PHONE NUMBER AND SERVICE

The undersigned, _____, d/b/a Squeegee Squad, hereby assigns to Jack & Joe's Franchising, Inc. ("JJFI"), 7750 Ranchview Lane N, Maple Grove, MN 55311, all of my (our) right, title, and interest in and to the following phone number(s):

() _____, () _____

() _____, () _____

JJFI will hold this assignment until the earlier of the time (a) JJFI notifies the undersigned that the undersigned (or any affiliate of the undersigned) is in default under any Franchise Agreement or any other agreement with JJFI (or any affiliate of JJFI) or (b) such Franchise Agreement expires or is terminated. The undersigned agrees to pay all amounts, whether due and payable or not, that any telephone service provider (including cellular and/or fax) may require in connection with such transfer or otherwise and agrees to indemnify and hold harmless _____ ("Local Phone Company") and all other telephone service providers (including cellular and/or fax) and JJFI in connection with this and any other assignment and any other matters and/or disputes related in any way thereto.

The Local Phone Company and all other telephone service providers (including cellular and/or fax) are requested to honor this Assignment upon notice by JJFI that the undersigned (or any affiliate of the undersigned) is in default under such Franchise Agreement or any other agreement with JJFI (or any affiliate of JJFI) or such Franchise Agreement has expired or is or was terminated.

On transfer to JJFI, JJFI may continue the monthly (periodic) service with said Local Phone Company or cancel the same, but shall not be obligated or liable for any arrears or charges for yellow page advertising or otherwise prior to such transfer, the undersigned specifically agreeing to remain liable for any such charges.

Dated: _____, 20__

(Signature)

(Signature)

(Print or Type Name)

(Print or Type Name)

Witness: _____

Electronic Transfer of Funds Authorization

Franchisee: _____

Location: _____

Date: _____

NEW	CHANGE

Attention: Bookkeeping Department

The undersigned hereby authorizes Jack & Joe's Franchising, Inc. or any affiliated entity (collectively, "JJFI"), to initiate weekly ACH debit entries against the account of the undersigned with you in payment of amounts for Continuing Fees, Advertising Fees or other amounts that become payable by the undersigned to JJFI. The dollar amount to be debited per payment will vary.

Subject to the provisions of this letter of authorization, you are hereby directed to honor any such ACH debit entry initiated by JJFI.

This authorization is binding and will remain in full force and effect until 90 days' prior written notice has been given to you by the undersigned. The undersigned is responsible for, and must pay on demand, all costs or charges relating to the handling of ACH debit entries pursuant to this letter of authorization.

Please honor ACH debit entries initiated in accordance with the terms of this letter of authorization, subject to there being sufficient funds in the undersigned's account to cover such ACH debit entries.

Sincerely yours,

*** We also need a VOIDED Check ***

Account Name

Bank Name

Street Address

Branch

City State Zip Code

Street Address

Telephone Number

City State Zip Code

By _____

Bank Telephone Number

Its _____

Bank's Account Number

Date _____

Customer's Account Number

CONFIDENTIALITY AGREEMENT

Effective this _____ day of _____, 20____, in consideration of employment/contract with _____ (the "Employer/Owner"), a franchisee of Jack & Joe's Franchising, Inc. ("JJFI"), it is hereby agreed that the undersigned employee/independent contractor (the "Employee/Independent Contractor") will, at all times during the term of his or her employment/contract relationship and thereafter, treat the Squeegee Squad Operations Manual (the "Manual") and any other materials (including, but not limited to, supplier and vendor lists, customer lists, videotapes, films, drawings, diagrams and computer software) created for or approved for use in the operation of the Squeegee Squad Business, and the information contained therein, as secret and confidential and as the sole and absolute property of JJFI, and will use all reasonable means to keep them secret and confidential. The Employee/Independent Contractor will not:

- (a) Communicate, divulge or use for the benefit of himself/herself personally or any other person or entity, any information contained in the Manual or other materials deemed confidential by JJFI.
- (b) Copy, duplicate, videotape, photograph, record or otherwise reproduce the Manual or any other materials, in whole or in part, except as expressly permitted by the Manual itself. Neither the Manual nor other materials created for or used in the Squeegee Squad Business will be borrowed or removed from the Squeegee Squad location or business premises without the express written approval of the Employer/Owner. The Employee/Independent Contractor will not make any Squeegee Squad materials available to any unauthorized person or entity, or allow them access to the Manual or other materials.
- (c) Use any Squeegee Squad materials or any information, knowledge, methods or techniques contained or described herein for any purpose other than the performance of his or her duties as an employee/independent contractor of Employer/Owner. The Employee/Independent Contractor will respect the confidentiality of the Manual and all other materials as it relates to concurrent and future employment.

The Employee/Independent Contractor and the Employer/Owner acknowledge and agree: (1) that JJFI is a third-party beneficiary of the rights and obligations set forth in this Agreement; (2) that JJFI will suffer irreparable harm in the event of any breach or violation of this Agreement; (3) that JJFI shall have the right to enforce the provisions of this Agreement in its own name in the event of any breach or violation, or threatened breach or violation, of this Agreement; and (4) that JJFI shall have the right to obtain specific performance, temporary restraining orders, preliminary injunctions, injunctions and other equitable relief to the extent reasonably necessary to protect its interests in the ownership and confidentiality of the Manual or any other confidential information from any court of competent jurisdiction or arbitrator, subject to and in accordance with the confidentiality and enforcement provisions of the Franchise Agreement between the Employer/Owner and JJFI.

The undersigned Employer/Owner and Employee/Independent Contractor understand and accept the obligations set forth herein and agree to be bound by them.

Dated: _____, _____

EMPLOYEE/INDEPENDENT CONTRACTOR:

EMPLOYER/OWNER:

By _____
Its _____

Exhibit D

STATE ADDENDA

ADDENDUM TO SQUEEGEE SQUAD®
DISCLOSURE DOCUMENT FOR THE
STATE OF CALIFORNIA

The following information applies to franchises and franchisees subject to the California Franchise Investment Act. Item numbers correspond to those in the main body:

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

2. Item 3.

Item 3 is amended to provide that neither us nor any other person identified in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

3. Item 5.

With respect to the franchises governed by California law, we will defer collection of all initial fees described in Item 5 until we fulfill all of our pre-opening obligations under the Franchise Agreement and we have authorized the franchisee to open for business.

4. Item 6 and 10. The highest rate of interest permitted in California is 10%.

5. Items 6 and 17.

The Franchise Agreement may contain a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

6. Item 17.

California Business & Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

7. Item 17.

Termination of the Franchise Agreement by us because of your insolvency or bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 et seq.).

8. Item 17.

The Franchise Agreement requires you to sign a general release if you transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

9. Item 17.

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.

10. Item 17.

The Franchise Agreement requires binding arbitration in Minneapolis, Minnesota, with attorneys' fees and costs borne by the non-prevailing party. You 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.

11. Item 19.

The financial performance representation 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 franchise business. Franchisees or former franchisees, listed in the disclosure document, may be one source of this information.

ADDENDUM TO SQUEEGEE SQUAD®
DISCLOSURE DOCUMENT FOR THE
STATE OF ILLINOIS

The following information applies to franchises and franchisees subject to the Illinois Franchise Disclosure Act of 1987. Item numbers correspond to those in the main body.

Item 5

Franchisee's payment of Initial Franchise Fees will be held in escrow at a federally-insured bank until Franchisor has met all of its initial obligations to franchisee and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial status. A copy of the Escrow Agreement is attached to the Franchise Disclosure Document as an exhibit, and is on file with the Office of the Illinois Attorney General.

Item 17

Illinois law governs the Franchise Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in section 19 and 20 of the Illinois Franchise Disclosure Act.

Item 23

Illinois law, 815 ILCS 705/5, requires 14 calendar days' disclosure prior to the signing of a binding agreement or any payment to us.

ADDENDUM TO SQUEEGEE SQUAD®
DISCLOSURE DOCUMENT FOR THE
STATE OF MINNESOTA

The following applies to franchises and franchisees subject to Minnesota statutes and regulations. Item numbers correspond to those in the main body of the Disclosure Document.

Item 5.

The State of Minnesota requires the escrow of the Initial Franchise Fee until JJFI's obligations to assist you in establishing and opening your SQUEEGEE SQUAD® Business are fulfilled. An escrow account has been established by JJFI at Anchor Bank, N.A. located in Blaine, Minnesota. A copy of the Escrow Agreement is on file with the Minnesota Department of Commerce.

Item 6.

NSF checks are governed by Minn. Stat. 604.113, which puts a cap of \$30 on service charges.

Item 13.

JJFI will undertake the defense of any third party claim of infringement involving the SQUEEGEE SQUAD® mark. You must cooperate with the defense in any reasonable manner JJFI prescribes with any direct cost of such cooperation to be borne by us.

Item 17.

1. Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement (s) can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. The Franchise Agreement contain provisions requiring you to sign a general release of claims as a condition to your transfer of the Franchise Agreement. Neither this release, nor any other release required by JJFI contained in the Franchise Agreement, will relieve JJFI or any other person from liability under Minnesota Statutes, Chapter 80C, except in connection with the voluntary settlement of disputes.

ADDENDUM TO SQUEEGEE SQUAD®
DISCLOSURE DOCUMENT FOR THE
STATE OF NEW YORK

This Addendum relates to franchises sold in the state of New York and is intended to comply with New York statutes and regulations.

1. Cover Page.

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT D OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. Item 3. Item 3 of the disclosure document is amended by the addition of the following:

Except as disclosed in this Item 3, neither we, our predecessor, or any person identified in Item 2 or an affiliate offering franchises under the franchisor's principal trademark:

A. Has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, anti-trust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations or any pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchises and the size, nature or financial condition of the Franchise system or its business of operations.

B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within a ten (10) year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

C. Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, state or Canadian franchise, securities, anti-trust, trade regulation or trade practices law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities associations or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order

relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions effecting a license as a real estate broker or sales agent.

Item 4. Item 4 of the disclosure document is amended by the addition of the following:

Except as disclosed in Item 4 of the disclosure document, neither we, our affiliates, our predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

3. We represent that this Prospectus does not knowingly omit any material fact or contain any untrue statement of a material fact.

4. Item 5. Item 5 of the disclosure document is amended to include the following additional disclosure: the Initial Franchise Fees collected by JJFI are used to offset JJFI's costs in: (i) identifying and recruiting new prospective franchisees (including payment of franchise broker fees), (ii) reviewing franchise applications and awarding franchises; and (ii) conducting initial training and opening assistance for each new franchisee.

5. Item 17(c). Item 17(c) of the disclosure document is amended to provide that all rights arising in your favor from the provisions of Article 33 of the Gen. Bus. Law of the State of New York and the regulations issued thereunder will remain in force; it being the intent of this proviso that the non-waiver provisions of Gen. Bus. Law articles 687.4 and 687.5 be satisfied.

6. Item 17(d). Item 17(d) of the disclosure document is amended to additionally disclose that the franchisee may terminate the franchise agreement on any grounds available under New York law;

7. Item 17(j). Item 17(j) of the disclosure document is amended to additionally disclose that assignment of the Franchise Agreement will be made by us, except to an assignee who, in our good faith judgment, is willing and financially able to assume our obligations under the Franchise Agreement

8. Item 17(w). Item 17(w) is amended to provide that the foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee/Area Director by Article 33 of the General Business Law of the State of New York.

ADDENDUM TO SQUEEGEE SQUAD®
DISCLOSURE DOCUMENT FOR THE
STATE OF NORTH DAKOTA

The following applies to franchises and franchisees subject to North Dakota statutes and regulations. The Item number corresponds to those in the main body of the Disclosure Document:

Item 5

The State of North Dakota requires the escrow of the Initial Franchise Fee until JJFI's obligations to assist you in establishing and opening your SQUEEGEE SQUAD® Business are fulfilled. An escrow account has been established by JJFI at Anchor Bank, N.A. located in Blaine, Minnesota. A copy of the Escrow Agreement is on file with the North Dakota Securities Department.

Item 17.

1. Covenants not to compete such as those mentioned in Item 17 may be subject to Section 9-08-06 of the North Dakota Century Code and unenforceable in the State of North Dakota if contrary to Section 9-08-06.

2. Article 21 of the Franchise Agreement state that disputes with us are subject to binding arbitration to take place in Minneapolis, Minnesota. These provisions may not be enforceable under North Dakota law.

3. Nothing contained in Article 16.5 of the Franchise Agreement shall be construed as to require you to consent to any termination penalties, as such penalties are unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

4. The parties' waiver of their right to claim punitive damages, as set forth in Article 21.3 of the Franchise Agreement may not be enforceable under North Dakota law.

ADDENDUM TO SQUEEGEE SQUAD®
DISCLOSURE DOCUMENT FOR THE
STATE OF SOUTH DAKOTA

To the extent the South Dakota Franchise Investment Act, S.D. Codified Laws §§37-5B-53 – 37-5B-53 applies, the terms of this Addendum apply.

Item 5, Additional Disclosure:

Payment of the initial franchise fee is deferred until such time as we complete our initial obligations and franchisee is open for business.

ADDENDUM TO SQUEEGEE SQUAD®
DISCLOSURE DOCUMENT FOR THE
COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Jack & Joe's Franchising, Inc. for use in the Commonwealth of Virginia shall be amended as follows. Item numbers correspond to those in the main body.

1. Item 5. INITIAL FEES.

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

2. Item 17.h.

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement or does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

ADDENDUM TO SQUEEGEE SQUAD®
DISCLOSURE DOCUMENT FOR THE
STATE OF WASHINGTON

The following information applies to franchises and franchisees subject to the Washington Franchise Investment Protection Act, Revised Code of Washington, Section 19.100.180(2)(j). Item numbers correspond to those in the main body.

1. Item 5. INITIAL FEES.

With respect to the franchises governed by Washington law, we will defer collection of all initial fees described in Item 5 until we have completed our initial obligations under the Franchise Agreement (including training) and the franchisee is authorized to open for business.

2. Item 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.

If any of the provisions in the Franchise Disclosure Document or Franchise Agreement are inconsistent with the relationship provisions of R.C.W. 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Act will prevail over the inconsistent provisions of the Franchise Disclosure Document or Franchise Agreement with regard to any franchise sold in Washington.

ADDENDUM TO SQUEEGEE SQUAD®
DISCLOSURE DOCUMENT FOR THE
STATE OF WISCONSIN

The following information applies to franchises and franchisees subject to the Wisconsin Fair Dealership Law. The Item number corresponds to those in the main body of the Disclosure Document:

Item 17.

1. For all franchisees residing in the State of Wisconsin, JJFI will provide you at least 90 days' prior written notice of termination, cancellation, or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation, or substantial change in competitive circumstances and will provide that you have 60 days in which to cure any claimed deficiency. If this deficiency is cured within 60 days, the notice will be void. If the reason for termination, cancellation, or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will have 10 days to cure the deficiency.

2. For Wisconsin franchisees, Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement or a related contract which is inconsistent with the Law.

ADDENDUM TO SQUEEGEE SQUAD®
FRANCHISE AGREEMENT FOR THE
STATE OF CALIFORNIA

This Addendum pertains to franchises sold in the State of California and is for the purpose of complying with California statutes and regulations. Notwithstanding anything that may be contained in the body of the Agreement to the contrary, the Agreement is amended as follows:

1. Collection of the initial franchise fee identified in Subparagraph 5.1 of the Franchise Agreement and any other fees described in Item 5 of the Franchise Disclosure Document is deferred until we have fulfilled all of our pre-opening obligations under the Franchise Agreement and we have authorized you to open for business.

2. Article 19.2 of the Franchise Agreement contains a covenant not to compete which extends beyond the term of the franchise. This provision may not be enforceable under California law.

3. Article 21 of the Franchise Agreement requires binding arbitration in Minneapolis, Minnesota. This provision may not be enforceable under California law

4. Article 15.5 of the Franchise Agreement requires the execution of a general release if the franchise is transferred. This provision may not be enforceable under California law.

5. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

FRANCHISEE

JACK & JOE'S FRANCHISING, INC.

By _____
Its _____

By _____
Its _____

ADDENDUM TO SQUEEGEE SQUAD®
FRANCHISE AGREEMENT FOR THE
STATE OF ILLINOIS

This Addendum pertains to franchises sold in the State of Illinois and is for the purpose of complying with Illinois statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended as follows:

1. Franchisee's payment of Initial Franchise Fees will be held in escrow at a federally-insured bank until Franchisor has met all of its initial obligations to franchisee and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial status. A copy of the Escrow Agreement is attached to the Franchise Disclosure Document as an exhibit, and is on file with the Office of the Illinois Attorney General.

2. Article 17.3 of the Agreement is amended to include the following:

Nothing in this Article 17.3 shall constitute a waiver of the provisions of ILCS 705/27.

3. Article 22.8 of the Agreement is amended to include the following:

Nothing in this Article 22.8, however, may be construed to mean that you may not rely on the SQUEEGEE SQUAD® Disclosure Document that we provided to you in connection with the offer and purchase of your SQUEEGEE SQUAD® franchise. Although the statements in the Disclosure Document do not become part of the Franchise Agreement, nothing in the Disclosure Document may contradict or be inconsistent with the contract terms.

4. The first two sentences of Article 22.1 are deleted in their entirety, and the following is substituted:

Subject to Article 21.2, this Agreement and the relationship between the parties shall be governed by and interpreted in accordance with the laws (statutory or otherwise) of the State of Illinois. The Franchisee waives, to the fullest extent permitted by law, the rights and protections that may be provided through the franchise or business opportunity laws of any state other than Illinois.

5. The fourth sentence of Article 22.1 is deleted in its entirety, and the following is substituted:

Subject to Article 21.2, any cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship of the parties must be brought in the Illinois federal or state court for the Designated Area in which you are located.

6. The Franchisee Questionnaire included in the Disclosure Document is unenforceable under Illinois law because it may have the effect of forcing a franchisee to waive or release certain rights that you as a franchisee have under the Illinois Franchise Disclosure Act, 815 ILCS 705/41 (West 2014).

7. Except as amended herein, the Franchise Agreement will be construed and enforced in accordance with its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

FRANCHISEE

JACK & JOE'S FRANCHISING, INC.

By _____
Its _____

By _____
Its _____

ADDENDUM TO SQUEEGEE SQUAD®
FRANCHISE AGREEMENT FOR THE
STATE OF MINNESOTA

This Addendum pertains to franchises sold in the State of Minnesota and is for the purpose of complying with Minnesota statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended as follows:

1. The State of Minnesota requires the escrow of the Initial Franchise Fee until JJFI's obligations to assist you in establishing and opening your SQUEEGEE SQUAD® Business are fulfilled. An escrow account has been established by JJFI at Anchor Bank, N.A. located in Blaine, Minnesota. A copy of the Escrow Agreement is on file with the Minnesota Department of Commerce.

2. Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

3. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non- renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

4. The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

5. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

6. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

7. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

8. The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

9. Except as amended herein, the Franchise Agreement will be construed and enforced in accordance with its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum

and consents to be bound by all of its terms.

FRANCHISEE

JACK & JOE’S FRANCHISING, INC.

By _____
Its _____

By _____
Its _____

ADDENDUM TO SQUEEGEE SQUAD®
FRANCHISE AGREEMENT FOR THE
STATE OF NEW YORK

This Addendum relates to franchises sold in New York and is intended to comply with New York statutes and regulations. In consideration of the execution of the Franchise Agreement, Franchisor and Franchisee agree to amend the Franchise Agreement as follows:

1. Release. Articles 3 and 15.5(C) of the Franchise Agreement are amended to provide that all rights enjoyed by Franchisee and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder will remain in force, it being the intent of this provision that the applicable nonrenewal or termination provisions of the General Business Law be satisfied.

2. Governing Law. Article 22.1 of the Franchise Agreement is amended by adding the following sentence at the end of such Article: “The foregoing should not be considered a waiver of any right that either Franchisor or Franchisee may have under the General Business Law of the State of New York, Article 33.”

3. Construction. In all other respects, the Franchise Agreement will be construed and enforced with its terms.

FRANCHISEE

JACK & JOE’S FRANCHISING, INC.

By _____
Its _____

By _____
Its _____

ADDENDUM TO SQUEEGEE SQUAD®
FRANCHISE AGREEMENT FOR THE
STATE OF NORTH DAKOTA

This Addendum pertains to franchises sold in the State of North Dakota and is for the purpose of complying with North Dakota statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

1. The State of North Dakota requires the escrow of the Initial Franchise Fee until JJFI's obligations to assist the Franchisee in establishing and opening the Franchisee's SQUEEGEE SQUAD® Business are fulfilled. JJFI has established an escrow account at Anchor Bank, N.A. located in Blaine, Minnesota. The Franchisee shall be required to execute a written authorization for release of the escrowed Initial Franchise Fee once JJFI's pre-opening obligations have been fulfilled.

2. Article 21 of the Franchise Agreement requires binding arbitration in Minneapolis, Minnesota. This provision may not be enforceable under North Dakota law.

3. The parties' waiver of their right to claim punitive damages, as set forth in Article 21.3 of the Franchise Agreement, may not be enforceable under North Dakota law.

4. Notwithstanding anything contained in Article 19.2 of the Franchise Agreement, post-term covenants not to compete such as those mentioned in Article 19.2 are considered unenforceable in the State of North Dakota.

5. Nothing contained in Article 16.5 of the Franchise Agreement shall be construed as to require the Franchisee to consent to any termination penalties, as such penalties are unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

6. The consent by the Franchisee to jurisdiction and venue in Federal District Court for the District of Minnesota or Hennepin County District Court, Minneapolis, Minnesota contained in Article 22.1 of the Franchise Agreement, may be inapplicable, however, such inapplicability in the State of North Dakota will not be construed to mean that venue in Federal District Court for the District of Minnesota or Hennepin County District Court, Minneapolis, Minnesota is improper, or that the Franchisee and its officers, directors and owners or partners are not subject to jurisdiction in Federal District Court for the District of Minnesota or Hennepin County District Court, Fourth Judicial District, Minneapolis, Minnesota.

6. Except as amended herein, the Franchise Agreement will be construed and enforced in accordance with its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

FRANCHISEE

JACK & JOE'S FRANCHISING, INC.

By _____
Its _____

By _____
Its _____

ADDENDUM TO SQUEEGEE SQUAD®
FRANCHISE AGREEMENT FOR THE
STATE OF SOUTH DAKOTA

To the extent the South Dakota Franchise Investment Act, S.D. Codified Laws §§37-5B-53 – 37-5B-53 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Payment of the initial franchise fee is deferred until such time as we complete our initial obligations and franchisee is open for business.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

FRANCHISEE

JACK & JOE’S FRANCHISING, INC.

By _____
Its _____

By _____
Its _____

ADDENDUM TO SQUEEGEE SQUAD®
FRANCHISE AGREEMENT FOR THE
COMMONWEALTH OF VIRGINIA

This Addendum will pertain to franchises sold in the Commonwealth of Virginia and will be for the purpose of complying with the Virginia Retail Franchising Act.

1. The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

FRANCHISEE

JACK & JOE'S FRANCHISING, INC.

By _____
Its _____

By _____
Its _____

ADDENDUM TO SQUEEGEE SQUAD®
FRANCHISE AGREEMENT FOR THE
STATE OF WASHINGTON

To the extent the Washington Franchise Investment Protection Act, Wash. Rev. Code §§19.100.010 – 19.100.940 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

RCW 19.100.180 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 or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder 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, or 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.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result,

any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

2. Collection of the initial franchise fee identified in Subparagraph 5.1 of the Franchise Agreement and any other fees described in Item 5 of the Franchise Disclosure Document will be deferred until we have completed our initial obligations under the Franchise Agreement and the Franchisee has completed training and is authorized to open for business.

3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

FRANCHISEE

JACK & JOE'S FRANCHISING, INC.

By _____
Its _____

By _____
Its _____

ADDENDUM TO SQUEEGEE SQUAD®
FRANCHISE AGREEMENT FOR THE
STATE OF WISCONSIN

This Addendum pertains to franchisees in the State of Wisconsin and is for the purpose of complying with Wisconsin statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

1. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, Article 16 of the Agreement pertaining to “Franchisor’s Termination Rights; Damages” is extended as follows:

JJFI will provide the Franchisee at least 90 days’ prior written notice of termination, cancellation, or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation, or substantial change in competitive circumstances and will provide that you have 60 days in which to rectify any claimed deficiency. If the deficiency is rectified within 60 days, the notice will be void. If the reason for termination, cancellation, or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will be entitled to written notice of such default, and will have not less than 10 days in which to remedy such default from the date of delivery or posting of such notice.

2. Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of this Agreement or a related document between JJFI and the Franchisee inconsistent with the Law.

3. Except as amended herein, the Franchise Agreement will be construed and enforced in accordance with its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

FRANCHISEE

JACK & JOE’S FRANCHISING, INC.

By _____
Its _____

By _____
Its _____

Exhibit E

**SQUEEGEE SQUAD OPERATIONS MANUAL
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Exhibit F

FINANCIAL STATEMENTS

**JACK & JOE'S FRANCHISING, INC.
MAPLE GROVE, MINNESOTA**

**FINANCIAL STATEMENTS
DECEMBER 31, 2020, 2019 AND 2018**



JACK & JOE'S FRANCHISING, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jack & Joe's Franchising, Inc.
Maple Grove, Minnesota

We have audited the accompanying financial statements of Jack & Joe's Franchising, Inc. (an S corporation), which comprise the balance sheets as of December 31, 2020, 2019 and 2018, and the related statements of operations and retained (deficit) and cash flows for the years then ended, 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jack & Joe's Franchising, Inc. as of December 31, 2020, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Smith, Schaff and Associates, Ltd.

Minneapolis, Minnesota
April 19, 2021

JACK & JOE'S FRANCHISING, INC.**BALANCE SHEETS****December 31, 2020, 2019 and 2018**

ASSETS	2020	2019	2018
Current Assets			
Cash and cash equivalents	\$ 20,881	\$ 8,887	\$ 7,590
Cash and cash equivalents restricted for franchisee advertising	11,866	21,353	23,421
Accounts receivable	17,100	25,505	27,874
Prepaid expenses	500	500	24,842
Notes receivable - franchisees	3,959	10,693	22,189
Total Current Assets	54,306	66,938	105,916
Property and Equipment			
Vehicles	46,379	46,379	46,379
Computer equipment	6,531	6,531	6,611
Total Property and Equipment	52,910	52,910	52,990
Less: Accumulated depreciation	51,442	51,148	52,990
Property and Equipment, net	1,468	1,762	-
Other Assets			
Notes receivable - franchisees, net of current portion and allowance	3,094	4,777	14,439
Notes receivable - stockholders	8,729	8,729	8,729
Website development, net of amortization	30,917	34,417	-
Total Other Assets	42,740	47,923	23,168
TOTAL ASSETS	\$ 98,514	\$116,623	\$129,084

See Notes to Financial Statements

LIABILITIES AND STOCKHOLDERS' EQUITY	2020	2019	2018
Current Liabilities			
Current portion of long-term debt	\$ -	\$ -	\$ 7,330
Accounts and sales taxes payable	15,325	13,687	26,471
Accrued wages	687	2,697	2,518
Contract liabilities	1,164,601	1,223,196	1,082,096
Total Current Liabilities	1,180,613	1,239,580	1,118,415
 Long-Term Debt, net	 7,600	 -	 1,045
Total Liabilities	1,188,213	1,239,580	1,119,460
 Stockholders' Equity (Deficit)			
Common stock, \$.01 par value; 10,000,000 shares authorized, 100 shares issued and outstanding	1	1	1
Additional paid-in capital	199	199	199
Retained earnings (deficit)	(1,089,899)	(1,123,157)	(990,576)
Total Stockholders' Equity (Deficit)	(1,089,699)	(1,122,957)	(990,376)
 TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	 \$ 98,514	 \$ 116,623	 \$ 129,084

JACK & JOE'S FRANCHISING, INC.**STATEMENTS OF OPERATIONS AND RETAINED (DEFICIT)****For the Years Ended December 31, 2020, 2019 and 2018**

	2020	2019	2018
Revenues			
Royalties	\$ 658,568	\$ 729,289	\$ 692,397
Franchise fees	333,357	106,149	415,457
Advertising income	72,657	70,555	62,462
Software lease revenues	21,692	21,487	22,744
Management fee	20,987	19,732	21,353
Convention fees	-	30,192	26,919
Total Revenues	1,107,261	977,404	1,241,332
Operating Expenses			
Contract labor	839,852	800,772	997,688
Advertising	81,226	19,191	36,084
Salaries and wages	52,965	37,761	60,409
Professional fees	52,159	75,448	31,660
Software expense	15,388	16,966	27,581
Bad debt expense	7,442	9,164	5,454
Royalties and commissions	6,229	95,626	142,048
Office expense	4,843	2,028	641
Payroll taxes	4,091	3,974	6,447
Depreciation and amortization	3,794	877	16,214
State registration fees	2,500	2,600	2,500
Other operating expenses	1,668	6,262	2,906
Insurance	1,513	1,000	1,032
Telephone and internet	205	332	169
Travel and entertainment	128	484	226
Convention	-	37,329	35,321
Total Operating Expenses	1,074,003	1,109,814	1,366,380
Operating Income (Loss)	33,258	(132,410)	(125,048)

See Notes to Financial Statements

(CONTINUED)	2020	2019	2018
Other Income (Expense)			
Other income	-	100	10,860
Interest income	-	-	573
Interest expense	-	(271)	(2,080)
Total Other Income (Expense)	-	(171)	9,353
Net Income (Loss)	33,258	(132,581)	(115,695)
RETAINED (DEFICIT) BEGINNING OF YEAR	(1,123,157)	(990,576)	(683,455)
Distributions	-	-	191,426
RETAINED (DEFICIT) END OF YEAR	<u>\$ (1,089,899)</u>	<u>\$ (1,123,157)</u>	<u>\$ (990,576)</u>

JACK & JOE'S FRANCHISING, INC.**STATEMENTS OF CASH FLOWS****For the Years Ended December 31, 2020, 2019 and 2018**

	2020	2019	2018
Cash Flows From Operating Activities			
Net income (loss)	\$ 33,258	\$ (132,581)	\$ (115,695)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Revenues financed with notes receivable	(20,896)	(164,985)	(353,358)
Notes receivable payable to related parties	18,806	148,487	305,919
Expenses paid with loan forgiveness	360	-	-
Depreciation and amortization	3,794	877	16,214
Long-term debt assumed by stockholder	-	-	(7,998)
Provision for uncollectible notes receivable	3,427	1,033	4,070
Net (increase) decrease in:			
Accounts receivable	8,405	2,369	(9,255)
Prepaid expenses	-	24,342	(14,739)
Net increase (decrease) in:			
Accounts and sales tax payable	1,638	(12,784)	(1,805)
Accrued wages	(2,010)	179	(1,252)
Contract liabilities	(58,595)	141,100	168,787
Net Cash Provided By (Used In) Operating Activities	(11,813)	8,037	(9,112)
Cash Flows From Investing Activities			
Net payments on notes receivable - franchisees	6,720	36,623	14,907
Principal payments received on stockholder notes	-	-	22,867
Purchases of fixed assets	-	(2,056)	-
Payments for website development	-	(35,000)	-
Net Cash Provided By (Used In) Investing Activities	6,720	(433)	37,774
Cash Flows From Financing Activities			
Advances on long-term debt	7,600	-	-
Payments on long-term debt	-	(8,375)	(15,803)
Net Cash Provided By (Used In) Financing Activities	7,600	(8,375)	(15,803)

See Notes to the Financial Statements

(CONTINUED)	2020	2019	2018
Net Change in Cash and Cash Equivalents	2,507	(771)	12,859
Cash and Cash Equivalents, Beginning of Year	30,240	31,011	18,152
Cash and Cash Equivalents, End of Year	\$ 32,747	\$ 30,240	\$ 31,011

Cash and Cash Equivalents as Presented on the Balance Sheet (Page 3):

Cash and cash equivalents	\$ 20,881	\$ 8,887	\$ 7,590
Cash restricted for franchisee advertising	11,866	21,353	23,421
Total cash and cash equivalents	\$ 32,747	\$ 30,240	\$ 31,011

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the year for:			
Interest	\$ -	\$ 271	\$ 2,080
Noncash Investing and Financing Activities			
Distribution of stockholder notes receivable	\$ -	\$ -	\$ 191,426

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JACK & JOE'S FRANCHISING, INC.

NOTES TO FINANCIAL STATEMENTS

1. Description of Business and Summary of Significant Accounting Policies

Description of Business

Jack & Joe's Franchising, Inc. (the Company) was incorporated on February 4, 2005 in the State of Minnesota. The Company has registered in the State of Minnesota and other states to sell franchises and plans to register in additional states. As a franchisor, the Company enters into franchise agreements with franchisees – training them to operate a window cleaning business in their designated territory. The Company charges an initial franchise fee to franchisees to purchase a franchise and collects weekly fees from franchisees based primarily on franchisee revenues.

Basis of Accounting and Revenue Recognition

The Company maintains their books and records on the accrual basis of accounting in accordance with generally accepted accounting principles.

Revenue is measured based on consideration specified in a contract with a customer, and excludes any sales incentives and amounts collected on behalf of third parties. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer.

For performance obligations related to the sale of franchises, including licensing franchisee software, control transfers to the customer over time. The Company's franchise fee and software license contracts are recognized over time based on the life of the contract.

For performance obligations related to ongoing fees from franchisees, including royalties, advertising income, convention fees, and management fees, control transfers to the customer at a point in time. The Company records revenue generally when the related franchisee revenue has been earned.

A portion of the Company's franchise sales are financed. For other revenues, the Company does not have significant financing components as payment is received at or shortly after the point of sale.

Cash and Cash Equivalents

The Company considers all demand deposits and all other highly liquid investments with an original maturity of three months or less to be cash equivalents.

JACK & JOE'S FRANCHISING, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

1. Description of Business and Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year end will be immaterial. Therefore, no valuation allowance is maintained for these accounts receivable as of December 31, 2020, 2019 and 2018. Balances that are outstanding after management has exhausted reasonable collection efforts are written off. All accounts receivable are expected to be collected within one year of the balance sheet date.

Notes Receivable - Franchisees

Notes receivable from the Company's franchisees are stated at unpaid principal balances, less an allowance for uncollectible notes. The notes are generally unsecured and charge interest ranging from 0% to 18%. Management routinely evaluates the adequacy of the allowance based on their knowledge of the franchisees. As of December 31, 2020, 2019 and 2018, the allowance for uncollectible notes receivable was \$5,146, \$1,719 and \$4,070, respectively. Management writes off uncollectible notes receivable balances through a charge to the valuation allowance after reasonable collection efforts have been exhausted.

Property and Equipment

Property and equipment are stated at cost. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets, generally five years for computer equipment and vehicles. Depreciation expense was \$294, \$294, and \$16,214 for the years ended December 31, 2020, 2019 and 2018, respectively.

Intangible Assets – Franchise Registration

The Company has registered with the State of Minnesota and other states as an approved franchisor. In conjunction with obtaining this approval and drafting the related standard franchise agreement, it incurred \$94,334 in costs. These costs have been capitalized and were amortized on a straight-line basis over the estimated useful life of ten years.

Intangible Assets – Website Development

During 2019, the Company incurred costs related to the development of its website for use as a marketing tool for attracting franchisees and as a resource for current franchisees. The costs, totaling \$35,000, were capitalized and are being amortized on a straight-line basis over the estimated useful life of ten years. Amortization expense was \$3,500 and \$583 for the years ended December 31, 2020 and 2019, respectively. Amortization expense related to the website is expected to be \$3,500 each year until fully amortized.

JACK & JOE'S FRANCHISING, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

1. Description of Business and Summary of Significant Accounting Policies (Continued)

Contract Liabilities

Contract liabilities include sales of franchises related to commitments for service and use of the Company's intellectual property and branding in future periods, software licensing fees that have not yet been recognized in accordance with the Company's revenue recognition policy and fees paid by franchisees for the Company's annual convention to be held in the year subsequent to the reporting period.

Income Taxes

The Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay federal corporate income taxes on its taxable income. Instead, the stockholders are liable for individual federal income taxes on their respective shares of the Company's income.

Management has determined that the Company does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Additionally, any income taxes as a result of the IRS disallowing certain deductions will be imposed on the stockholders rather than the Company.

The Company's federal income tax are subject to examination by the IRS, generally for three years after they were filed.

Advertising

The Company expenses advertising costs as they are incurred. Advertising expense for the years ended December 31, 2020, 2019 and 2018 was \$81,226, \$19,191 and \$36,084, respectively.

Fair Value of Financial Instruments

The carrying amount for substantially all assets and liabilities approximates fair value due to the immediate or short-term maturity of these financial instruments. The fair value of the Company's notes receivable from franchisees approximates its carrying value because the terms are equivalent to yields available to the Company for similar notes with substantially equivalent terms and maturities. The fair value of the Company's debt approximates its carrying value because the terms are equivalent to borrowing rates currently available to the Company for debt with similar terms and maturities.

JACK & JOE'S FRANCHISING, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

1. Description of Business and Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of 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 and assumptions.

Reclassifications

Certain reclassifications have been made to the 2019 and 2018 financial statements to conform with the presentation in the 2020 financial statements. There were no changes to retained earnings or net income as a result of the reclassifications for the years ended December 31, 2020, 2019 and 2018.

Subsequent Events

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through April 19, 2021, the date the financial statements were available to be issued.

Accounting Pronouncements Issued But Not Yet Effective

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which requires entities that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the balance sheets for leases with terms exceeding twelve months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for the Company for the year ending December 31, 2022. Early adoption is permitted. The impact of the adoption of this pronouncement has not yet been determined.

JACK & JOE'S FRANCHISING, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Restricted Cash

The Company collects weekly advertising fees from franchisees in accordance with the franchise agreements. Such funds are to be used by the Company as it sees fit for advertising and related expenses for the franchised operations. As of December 31, 2020, 2019 and 2018, the Company held \$11,866, \$21,353 and \$23,421, respectively, in a separate account related to fees collected from franchisees that had not yet been expended for the purpose stated above.

3. Long-Term Debt

Long-term debt at December 31, 2020, 2019 and 2018 consisted of the following:

	2020	2019	2018
Paycheck Protection Program loan, see additional information below	\$ 7,600	\$ -	\$ -
Installment note bearing interest at 4.19%; paid in full during 2019	-	-	8,375
Total	7,600	-	8,375
Less: Current portion	-	-	7,330
Long-Term Debt, net	<u>\$ 7,600</u>	<u>\$ -</u>	<u>\$ 1,045</u>

In April 2020, the Organization received a Paycheck Protection Program loan for \$7,600 under the Coronavirus Aid, Relief and Economic Security (CARES) Act. The loan is to be used to pay employee payroll and related costs, rent and utilities. The Organization used the loan proceeds for qualified expenses and received full forgiveness from the federal government subsequent to year end.

4. Related Party Transactions

Notes Receivable - Stockholders

Amounts due from stockholders at various times throughout the year resulted from open account activity. The amounts are unsecured and are noninterest bearing. The amount owed to the Company by its stockholders was \$8,729 as of December 31, 2020, 2019 and 2018.

JACK & JOE'S FRANCHISING, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

5. Franchise Revenue

In general, the Company's franchise agreements provide for the payment of a franchise fee for each franchised territory sold. Franchisees pay continuing fees ranging from 5% to 7% of sales. Subject to approval and payment of a renewal fee, a franchisee may generally renew its agreement upon expiration.

Initial franchise fees are generally recognized over the term of the franchise agreement. For payment of initial franchise fees, franchisees are provided with services such as consulting, personnel training and opening assistance, as well as use of the Company's intellectual property including the franchise name and branding.

The Company sold three individual franchise licenses, three franchises for additional territories and two territory transfers during 2020, eight individual franchise licenses and two franchises for additional territories during 2019 and nine individual franchise licenses and three franchises for additional territories during 2018. Initial franchise fee revenues amounted to \$333,357, \$106,149 and \$415,457 for the years ended December 31, 2020, 2019 and 2018, respectively.

6. Revenue and Contract Balances

Revenue, disaggregated by timing of satisfaction of performance obligations, for the years ended December 31, 2020, 2019 and 2018 was as follows:

	2020	2019	2018
Performance obligations satisfied at a point in time	\$ 752,212	\$ 849,768	\$ 803,131
Performance obligations satisfied over time	355,049	127,636	438,201
Total	<u>\$ 1,107,261</u>	<u>\$ 977,404</u>	<u>\$ 1,241,332</u>

Revenue from performance obligations satisfied at a point in time consists of ongoing fees from franchisees. Revenue from performance obligations satisfied over time consists of initial franchise fees and software licenses revenue.

JACK & JOE'S FRANCHISING, INC.**NOTES TO FINANCIAL STATEMENTS (CONTINUED)****6. Revenue and Contract Balances (Continued)**

Contract liabilities include unearned revenue related to initial franchise fees for the remaining term of the underlying franchise agreements, as well as software licensing revenues relating to periods subsequent to the financial statement date. Contract liabilities including the impact of the adoption of the new revenue recognition standard included on the Company's balance sheet were as follows:

	Contract Liabilities		Retained Earnings (Deficit)	
	As Reported	Prior Accounting	As Reported	Prior Accounting
Balance as of January 1, 2018	<u>\$ 913,309</u>	<u>\$ 87,023</u>	<u>\$ (683,455)</u>	<u>\$ 142,831</u>
Balance as of December 31, 2018	<u>\$ 1,082,096</u>	<u>\$ 59,861</u>	<u>\$ (990,576)</u>	<u>\$ 31,659</u>
Balance as of December 31, 2019	<u>\$ 1,223,196</u>	<u>\$ 8,742</u>	<u>\$ (1,123,157)</u>	<u>\$ 91,297</u>
Balance as of December 31, 2020	<u>\$ 1,164,601</u>	<u>\$ 83,250</u>	<u>\$ (1,089,899)</u>	<u>\$ 67,452</u>

The Company's retained deficit as adjusted under the new revenue recognition standard will be funded as the contract liabilities are earned as revenue.

Exhibit G

**LIST OF FRANCHISED OUTLETS
AND FRANCHISEES WHO HAVE LEFT THE SYSTEM**

SQUEEGEE SQUAD®
LIST OF FRANCHISEES
(As of December 31, 2020)

CITY	FRANCHISEE	ADDRESS	PHONE/FAX/EMAIL
ARIZONA			
Phoenix, AZ	Todd Foor	P.O. Box 7475 Tempe, AZ 85281	(480) 288-0053 Todd.Foor@SqueegeeSquad.com
Chandler, AZ	Darren Mabe	13295 E King John Rd Parks, AZ 86018	(480) 694-3395 Darren.Mabe@squeegeesquad.com
ARKANSAS			
Texarkana, AR (NorthWest Arkansas)	Jared Mathias	1902 N. Dixieland Rd. Rogers, AR 72756	(844) 692-9274 jmathias@squeegeesquad.com
COLORADO			
Arapahoe, Denver, Douglas & Jefferson County, CO	John Larkin	4890 Van Gordon Street Unit 106 Wheat Ridge, CO 80033	(720) 305-6813 john@squeegeesquad.com
Adams, Boulder, Broomfield, El Paso, Larimer & Weld County, CO	Bruce Sompolski David Piwko	13701 W Jewell Ave Ste 208 Lakewood, CO 80228	(720) 408-0014 Bruce@squeegeesquad.com David@squeegeesquad.com
FLORIDA			
Clearwater, FL	Paul Dunwell	3665 East Bay Drive Suite 204 Largo, FL 33771	(727) 216-6716 pauldunwell@squeegeesquad.com
Lakeland, FL	TJ Muncy	15390 County Rd 565A STE F Groveland, FL 34736	(863) 399-1717 TJMuncy@squeegeesquad.com
Naples, FL	Leonard Fazio		(239) 462-9861 l.fazio@squeegeesquad.com
Orlando/Daytona Beach, FL	Jason Zapp	4300 W Lake Mary Blvd Orlando, FL 32806	(386) 313-8425 (407) 921-0071 Jason@squeegeesquad.com
Tampa, FL	Marcello Magno Paulo Pecanha	14875 Skip Jack Loop Lakewood Ranch, FL 34202	(813) 443-5713 salestampabay@squeegeesquad.com
West Palm Beach	Kaye Jones	3601 South Ocean Blvd. #209 Palm Beach, FL 33480	(954) 369-2864 Kave@squeegeesquad.com
Manatee & Sarasota County, FL	Marcello Magno	14875 Skip Jack Loop Lakewood Ranch, FL 34202	(941) 462-2497 manatee.sarasota@squeegeesquad.com
Lee County, FL	Jay Irwin Judy Irwin	117 SE 12 th Court Cape Coral, FL 33990	(239) 222-7530 Jay.irwin@squeegeesquad.com Judy.irwin@squeegeesquad.com
GEORGIA			
Atlanta, GA	Barry Turem	3987 Gibson Street Acworth, GA 30101	(404) 309-8753 Barry@Squeegeesquad.com
ILLINOIS			
Chicago, IL	Steve Thate Lynn Thate	14409 W. Edison Ave. Unit G New Lenox, IL 60451	(815) 281-3149 Steve.thate@squeegeesquad.com Lynn.thate@squeegeesquad.com
Peoria, IL	Pat O'Neill	1230 Independence Ct. Washington, IL 61571	(309) 657-6568 pat@squeegeesquad.com
Naperville, IL	Evan Shor	30W010 Huntington Dr. Warrenville, IL 60555	(630) 626-0884 evan@squeegeesquad.com

CITY	FRANCHISEE	ADDRESS	PHONE/FAX/EMAIL
Quad Cities, IL	Greg Kerchner	953 41 st St Moline, IA 61265	(309) 764-1998 greg@squeegeesquad.com
IOWA			
Des Moines, IA	Leonard Fazio	3201 Valley Ridge Ct. West Des Moines, IA 50265	(515) 864-9222 l.fazio@squeegeesquad.com
Mason City, IA	Mike Priebe	PO Box 241 Clear Lake, IA 50428	(641) 590-1476 mkp@squeegeesquad.com
KANSAS			
Topeka, KS	Mike Coburn Melissa Coburn	3341 NW Hickory Ridge LN Topeka, KS 66618	(785) 215-5159 mikec@squeegeesquad.com melissac@squeegeesquad.com
Overland Park, KS	Zach Poland	8400 W 127 th St. #10 Overland Park, KS 66213	(913) 291-7771 zach@squeegeesquad.com
Wichita, KS	James Barfield	2250N Rock Road Ct. Wichita, KS 67226	(316) 202-6020 james@squeegeesquad.com
KENTUCKY			
Northern KY & Cincinnati, OH	Brian Longen	1891 Palladian Dr. Florence, KY 41042	(859) 486-8370 nky@squeegeesquad.com
Lexington-Fayette, KY	Sam Varner Marilee Varner	912 Liberty Road Lexington, KY 40505	(859) 536-3636 Sam@squeegeesquad.com Marilee@squeegeesquad.com
MAINE			
Androscoggin & Kennebec County, ME	Charlie Hamel	160 Vickery Road Auburn, ME 04210	(207) 783-9073 CharlieHamel@squeegeesquad.com
MICHIGAN			
Grand Rapids, MI	Troy Butler Rodney Prah	14385 8 th Ave. Suite C Marne, MI 49435	(616) 447-2000 Troy@squeegeesquad.com Rodney@squeegeesquad.com
MINNESOTA			
Alexandria, MN	Kip Drevlow	13761 State 27 Osakis, MN 56360	(320) 766-6005 kip@squeegeesquad.com
St Cloud & Brainerd, MN	Shaun Emerson	PO Box 006 Big Lake, MN 55309	(763) 442-5265 (320) 336-9471 TCNW@SqueegeeSquad.com
Duluth, MN	Nick Levens	5583 Pine St. P.O. Box 321 Tower, MN 55790	(218) 780-8847 Nick.levens@squeegeesquad.com
Minneapolis/St. Paul, MN	Joe Antonello	315 Atwater Street St. Paul, MN 55117	(952) 835-0011 joea@SqueegeeSquad.com
Rochester, MN	Joe Antonello	315 Atwater Street St. Paul, MN 55117	(952) 835-0011 joea@SqueegeeSquad.com
Willmar & Western MN	Josiah Plumley	16509 10 th St. NE New London, MN 56273	(320) 894-2970 josiah@squeegeesquad.com
Mankato, MN	Jose Lopez	415 Western Avenue Lot#99 Faribault, MN 55021	(507) 508-9020 Jose.lopez@squeegeesquad.com
MISSOURI			
Springfield, MO	Eric Summerville Melissa Summerville	1753-H S West Bypass Springfield, MO 65807	(417) 838-2566 Eric@squeegeesquad.com melissas@squeegeesquad.com
Cape Girardeau, MO	Randall Meek	5841 State Hwy K Cape Girardeau, MO 63701	(573) 837-2260 Randall.Meek@squeegeesquad.com

CITY	FRANCHISEE	ADDRESS	PHONE/FAX/EMAIL
<u>NEVADA</u>			
Las Vegas, NV	Sammy Campa Heather Campa	11700 W Charleston Blvd #170-473 Las Vegas, NV 89135	(702) 825-3400 sammy@squeegeesquad.com heather@squeegeesquad.com
<u>NORTH CAROLINA</u>			
Raleigh & Durham, NC	Michael Marsh Marie Marsh	4901 Caswell PL W Wilson, NC 27893	(919) 795-2409 Michael@squeegeesquad.com Marie@squeegeesquad.com
<u>NORTH DAKOTA</u>			
Fargo, ND (& Moorhead, MN)	Brad Malum Dan Malum	742 4 th Street S. Casselton, ND 58012	(701) 412-8633 Brad@squeegeesquad.com Dan@squeegeesquad.com
Bismarck, ND	Tony Sibanda	2303 Shoal Loop SE Apt 215 Mandan, ND 58554	(701) 540-8596 tony@squeegeesquad.com
<u>OKLAHOMA</u>			
Tulsa, OK	Shane Brinkley Melissa Brinkley	319 Dewey Ave #302a Bartlesville, OK 74003	(918) 331-9905 Shane@squeegeesquad.com Melissa@squeegeesquad.com
<u>PENNSYLVANIA</u>			
East Pittsburgh, PA	Joe Montore	8865 Norwin Ave. Unit 27 PMB#165 North Huntingdon, PA 15642	(724) 864-5429 Joem@squeegeesquad.com
<u>SOUTH DAKOTA</u>			
Sioux Falls, SD/Sioux City, IA	Jason Todd	PO Box 103 Bronson, IA 51007	(605) 228-6718 jason@squeegeesquad.com
<u>TENNESSEE</u>			
Nashville, TN	Arthur Davis Steven Davis	2441-Q Old Fort Pkwy Murfreesboro, TN 37128	(615) 917-2240 arthur@squeegeesquad.com stevendavis@squeegeesquad.com
<u>TEXAS</u>			
San Antonio, TX	Brandon Cone & Yul Salaburu	5150 Broadway Box 448 San Antonio, TX 78209	(888) 407-7024 Brandon@squeegeesquad.com Yul@SqueegeeSquad.com
Houston, Belton & Austin, TX	Richard Trukhin	2800 Brownstone Place Apt. 3102 Pearland, TX 77584	(832) 465-4406 Houston@squeegeesquad.com
Amarillo, Dallas & Lubbock, TX	Chad Read	Po Box 2875 Lubbock, TX 79452	(806) 762 -0150 sparklingimage@squeegeesquad.com
<u>WISCONSIN</u>			
Milwaukee, WI	Alex Martin	4825 N 125 th Street Butler, WI 53007	262-437-0384 Alex@squeegeesquad.com
Hudson, WI	Mel Zehm	808 Carmichael Rd. #172 Hudson, WI 54016	(715) 255-0770 Mel@squeegeesquad.com
INTERNATIONAL			
<u>BRAZIL</u>			
Sao Paulo	Sergio De Carlo	Rua Chapeus de Sol, 172 Cotia, Sao Paulo 06706-250 Brazil	5511 8114 2728 sergio@squeegeesquad.com
<u>NIGERIA</u>			

CITY	FRANCHISEE	ADDRESS	PHONE/FAX/EMAIL
Lagos	Danlami Musa	Suite LC12 3 rd Floor West Pavillion, Tafawa Belewa Square, Lagos	+234 8023839560 squeegeesquadng@gmail.com
PANAMA			
Panama City	Lolita Porras	44th Street Building No. 40, 3rd floor Bella Vista, Panama City, Panama	Lolita@squeegeesquad.com

Below is a list of Business Franchisees that have had their agreement terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement for the period from January 1, 2020 to December 31, 2020. No franchisees have failed to communicate with us during the 10-week period preceding the Issuance Date of this Disclosure Document.

CITY, STATE	FRANCHISEE	PHONE/FAX/EMAIL
Chicago, IL	Mike Schnyders	(815) 281-3149 MikeSchnyders@squeegeesquad.com
Omaha & Lincoln, NE	Robert Baxter	(844) 927-4778 rbaxter@squeegeesquad.com
Sioux Falls, SD/Sioux City, IA	Robert Baxter	(844) 927-4778 rbaxter@squeegeesquad.com
Austin, TX	Robert Baxter	(844) 927-4778 rbaxter@squeegeesquad.com
Austin, TX II	Robert Baxter	(844) 927-4778 rbaxter@squeegeesquad.com
Mankato, MN	Cory Anderson	(507) 508-9020 Cory.anderson@squeegeesquad.com
North Pittsburgh, PA	Brian Burholt	(724) 307-8998 BrianB@squeegeesquad.com

Exhibit H

STATE AGENCIES AND AGENTS FOR SERVICE OF PROCESS

**STATE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS**

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation	320 West 4 th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1 st Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7 th Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	NYS Department of Law Investor Protection Bureau	28 Liberty Street, 21 st Floor New York, NY 10005 212-416-8236
New York (Agent)	New York Department of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 518-473-2492
North Dakota	Securities Commissioner North Dakota Securities Department	600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 69-1 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Insurance – Securities Regulation	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9 th Floor Richmond, VA 23219 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

Exhibit I

LIST OF AREA DIRECTORS

**LIST OF SQUEEGEE SQUAD
Area Directors
(as of January 5, 2021)**

None.

Exhibit J

STATE EFFECTIVE DATES

State Effective Dates

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

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

State	Effective Date
California	Pending
Illinois	Pending
Indiana	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

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

Exhibit K

RECEIPTS

Receipt

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Jack & Joe's Franchising, Inc. ("JJFI") offers you a franchise, JJFI must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, JJFI or our affiliate in connection with the proposed franchise sale. Iowa and New York require that JJFI give you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If JJFI does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and those state administrators listed on Exhibit H.

The franchisor is Jack & Joe's Franchising, Inc. d/b/a Squeegee Squad® 7750 Ranchview Lane N, Maple Grove, MN 55311, (763-286-3465) or (612-919-7130).

Issuance Date: April 20, 2021

JJFI's franchise sellers involved in offering and selling the franchise to you are Jack Ruegsegger, 8427 172nd Ave NE, Columbus, MN 55025 (612-919-7130) and/or Joe Ruegsegger, 7750 Ranchview Lane N, Maple Grove, MN 55311 (763-286-3465) and the following:

Name: _____ address: _____
_____, phone: _____, or will be provided to you separately (including address and telephone number) before you sign a franchise agreement.

JJFI authorizes the respective state agencies identified on Exhibit H to receive service of process for JJFI in the particular state.

I have received a disclosure document dated April 20, 2021, that included the following Exhibits:

- | | |
|--|--|
| A. Franchise Agreement (including Exhibits) | F. Financial Statements |
| B. Software License Agreement | G. List of Franchised Outlets |
| C. Agreements to be Signed by Franchisee, its Manager and/or Employees | H. State Agencies and Agents for Service |
| D. State Addenda | I. List of Area Directors |
| E. Operations Manual Table of Contents | J. State Effective Dates |
| | K. Receipts |

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

Copy for Franchisee

Receipt

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Jack & Joe's Franchising, Inc. ("JJFI") offers you a franchise, JJFI must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, JJFI or our affiliate in connection with the proposed franchise sale. Iowa and New York require that JJFI give you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If JJFI does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and those state administrators listed on Exhibit H.

The franchisor is Jack & Joe's Franchising, Inc. d/b/a Squeegee Squad® 7750 Ranchview Lane N, Maple Grove, MN 55311, (763-286-3465) or (612-919-7130).

Issuance Date: April 20, 2021

JJFI's franchise sellers involved in offering and selling the franchise to you are Jack Ruegsegger, 8427 172nd Ave NE, Columbus, MN 55025 (612-919-7130) and/or Joe Ruegsegger, 7750 Ranchview Lane N, Maple Grove, MN 55311 (763-286-3465) and the following:

Name: _____ address: _____
_____ phone: _____, or will be provided to you separately (including address and telephone number) before you sign a franchise agreement.

JJFI authorizes the respective state agencies identified on Exhibit H to receive service of process for JJFI in the particular state.

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| D. State Addenda | I. List of Area Directors |
| E. Operations Manual Table of Contents | J. State Effective Dates |
| | K. Receipts |

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

Copy for Jack & Joe's Franchising, Inc.

Please sign and date both copies of this receipt, keep one copy (the previous page) for your records, and mail one copy (this page) to the address listed on the front page of this disclosure document or send to Jack & Joe's Franchising, Inc. by email to Jack Ruegsegger at jack@squeegeesquad.com or Joe Ruegsegger at joe@squeegeesquad.com.