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FRANCHISE DISCLOSURE DOCUMENT

Agile Pursuits Franchising, Inc.
an Ohio corporation
2 Procter & Gamble Plaza, TE-16
Cincinnati, Ohio 45202
(888) 446-2734
franchising@tidedrycleaners.com
http://www.tidedrycleaners.com

The franchise offered is to operate a retail dry cleaning business under the "Tide Cleaners" name and other trademarks offering premium dry cleaning, laundering, and related fabric and garment care services and products.

The total estimated investment necessary to begin operation of a Tide Cleaners outlet is set forth in the table below:

Model	Estimated Investment Necessary To Begin Operation	Amount That Must Be Paid To The Franchisor Or An Affiliate
Plant Store	$682,100-$1,586,700	$85,000-$115,000
Drop Store	$159,700-$635,650	$60,000-$65,000
Non-Traditional Store	$8,800-$86,500	$0-$10,000
Plant Store Conversion	$80,900-$183,800	$0
Central Plant Conversion	$38,300-$92,500	$0
Drop Store Conversion	$65,800-$121,000	$0
Development Rights Agreement	$20,500-$81,000	$20,000-$80,000

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 its 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 Clare Moore at 2 Procter & Gamble Plaza, TE-16, Cincinnati, Ohio 45202 and 513-405-8436.

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, and any related or ancillary documents, 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 may help you understand how to use this disclosure document, is available from the Federal Trade Commission ("FTC"). 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 of this Franchise Disclosure Document: October 24, 2019

STATE COVER PAGE

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

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

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

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

1. THE FRANCHISE AGREEMENT AND THE DEVELOPMENT RIGHTS AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION ONLY IN OUR HOME STATE (CURRENTLY OHIO). OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN OUR HOME STATE THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT AND THE DEVELOPMENT RIGHTS AGREEMENT REQUIRE THAT OHIO LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. DURING FISCAL YEARS 2017, 2018, AND 2019, THE FRANCHISOR HAS OPERATED THIS FRANCHISE SYSTEM WITH NO WORKING CAPITAL AND HAS INCURRED SIZEABLE FINANCIAL LOSSES.

4. THE FRANCHISOR'S AUDITED FINANCIAL STATEMENTS DATED JUNE 30, 2019 REFLECT THAT CURRENT LIABILITIES EXCEED CURRENT ASSETS. THIS MEANS THAT THE FRANCHISOR MAY NOT HAVE THE FINANCIAL RESOURCES TO PROVIDE SERVICES OR SUPPORT TO YOU.

5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates.

The following states 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 Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

STATES	EFFECTIVE DATE
California	
Illinois	
Indiana	
Illinois	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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Exhibits

A	List of State Agencies/Agents for Service of Process	I	Lease Rider
B	Development Rights Agreement	J	Business Reference Manual Table of Contents
C	Plant Store Franchise Agreement	K	General Release
D	Drop Store Franchise Agreement	L	List of Franchisees and List of Franchisees Who Left the System
E	Non-Traditional Store Franchise Agreement	M	Financial Statements
F	Locker Services Addendum	N	Franchisee Questionnaire
G	Development Incentive Addendum	O	State-Specific Additional Disclosures and Riders
H	Conversion Incentive Addendum		

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this disclosure document, "we," "us" or "our" means Agile Pursuits Franchising, Inc., the franchisor. "You" means the person or legal entity who buys the franchise. If you are a corporation, a partnership or a limited liability company, certain provisions of this disclosure document also apply to your owners and will be noted.

We were incorporated in Ohio in December 2008. We maintain our principal business address at 2 Procter & Gamble Plaza, TE-16, Cincinnati, Ohio 45202. We conduct business under our corporate name, the "Tide Cleaners" mark and other trademarks described in Item 13. We began offering franchises for "Tide Dry Cleaners" Outlets in October 2009. We are in the processing of converting the name of these businesses from "Tide Dry Cleaners" to "Tide Cleaners" and in this disclosure document, we will refer to these businesses as "Tide Cleaners Outlets". We conduct business under no other names. We do not operate a Tide Cleaners Outlet (although our affiliate, Agile Pursuits, Inc. ("Agile") does, which we refer to in this disclosure document as "Company-Owned Outlets"). As of June 30, 2019, there were 136 franchised Tide Cleaners Outlets and 11 Company-Owned Outlets in operation. If we have an agent for service of process in your state, that agent is disclosed in Exhibit A-2.

Franchise Rights and Development Rights for Tide Dry Cleaners Outlets

If we approve your application to become a "Tide Cleaners" franchisee, then you will sign a Franchise Agreement as well as a Development Rights Agreement, as explained below.

We grant franchises and development rights for Tide Cleaners Outlets, which are retail dry cleaning businesses that are identified by the Marks (defined below) and which currently provide premium dry cleaning, laundering, and related fabric and garment care services and products. In this disclosure document, we call the Tide Cleaners Outlet that you will operate under the Franchise Agreement the "Outlet." Except as we describe below regarding Tide Cleaners Outlets operating as Non-Traditional Stores, we typically offer franchises for Tide Cleaners Outlets for new construction dry cleaning businesses. (For purposes of this disclosure document, a "new construction" dry cleaning business means a business having a physical premises located and developed at: (1) a vacant land parcel for new development; (2) a substantially empty building or commercial leasehold space that does not include a pre-existing dry cleaning business or related equipment; or (3) proposed conversions and/or remodels of pre-existing premises as potential sites for Tide Cleaners Outlets at our sole option).

We own and license, or are authorized to use and license, the Marks and related brand names, devices, and patented technologies for use with retail dry cleaning locations. These Tide Cleaners Outlets operate under the trademarks, service marks and other commercial symbols that we periodically designate, including the "Tide Cleaners" brand name and derivative trademarks, as we periodically modify them (the "Marks"). Tide Cleaners Outlets offer and use products and services, including Proprietary Products and Proprietary Processes (each defined below), that we, our affiliates, or designated third parties authorize and periodically specify for use in operating Tide Cleaners Outlets. Tide Cleaners Outlets operate under our mandatory and suggested business formats, methods, designs, layouts, specifications, standards, operating procedures and rules that we periodically designate for operating Tide Cleaners Outlets, as we periodically modify them ("System Standards").

We also offer multi-unit development rights to qualified franchisees, who then will have the right to develop an approved number of Tide Cleaners Outlets (either as Plant Stores and/or Drop Stores as defined below) within a defined geographic area (the "Area") according to a mandatory development

schedule (the "DRA Schedule"). All franchisees, whether single unit or multi-unit, will sign our form of Development Rights Agreement (Exhibit B). If you are a multi-unit franchisee, you or your Controlled Affiliates (defined in Item 15) will sign our then-current forms of Franchise Agreements to operate each Plant Store or Drop Store you (or they) develop under that Development Rights Agreement, which might differ from the form of Plant Store Franchise Agreement (Exhibit C) and/or Drop Store Franchise Agreement (Exhibit D) attached to this disclosure document. As discussed in more detail in this Item 1, we are currently offering a program under which we may grant you the right to develop and operate one or more Non-Traditional Stores (defined below) in the Area pursuant to a Non-Traditional Store Franchise Agreement (Exhibit E), but any Non-Traditional Store you open will not count toward your development obligations under the DRA Schedule.

"Proprietary Products" means the proprietary agents, detergents, solvents, formulas, equipment, devices, and related products that we, our affiliates, and/or designated third parties own, have developed, or may develop and authorize for use or sale at Tide Cleaners Outlets. (For purposes of this definition, Proprietary Products specifically include products marketed under trademarks that we or our affiliates own, which products currently are generally available and that you may purchase through third-party wholesale or retail sources, according to our then current System Standards.)

"Proprietary Processes" means the proprietary know-how, techniques, procedures, cleaning methods, technologies, and related processes that we, our affiliates and/or designated third parties own, have used, or may use to develop the products and services (including the Proprietary Products) that Tide Cleaners Outlets offer and that we or they authorize for use in Tide Cleaners Outlets. Our designated supplier, GreenEarth Cleaning LLC ("GrE"), licenses certain trade names, trademarks, proprietary methods, technologies and procedures to us that we currently include among the Marks, Proprietary Products, and Proprietary Processes and that we authorize you to use in operating Tide Cleaners Outlets as part of the System Standards.

Models of Franchises Offered

We currently offer three types of operational models for Tide Cleaners Outlets:

1) *Plant Store Format*. The first, or standard format of Tide Cleaners Outlet, represents the basic operational model, which features a consumer-facing on-site garment treatment and handling using plant equipment at the approved site of the Tide Cleaners Outlet ("Plant Store"). If we grant you the right to open and operate a Plant Store, you will sign a Plant Store Franchise Agreement for that location. On a limited basis in select markets, we may offer franchisees that operate a Plant Store the right to service business to business and/or business to consumer lockers and other garment collection devices ("Lockers") using our proprietary locker system ("Locker System") under a Locker Services Addendum to the Plant Store Franchise Agreement (Exhibit F).

2) *Drop Store Format*. The second format of Tide Cleaners Outlet ("Drop Store"), features certain varied procedures from the Plant Store format, most notably the provision of garment cleaning and treatment services provided at a remote premises we approve that is located away from the approved retail site of the Tide Cleaners Outlet (the "Plant"). If we grant you the right to open and operate a Drop Store, you will sign a Drop Store Franchise Agreement for that location.

3) *Non-Traditional Format*. We also offer a third, "non-traditional" format of Tide Cleaners Outlet that franchisees may locate and operate in a designated space within an existing business, such as a supermarket, grocery store or other non-traditional location that we approve in writing (a "Non-Traditional Store"). A Non-Traditional Store requires a franchisee to use its

Plant Store to clean and service garments and otherwise provide operational support for the Non-Traditional Store in accordance with the System Standards we prescribe. Non-Traditional Stores currently feature more limited signage and supplemental equipment than a Plant Store and Drop Store, and franchisees may engage the employees of the existing business to provide services to customers and otherwise administer certain operations at the Non-Traditional Store. If we grant you the right to open and operate a Non-Traditional Store, you will sign a Non-Traditional Store Franchise Agreement for that location.

Your initial Tide Cleaners Outlet must be a Plant Store, unless we otherwise agree. You may open and operate further Tide Cleaners Outlets as a Plant Store, Drop Store or Non-Traditional Store, according to our then current System Standards and other requirements under the Plant Store Franchise Agreement, Drop Store Franchise Agreement, Non-Traditional Store Franchise Agreement and related agreements (as applicable). Unless we specify otherwise, all references to "Tide Cleaners Outlet" in this disclosure document include the Plant Store, Drop Store, and Non-Traditional Store format of Tide Cleaners Outlet, and all references to "Franchise Agreement" include the Plant Store Franchise Agreement, the Drop Store Franchise Agreement, and the Non-Traditional Store Franchise Agreement.

Development Incentive Program

We offer a Development Incentive Program as described in Items 5 and 6 of this disclosure document where you may be eligible to sign a Development Incentive Program Addendum (Exhibit G) and pay a reduced initial franchise fee, obtain a matching marketing contribution, and pay a reduced royalty fee in certain situations. Even though we intend to offer this program for the specific time periods indicated, we have the right to extend or shorten the period during which we offer this program.

Conversion Incentive Program

We also sometimes enter into Development Rights Agreements and/or a Franchise Agreements with franchisees with dry cleaning experience that already operate or purchase an existing dry cleaning business and who wish to convert the business into a Tide Cleaners Outlet. In these circumstances, the parties will also sign an amendment to the Franchise Agreement called a "Conversion Incentive Addendum" (Exhibit H). The Conversion Incentive Addendum addresses various provisions of the parties' relationship, such as the change-over to the "Tide Cleaners" branding, look-and-feel, technology platform, and operational systems. The Conversion Incentive Addendum also addresses key financial terms, including a waiver of the initial franchise fee, Project Management Fee, and Start-up Assistance and Training initial fees (which are described in Item 5 below), as well as a phase-in of royalties and considerations concerning store marketing expenditures (which are described in Item 6 below).

Our Parent, Predecessors and Affiliates

Our parent company is The Procter & Gamble Company ("P&G"). P&G is an Ohio corporation, incorporated in May 1905, and shares our principal business address. Our predecessor and affiliate, Agile Pursuits, Inc. ("Agile"), was incorporated in Ohio in September 2006 and shares our principal business address. Agile owned and operated a Tide Dry Cleaners Outlet from September 2008 until June 2010, and we or Agile licensed third parties to convert and operate two pre-existing dry cleaning businesses under the "Tide Dry Cleaners" name from September 2008 until July 2010, which were subsequently converted to franchises in July 2010.

Agile operates businesses that offer Locker Services and businesses that offer pick-up and delivery laundry and dry-cleaning businesses under the Tide Cleaners marks (together, these are referred to as

"Affiliate Owned Cleaning Businesses"). These Affiliate Owned Cleaning Businesses operate in various markets and may appear to (or actually) compete with you for certain customers.

We have no other parents, predecessors or affiliates that we are required to disclose in this Item. We do not offer franchises in other lines of business, though we have in the past and may do so in the future. We currently have no affiliates that offer franchises in any line of business or that provide products or services to our franchisees.

Our Business and Franchising Experience

Between January 2009 and June 29, 2013, we offered franchises for retail car washes under the trade name "Mr. Clean Car Wash" using a separate disclosure document. There were 13 total car wash outlets, including nine franchises and four company-owned locations, as of the end of that period. Except for the "Mr. Clean Car Wash" trademarks that we still own, we transferred and assigned all effective franchise agreements and existing operating assets of the "Mr. Clean Car Wash" franchise system and network to an unaffiliated third-party acquirer and certain of its affiliates on June 30, 2013, and transferred two company-owned car wash locations in Cincinnati, Ohio to a third party on June 28, 2013. Except as we describe above in this paragraph, neither we nor our affiliates have offered franchises in another line of business.

Competition and Industry-Specific Regulations

Your Outlet will provide dry cleaning services, Proprietary Products, and related services and products to the general public. Your Outlet will compete with other dry cleaning facilities, laundry services, or other businesses offering garment or fabric care products and services, whether franchised or non-franchised, and whether local, regional, or national. The market for retail dry cleaners is well developed and established, particularly in urban areas, but we believe that Tide Cleaners Outlets appeal to consumers because of our widely recognized "Tide" brand name and other Marks that represent our product and service quality. You will compete with other independently-owned, franchised and chain dry cleaning and finished laundry service, and fabric and garment care providers. Your competition also includes home laundry facilities, certain laundromats providing laundry and garment cleaning and delivery services, do-it-yourself dry cleaning products marketed for in-home use, and other dry cleaning stores (including Tide Cleaners Outlets that we or our affiliates may operate (including the Affiliate Owned Cleaning Businesses) and non-Tide Cleaners dry cleaning businesses that are licensed to use the GrE trademarks).

The U.S. Environmental Protection Agency prescribes air quality regulations specific to dry cleaning businesses, which may require you to install pollution control equipment, obtain a permit, and comply with various good housekeeping, monitoring, recordkeeping, reporting and leak detection and repair specifications at the Outlet. Because dry cleaning businesses may generate hazardous waste, you may need to comply with federal hazardous waste treatment, storage and disposal regulations. You may also have to comply with federal wastewater treatment requirements. Many states have additional environmental regulations applicable to dry cleaning businesses that may be more stringent than the federal requirements, such as environmental fees imposed in some jurisdictions on dry cleaning processes and operations. You also must comply with laws that apply generally to all businesses. You should investigate these laws.

ITEM 2

BUSINESS EXPERIENCE

Chief Executive Officer: Andrew ("Andy") Gibson

Andy Gibson has been our Chief Executive Officer since July 2019, having previously served as our Vice President of Operations, I.T. and Marketing from May 2016 to June 2016, as our Vice President of Operations from July 2015 to April 2016 and as our Director of Marketing from July 2012 to June 2015. He has also held the position of Associate Brand Manager since April 2016, Brand Manager from March 2010 to April 2016 and Assistant Brand Manager from June 2005 to March 2010 with P&G in Cincinnati, Ohio. He worked as General Manager for EBTH in Cincinnati, Ohio from December 2017 to January 2018.

Vice President of Operations: Amy Rardin

Amy Rardin has been our Vice President of Franchising. Operations since July 2019. She was P&G's Global Supply Innovation Leader from July 2017 to July 2019 in Cincinnati, Ohio. From May 2016 to July 2017, Mrs. Rardin was the Win With Display Leader with P&G in Cincinnati, Ohio. From May 2014 to May 2016 she was Dallas Mixing Center Leader for P&G in Dallas, Texas.

Vice President of Finance: Brooks Ewing

Brooks Ewing has been our Vice President of Finance since October 2016. Prior to joining APFI, Mr. Ewing served as Senior Group Finance Manager for P&G Ventures from February 2016 to September 2016 in Cincinnati, Ohio. From August 2012 to January 2016, Mr. Ewing served as Chief Financial Officer for Go Unlimited, LLC, in Cincinnati, Ohio.

Vice President of Development: Chris Freitas

Chris Freitas has been our Vice President of Development since October 2018. From January 2017 to August 2018, Mr. Freitas served as Vice President of Finance at I Sq FT, Inc. in Cincinnati, Ohio. From March 2011 to January 2017 Mr. Freitas was Director of Business Management for Next ERA Energy, Inc. in Juno Beach, Florida.

Senior Director of Brand Marketing: Michael ("Mike") Frey

Mike Frey has been our Senior Director of Brand Marketing since July 2019. From May 2018 to June 2019, he was our Director of Brand Marketing. From June 2012 to April 2018, Mr. Frey served P&G as Assistant Brand Manager for Dawn NA; and Brand Manager for Shopper Marketing Innovation and Dreft NA businesses, all in Cincinnati, Ohio.

Director of Franchising: Clare Moore

Clare Moore has been our Director of Franchising since July 2018. From January 2013 to July 2018, Ms. Moore held multiple positions with Agile Pursuits Franchising, Inc., including Administrative Assistant from January 2013 to June 2014, Franchising Coordinator from July 2014 to June 2015, Franchising Specialist from July 2015 to April 2016, Manager of Franchising from May 2016 to June 2017, and Senior Manager of Franchising from June 2017 to June 2018.

Controller: Charles ("Chuck") Gehring

Chuck Gehring has been our Controller since May 2016. Mr. Gehring previously served as our Manager of Franchise Accounting and Finance from January 2015 to April 2016 in Cincinnati, Ohio. From July 2008 to December 2015, Mr. Gehring held several positions with Western and Southern Financial Group, located in Cincinnati, Ohio including Senior Accountant from July 2008 to September 2013, Assistant Manager, Operations from October 2013 to December 2015.

Director: Jon R. Moeller

Jon Moeller has been our Director since our formation in December 2008 and has also served P&G as its Chief Financial Officer in Cincinnati since January 2009 in Cincinnati, Ohio.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

There are different initial fees depending on the type of Tide Cleaners Outlet that you develop (that is, a Plant Store, a Drop Store, or a Non-Traditional Store). As described above, the first Tide Cleaners Outlet you (or your owners) open and begin operating must be a Plant Store, unless we agree otherwise.

Development Rights Agreement

Development Rights Fee

You must pay us a development rights fee when you sign the Development Rights Agreement. The development rights fee is $20,000 for each Plant Store and Drop Store that you agree to develop under the DRA Schedule. There is no development rights fee (or initial franchise fee) for Non-Traditional Stores, which also will not count toward your development obligations under the DRA Schedule.

The development rights fee is non-refundable, however, we will apply $20,000 of the development rights fee that you pay toward the initial franchise fee due under each Franchise Agreement you sign and that is covered by the Development Rights Agreement. If you do not sign a Franchise Agreement for all or any of the Plant Stores and Drop Stores listed on the DRA Schedule, the remaining portion (if any) of the development rights fee that we have not already applied toward a signed Franchise Agreement is not refundable.

Franchise Agreement

Initial Franchise Fee

When you sign your Franchise Agreement, you must pay us the initial franchise fee due under that agreement. The initial franchise fee is due in full when you sign your Franchise Agreement and is not refundable. Our current initial fee for each kind of Outlet is:

Type of Store	Initial Franchise Fee (see Notes 1 – 3)
Plant Store	$50,000
Drop Store	$25,000
Non-Traditional Store	No initial franchise fee

Note 1 Your initial franchise fee may be reduced to $20,000 if you qualify for the Development Incentive Program and you sign the Development Incentive Addendum as described below.

Note 2 If you paid a development rights fee under the Development Rights Agreement, then we will credit that fee toward your initial franchise fee as provided in the Development Rights Agreement.

Note 3 The initial franchise fee will be waived if you are converting an existing dry cleaning business to a Tide Cleaners Outlet and you sign a Conversion Incentive Addendum.

The initial franchise fee will be fully earned by us when you pay it to us (including any portions of the fee you may pay if you sign the Development Incentive Addendum and you fail to open the applicable Plant Store or Drop Store according to the DRA Schedule). We currently intend to impose the initial franchise fee uniformly for all new Plant Stores or Drop Stores.

Project Management Fee

You must pay us a pre-opening fee for project management (the "Project Management Fee") in the amount we specify (currently $20,000 per site for a Plant Store and $10,000 per site for a Drop Store). The Project Management Fee will be due in full at least 90 days before the earlier of (1) the scheduled opening date of the Outlet; or (2) the actual opening date if you desire to open the Outlet earlier than scheduled. The Project Management Fee is not refundable. The higher range of the Project Management Fee for a Drop Store relates to "Drop Plus Stores" that contain pressing equipment and offer wash and fold services.

We use the Project Management Fee to provide (or engage designated third parties to provide) certain support and assistance in the location and development of the Outlet, including project management of the site. The associated costs we incur may include, for example, those related to in-depth site evaluation, real estate market analysis, demographics analysis, civil engineering (relating to activities such as test fits, investigations, and site use), and amounts for program management related to coordinating negotiations, vendor management, floor plan layout, equipment layout and construction management. However, you are responsible for selecting the architect and/or general contractor to design and construct the Outlet, and our project management of the site does not assess the site's compliance with federal, state, or local laws and regulations. We will not authorize you to open the Outlet for business without receiving the Project Management Fee.

We have the right to reduce the Project Management Fee due under each Franchise Agreement for the third or any additional Plant Store or Drop Store you develop and open according to the DRA Schedule (if you develop and operate your first two Plant Stores and/or Drop Stores in accordance with their Franchise Agreements and our standards). However, if we elect to reduce the Project Management Fee, we are not obligated to reduce this fee for additional Plant Stores or Drop Stores that you may develop.

If you sign the Non-Traditional Store Franchise Agreement, you must pay us a Project Management Fee between $0 and $5,000 (the amount of which will depend on the type of business in which you choose to locate the Outlet and the condition of the Outlet) at least 60 days before the actual opening date of the Outlet. Before the parties sign the Franchise Agreement, we will list the Project Management Fee in an exhibit to that agreement.

Start-up Assistance and Training Fee

You must pay us a pre-opening fee for start-up assistance and training (the "Start-up Assistance and Training Fee") in an amount we specify (currently $20,000 for a Plant Store and $10,000 for a Drop Store). The Start-up Assistance and Training Fee is due in full at least 90 days before the earlier of (i) the scheduled opening date of the Outlet or (ii) the actual opening date if you desire to open the Outlet earlier than scheduled. The Start-up Assistance and Training Fee is not refundable. The higher range of the Start-up Assistance and Training Fee for a Drop Store relates to "Drop Plus Stores" that contain pressing equipment and offer wash and fold services.

We use the Start-up Assistance and Training Fee to provide, or engage designated third parties to provide, certain support and assistance in the start-up of the Outlet, including training, vendor support, and other support in connection with the opening of the Outlet and start-up of operations. We will not authorize you to open the Outlet for business without receiving the Start-up Assistance and Training Fee. The Start-up Assistance and Training Fee is separate from the Project Management Fee.

We have the right to reduce the Start-up Assistance and Training Fee due under each Franchise Agreement for the third or any additional Plant Store or Drop Store you develop and open according to the DRA Schedule (if you develop and operate your first two Plant Stores and/or Drop Stores in accordance with their Franchise Agreements and our standards). However, if we elect to reduce the Start-up Assistance and Training Fee, we are not obligated to reduce this fee for additional Plant Stores or Drop Stores that you may develop.

If you sign the Non-Traditional Store Franchise Agreement, you must pay us a Start-up Assistance and Training Fee between $0 and $5,000 (the amount of which will depend on the type of business in which you choose to locate the Outlet and the condition of the Outlet) at least 60 days before the actual opening date of the Outlet. Before the parties sign the Franchise Agreement, we will list the Start-up Assistance and Training Fee in an exhibit to that agreement.

New Store Marketing Expense

At least 90 days before the earlier of (i) the scheduled opening date of the Outlet, or (ii) the actual opening date if you plan to open the Outlet earlier than scheduled, you must pay us a lump-sum, non-refundable amount we specify (currently $25,000 for a Plant Store or $20,000 for a Drop Store) that we will expend on your behalf for advertising and promotion of the Outlet during the new store opening period that we designate (the "New Store Marketing Expense"). We do not collect the new Store Marketing Expense for Non-Traditional Stores. You may be eligible for an additional new store marketing contribution under our Development Incentive Program as described below.

We typically spend the New Store Marketing Expense one month before and three months after the date you open the Outlet, subject to changes we may allow based on the particular market area or other unique circumstances of the Outlet. We may use the New Store Marketing Expense to pay providers of advertising and related promotional programs during the new store opening period (including us, our affiliates, or third-party suppliers).

Training

Plant Stores and Drop Stores

We provide an initial training program for two of your designated attendees for your first Tide Cleaners Outlet (which is a Plant Store) that will include you or your Managing Owner (defined in Item 15) and one of your designated attendees if the Outlet is a Drop Store, at no additional cost. (We currently do not provide you or any designee with an initial training program on the operation of a Non-Traditional Store.) If you want to send additional individuals to attend the initial training program, then provided that we have space available we will accommodate your request although you will be required to pay our current training charge, which is $2,500 for each additional attendee. If you or your designated attendees do not feel sufficiently trained in the operation of the Outlet after you complete the initial training program, or if we, in our sole judgment, believe that you are not sufficiently trained in the operation of a Plant Store or Drop Store, then we may provide additional training at our then-applicable charges for your additional attendees and our training personnel (collectively, the "Additional Training Fee"). We will determine the duration of this additional training in consultation with you. The Additional Training Fee is currently $500 per day for each trainer, plus all of our personnel's related expenses (including travel), but could increase if our costs increase. The Additional Training Fee is due after you or your designees complete the additional training program and is non-refundable. We do not refund any portion of the Additional Training Fee if we expel an attendee (no matter the reason) from the additional training program.

Conversions

When the Conversion Date is approaching for the first business that you convert to a Tide Cleaners Outlet in a market, we will, send up to two of our representatives to your market for a period of up to 12 calendar days to provide training and assistance. The number of representatives we send, and the duration of their assistance, will depend on our opinion of your ability, experience, and needs. If you request, and we agree to provide, additional or special guidance, assistance, or training during this conversion phase, then you agree to pay the Additional Training Fee noted above. We and you will jointly determine the duration of this additional training.

Conversion Incentive Addendum. If you sign a Conversion Incentive Addendum, then we will waive the initial franchise fee, Project Management Fee, and Start-up Assistance and Training Fee.

Extension Fee

We may grant you, in our reasonable business judgment, extensions on the contractual deadlines relating to the opening of the Outlet. If you want to request an extension of the applicable deadline, you must do so at least 14 calendar days before the deadline date. If we grant an extension on any deadline, we will have the right to determine the amount of the extension fee and the length of the extension (and we may consider a variety of factors, including the diligence you have shown in developing the location). However, extensions do not change any date included in any DRA Schedule to an associated Development Rights Agreement, if applicable, and, thus, in addition to other items, do not alter the terms of the Development Incentive Addendum. You must pay us our then current lump-sum extension fee for each extension at the time of your extension request to compensate us for our costs, expenses and lost

opportunities related to the proposed extension. Currently, the extension fee is $5,000 per one-month extension. We will deem your extension request granted and the extension fee fully earned and non-refundable by us unless we notify you otherwise on or before the prescribed deadline date. We assume for purposes of this Item 5 (and for the minimum investment amount in Item 7 below) that you will not require any extensions on the opening timeline for the Outlet.

Range of Initial Fees Received

During our most recently completed fiscal year: (1) franchisees signing a Franchise Agreement paid or committed to pay between $0 (for a Tide Cleaners Outlet operating as a Non-Traditional Store) and $85,000 in total pre-opening fees as we describe above (these amounts include development rights fees applied to initial franchise fees under those Franchise Agreements, where applicable); (2) franchisees signing the Development Rights Agreement paid or committed to pay between $20,000 and $160,000 in total development fees as we describe above; and (3) two franchisees paid reduced Start-Up Assistance Fees, two franchisees paid reduced Project Management Fees, and we waived the DRA extension fees for four franchisees.

Referral Fee

We encourage Tide Cleaners Outlet franchisees to refer prospective candidates who want to become a part of our franchise network. We will pay you a $1,000 referral fee if you are a franchisee in good standing and refer a prospective franchisee to us with whom we are not currently in discussions and whom we have not previously contacted. The prospective franchisee must sign a Franchise Agreement for a Tide Cleaners Outlet for you to receive the referral fee. Generally, we pay the referral fee within 30 days after the prospective franchisee signs a Franchise Agreement and pays the initial franchise fee. We reserve the right at any time to cancel, modify, amend, or terminate our franchisee referral program.

2019 – 2020 Development Incentive Program

Reduced Initial Franchise Fee

If you sign (or have signed) a new Development Rights Agreement between July 1, 2019 and June 30, 2020, then you may qualify to pay a reduced initial franchise fee under each Franchise Agreement for a Plant Store or a Drop Store that you (and your affiliates) timely open according to an effective DRA Schedule and our other requirements.

To qualify for the reduced initial franchise fee, you (and your affiliates) must (1) sign either a Plant Store Franchise Agreement or a Drop Store Franchise Agreement; (2) sign a Development Incentive Addendum to the Franchise Agreement (Exhibit G) before the date when that Plant Store or Drop Store must open (as specified under the DRA Schedule); (3) pay us a conditionally reduced initial franchise fee of $20,000 (less any portion of the development rights fee you paid under any applicable Development Rights Agreement), when the initial franchise fee is due (and, if you continue to meet all of the program requirements, you will not have to pay the $30,000 balance of the initial franchise fee otherwise due for a Plant Store, or the $5,000 balance of the initial franchise fee otherwise due for a Drop Store); (4) open your Plant Store or Drop Store on time (in accordance with the DRA Schedule); (5) otherwise meet (and have met), in our reasonable business judgment, the requirements under the Development Rights Agreement, all Franchise Agreements, and other agreements between you (and your affiliates) and our company at all times; (6) not have received a written notice of default from us under a Franchise Agreement or any other related agreement during the 12 months before the Plant Store's or Drop Store's scheduled opening date; and (7) not have terminated, and we must not have terminated (regardless of the reason), any Development

Rights Agreement or Franchise Agreement between us and you (and your affiliates) relating to a Plant Store or Drop Store during the 12 months before the Plant Store's or Drop Store's scheduled opening date.

If you no longer meet the requirements to take advantage of the incentive, then the reduced initial franchise fee would not apply and, if you paid the reduced fee, you would be required to pay the remaining balance of the standard initial franchise fee on the basis of a schedule that we would specify.

Additional New Store Marketing Contribution

If you open a new Plant Store or Drop Store between July 1, 2019 and June 30, 2020, you may be eligible to have us make a contribution toward your New Store Marketing Expense program in the amount of $25,000 for the first Plant Store that you open in a market, $20,000 for an additional Plant Store that you open in a market, or $10,000 for a Drop Store. (This program does not apply to conversions of existing dry cleaning businesses, relocations, re-assignment of delivery routes, and Non-Traditional Stores.)

To qualify for the additional marketing contribution, you (and your affiliates) must do all of the following: (1) open your Plant Store or Drop Store for business according to the terms of the applicable Franchise Agreement by June 30, 2020; (2) pay us the New Store Marketing Expense for your Store (as noted below) at least 90 days before the earlier of (a) the scheduled opening date of the Plant Store or Drop Store; or (b) the actual opening date if you plan to open the Plant Store or Drop Store earlier than scheduled;

Type of Store	Your New Store Marketing Expense Contribution	Our Contribution	Total Pool of Dollars
1st Plant Store in the Market	$25,000	$25,000	$50,000
Additional Plant Store in the Market	$25,000	$20,000	$45,000
Drop Store	$20,000	$10,000	$30,000

(3) complete all of the additional training and related tasks that we require, including any initial training programs relating to local store marketing that might otherwise be optional for franchisees; (4) complete all of the tasks related to developing an understanding concerning the market that we require; (5) complete all of the tasks and initiatives related to local store marketing/community involvement that we require; (6) as of the date we make the contribution, you must be in full compliance with the Plant Store Franchise Agreement or Drop Store Franchise Agreement and all Development Rights Agreements, Franchise Agreements and other agreements with us or our affiliates relating to the development or operation of the Plant Store or Drop Store or any other Tide Cleaners Outlet; (7) not have received a written notice of default from us under the Plant Store Franchise Agreement or Drop Store Franchise Agreement, or any other related agreement during the 12 months before the Plant Store's or Drop Store's scheduled opening date; and (8) not have terminated, and we must not have terminated (regardless of the reason), any Development Rights Agreement or Franchise Agreement between us and you or your affiliate relating to a Plant Store or Drop Store during the 12 months before the Plant Store's or Drop Store's scheduled opening date.

If you do not (or no longer) meet the requirements for this incentive, then we will not make the additional marketing contribution toward that Plant Store's or Drop Store's initial marketing activities during the new store opening period.

Royalty Reduction. You may also be eligible for a royalty reduction under the Development Incentive Program, which is described in Item 6.

ITEM 6

OTHER FEES

Please review this chart together with the notes that follow.

Type of Fee (Note 1)	Amount	Due Date (Note 2)	Remarks
Continuing Service and Royalty ("Royalty")	6.5% of the Outlet's weekly Net Sales	Due on or before Thursday of each week on Net Sales during previous week ended	See Note 3 for a definition of "Net Sales." See Note 4 for a description of the reduced Royalties you will pay if you qualify for our Development Incentive Program. See Note 5 for a description of how the Royalty is applied to franchisees who sign a Conversion Incentive Addendum. See Note 6 for a description of the Royalties you will pay if you sign a Locker Services Addendum to your Plant Store Franchise Agreement.
Royalty for Locker Services	16% of the Outlet's weekly Locker Net Revenues	Due on or before Thursday of each week on Locker Net Sales during previous week ended	Payable if we authorize you to use the Locker System and you sign the Locker Services Addendum to your Plant Store Franchise Agreement. See Note 6 for a definition of "Locker Net Revenues."
Advertising and Development Fund Contribution ("Fund Contribution")	Currently 2% of the Outlet's weekly Net Sales	Due on or before Thursday of each week on Net Sales during previous week ended	Item 11 discusses the Advertising and Development Fund. If you sign a Conversion Incentive Addendum, then you will not be required to contribute to the Advertising and Development Fund until your Conversion Date.
Local Advertising Expenditures	Up to 2% of the Outlet's Net Sales	Due on or before Thursday of each week on Net Sales during previous week ended	You must spend 2% of the Outlet's weekly Net Sales for local advertising for the Outlet. On 30 days' notice, we may require you to pay all or a portion of this amount to us and we will use the funds to advertise and promote the Outlet.
Locker Services Advertising Fee	Currently 2% of the Outlet's Locker Net Revenues	Due on or before Thursday of each week on Net Sales during previous week ended	Payable if we authorize you to use the Locker System and you sign the Locker Services Addendum to your Plant Store Franchise Agreement. We will allocate these fees to marketing related to the Locker System.

Type of Fee (Note 1)	Amount	Due Date (Note 2)	Remarks
Local Locker Advertising Expenditures	Up to 2% of the Locker Net Revenues	Due on or before Thursday of each week on Net Sales during previous week ended	If you sign the Locker Services Addendum, you must spend at least 2% of the Locker Net Revenues to advertise and promote the Locker Services provided by your Outlet. On 30 days' notice, we may require you to pay all or a portion of this amount to us and we will use the funds to advertise the Locker Services provided by your Outlet.
Additional Training Fee	Currently, $500 per day per trainer, plus all of our personnel's related expenses (including travel)	When training or assistance begins or as incurred	See Items 5 and 11.
Audit	Costs of inspection or audit	15 days after receiving our invoice	Due if you do not provide reports, supporting records, or other required information or if you understate required Royalties or Fund Contributions by more than 2%.
Computer Systems Maintenance, Support, and Licensing	Plant Store: currently $1,375 - $2,065 per month ($16,500 - $24,780 annually); Drop Store: currently $1,209 - $1,461 per month ($14,508 - $17,532 annually); Non-Traditional Store: currently $705 - $769 per month ($8,460 and $9,228 annually)	Monthly	Technical support contracts and costs due to us or third-party providers. The hosting portion is passed through to third-party providers of proprietary systems that maintain and operate the equipment and point-of-sale system technology via an Internet-based reporting system for which we and the third-party providers charge monthly fees for hosting and maintenance. Ranges include the following monthly amounts: (i) hosting fees ($775 to $1,465 for a Plant Store, $609 to $861 for a Drop Store, and $505 to $569 for a Non-Traditional Store); (ii) technology fees ($500 for either a Plant Store or Drop Store, and $100 for a Non-Traditional Store); and (iii) network monitoring fees of $100 for a Plant Store, Drop Store or Non-Traditional Store.
Costs and Attorneys' Fees (Note 8)	Will vary under circumstances	As incurred	Due when you do not comply with the Franchise Agreement.

Type of Fee (Note 1)	Amount	Due Date (Note 2)	Remarks
Franchisee Convention Fee (Note 7)	Currently $300 for the first attendee and $200 per additional attendee (but could increase if our costs increase)	Before the start of the annual and/or regional conventions	You (or your Managing Owner) and one of your manager-level employees must attend annual and/or regional conventions no more than three days during any calendar year.
Indemnification (Note 8)	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims from your Outlet's operation or if you breach the Franchise Agreement.
Insufficient Funds Processing Fee	$100	As incurred	Due if you have insufficient funds in your EDTA (defined below) to cover a payment, or if a check is returned for insufficient funds.
Insurance	Out-of-pocket cost reimbursement, plus a reasonable fee for our time incurred in obtaining such insurance (Currently $500, but could increase if our costs increase)	15 days after billing	You must reimburse us if we obtain insurance for you because you fail to obtain or maintain required coverage.
Interest	1.5% per month	15 days after billing	Due on all overdue amounts. Interest rate will not exceed the highest applicable commercial contract interest rate.
Maintenance and Refurbishing of Outlet (Note 7)	You must reimburse our expenses (not to exceed $1 million)	15 days after billing	If, after we notify you, you do not undertake efforts to correct deficiencies in the Outlet's appearance, then we can undertake the repairs and you must reimburse our expenses.

Type of Fee (Note 1)	Amount	Due Date (Note 2)	Remarks
Management Fee (Note 7)	$500 per person, per day (plus costs and expenses)	As incurred	Due when we (or a third party) manage the Outlet after your or your Managing Owner's death or disability or after your default or abandonment. Our assumption of management responsibilities for the Outlet is limited to 90-day periods renewable for a maximum total of one year from the time we assume management.
Mystery Shopper	Currently, $59.50 to $77.00 per Outlet per visit, but could increase if our costs increase	Monthly drafts	The frequency of visits will drive costs. Average number of visits is once per month (however, in the first month of operation, there will be four visits). Multi-unit operators (ten or more outlets) may be eligible to for bi-monthly shop visits and for a 10% discount on program costs.
Non-Traditional Store Fee	$41.66 per month	Monthly drafts	You will pay this fee only if you operate a Non-Traditional Store.
Relocation Fee (Note 7)	Costs of relocation services	15 days after billing	Due if the lease expires or is terminated without your fault, or if the site for the Outlet is destroyed, condemned, or otherwise rendered unusable, and you relocate the Outlet to a site acceptable to us.
Renewal Fee (Note 7)	Then-current renewal fee (currently $7,500)	Upon signing renewal franchise agreement	Due if you satisfy all the conditions relating to renewal.
Tide Cleaners Points of Differentiation (POD) Follow-up Assessment	Costs of follow-up assessment	15 days after receiving our invoice	Due if the Outlet fails an initial assessment and we perform a follow-up assessment to confirm that you have corrected the deficiency.
Testing	Cost of testing (amount of which depends on circumstances, including supplier's location, testing required, and item involved)	When billed	This covers the costs of testing new products or inspecting new suppliers you propose.

Type of Fee (Note 1)	Amount	Due Date (Note 2)	Remarks
Transfer (Note 7)	Then-current transfer fee (currently $7,500)	Before transfer completed	No charge if you transfer the Franchise Agreement to an entity you control upon signing transfer documentation acceptable to us.

Notes to Item 6 table:

1. Except for product and service purchases described in Item 8, and except as otherwise noted in this Item 6, all fees are imposed and collected by and payable to us. All fees are non-refundable. However, in some instances, we have waived some or all of these fees for particular franchisees.

2. Before your Outlet opens, you must sign and deliver to us the documents we require authorizing us to debit automatically your business checking account (the "Electronic Depository Transfer Account" or "EDTA") for the Royalty, Fund Contributions, and other amounts due under the Franchise Agreement and for your purchases from us and/or our affiliates. We will debit the EDTA for these amounts on or after their due dates. Funds must be available in the EDTA for withdrawal. We may require payment other than by automatic debit, and you must comply with our payment instructions.

   If you do not report the Outlet's Net Sales, we may debit your EDTA for 120% of the amounts of the immediately previous Royalty and Fund Contribution that we debited. If the amounts we debit are less than the amounts you actually owe us, we will debit your EDTA for the balance on the date we specify. If the amounts we debit are greater than the amounts you actually owe us, we will credit the excess against the amounts that we otherwise would debit from your EDTA during the following week(s).

3. "Net Sales" means all revenue from all sales made from your point-of-sale system and all other revenue that you derive from operating the Outlet, including all amounts that you receive at or away from the premises, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions, but (1) excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority; and (2) reduced by the amount of any documented refunds, credits, coupons, manager-authorized and/or customer loyalty program discounts, allowances, and charge-backs the Outlet in good faith gives to customers.

4. You may be eligible for a royalty reduction if you meet the conditions that apply to our development incentive program and sign the Development Incentive Program Addendum. This incentive applies to any Plant or Drop Store opened under a Franchise Agreement between July 1, 2019 and June 30, 2020. The royalty reduction does not, however, apply to Non-Traditional Stores. If you meet all of the requirements below you will not have to pay royalties for the first six months of operation of that outlet.

   In order to qualify for the reduced royalties under the Development Incentive Program, you (and your affiliates) must: (1) open your Plant Store or Drop Store for business according to the terms of the applicable Franchise Agreement by June 30, 2020 (this program does not apply to Non-Traditional Stores); (2) as of the opening date of the Plant Store or Drop Store, be in full compliance with the Franchise Agreement for the Outlet as well as all Development Rights Agreements, Franchise Agreements, and other agreements with us or our affiliates; (3) not have received a

written notice of default from us under the Franchise Agreement, or any other related agreement, during the 12 months before the Plant Store's or Drop Store's scheduled opening date; and (4) not have terminated, and we must not have terminated (regardless of the reason), any Development Rights Agreement or Franchise Agreement between us and you or your affiliate during the 12 months before the Plant Store's or Drop Store's scheduled opening date.

If you do not (or no longer) meet the requirements for this incentive, then we will not reduce the Outlet's royalties as described above.

5. Under a Conversion Incentive Addendum, your Royalty fees will be reduced. Your royalty will be comprised of a "Base Royalty" and an "Incremental Royalty," as noted below. You will provide to us, each week, a report on your daily Net Sales (in the format and by the method that we require, such as electronic reporting).

	Base Royalty	Incremental Royalty
How Often	Weekly	Monthly
Due Date	By Thursday of each week, for sales in the prior week	By the 10th day of each month, for sales in the prior month
Payable Starting	18 months after your Conversion Date	On the Conversion Date
Amount	One percent (1%) of Base Net Sales until the 10-year anniversary. At that time, the rate will increase to three percent (3%) of Base Net Sales if the annual Net Sales of the Tide Cleaners Outlet have increased by more than 75% from the one-year period following the Conversion Date.	Six and one-half percent (6.5%) of your Incremental Net Sales. For each quarter, the parties will reconcile the Incremental Royalty payments and sums due for that quarter and settle up with one another within 45 days (or we will have the option to credit that amount to your next monthly payment).

a) Your "Base Net Sales" are the daily Net Sales for the Tide Cleaners Outlet that you have converted, compared to the Net Sales of the business for the same calendar day in the previous year.

b) Your "Incremental Sales" are the aggregate daily Net Sales for the Tide Cleaners Outlet that you have converted, compared to the aggregate Net Sales of the Tide Cleaners Outlet for the same calendar day in the previous year. (For a leap year, sales on the 29th of February will be compared to sales on February 28 of the previous year.)

c) The "Conversion Date" is the date by which you complete conversion of your dry cleaning business into a Tide Cleaners Outlet (which must not be more than a mutually-agreed-upon number of months after the parties sign the Conversion Incentive Addendum).

d) A "week" means the seven (7) consecutive calendar-day period beginning on Monday and ending at the close of the Outlet's daily operations the following Sunday.

6. "Locker Net Revenues" means all revenues received by you from customers for Locker Services rendered by the outlet and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions, but (1) excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority; and (2) reduced by the amount of any documented refunds, credits, coupons, manager-authorized and/or customer

loyalty program discounts, allowances, and charge-backs the Outlet in good faith gives to customers who utilize the Locker Services.

7. These fees do not apply under the Non-Traditional Store Franchise Agreement.

8. These fees also apply under the Development Rights Agreement.

ITEM 7

ESTIMATED INITIAL INVESTMENT

TABLE A:
YOUR ESTIMATED INITIAL INVESTMENT
PLANT STORES, DROP STORES AND NON-TRADITIONAL STORES

This initial investment chart represents the estimated initial investment range for construction of a Tide Cleaners Outlet that is a Plant Store or Drop Store (excluding possible acquisition of the building or real estate if you choose to acquire the land and/or construct the building for the Outlet) or a Non-Traditional Store within a supermarket or grocery store.

A Plant Store requires approximately 2,800 to 3,000 square feet of internal space with 15 foot ceilings and typically occupies an approximate total area of 0.5 to 1.0 acre. A Drop Store requires 1,200 to 1,600 square feet. Although we estimate that a Non-Traditional Store located within a supermarket or grocery store requires 150 to 750 square feet, your Non-Traditional Store's size will depend on the space you negotiate with the supermarket or grocery store and may require additional space if you develop the Non-Traditional Store in another non-traditional location. If we provide our written consent for you to develop and operate a Non-Traditional Store in another non-traditional location (other than a supermarket or grocery store), the estimates may vary considerably based on the site condition and demands from the operators of the non-traditional location. Some of the ranges in the estimates are driven by weather, zoning requirements, site conditions and architectural demands. Other factors may affect the range, but these represent the most common.

YOUR ESTIMATED INITIAL INVESTMENT PLANT STORE, DROP STORES AND NON-TRADITIONAL STORES						
Type of Expenditure	**Plant Store Amount**	**Drop Store Amount**	**Non-Traditional Store Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Initial Franchise Fee (Note 1)	$20,000-$50,000	$20,000-$25,000	$0	Lump sum	Upon signing Franchise Agreement	Us
Project Management Fee (Note 1)	$20,000-$20,000	$10,000-$10,000	$0-$5,000	Lump sum	At least 90 days before scheduled opening or actual opening, whichever occurs first (60 days for Non-Traditional Store)	Us

YOUR ESTIMATED INITIAL INVESTMENT PLANT STORE, DROP STORES AND NON-TRADITIONAL STORES						
Type of Expenditure	**Plant Store Amount**	**Drop Store Amount**	**Non-Traditional Store Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Start-up Assistance and Training Fee (Note 1)	$20,000-$20,000	$10,000-$10,000	$0-$5,000	Lump sum	At least 90 days before scheduled opening or actual opening, whichever occurs first (60 days for Non-Traditional Store)	Us
New Store Marketing Expense (Note 1)	$25,000-$25,000	$20,000-$20,000	$0	Lump sum	At least 90 days before scheduled opening or actual opening, whichever occurs first	Us or our affiliate
Opening Advertising Expenditures (Note 1)	$0	$0	$500-$500	Lump sum	At least 60 days before actual opening	Suppliers
Initial Training Travel Related Expenses (Note 2)	$11,500-$15,500	$0-$7,500	$0	As incurred	As incurred	Third parties
Cleaning Agents (Note 3)	$5,900-$10,200	$0-$400	$0	As arranged	As arranged	Suppliers
Equipment and Installation (Note 4)	$442,000-$620,000	$47,000-$112,000	$0-$500	As arranged	As arranged	Suppliers
Pre-Opening Wages (Note 5)	$15,000-$25,000	$2,500-$8,000	$0	As arranged	As arranged	Employees
Start-up Supplies (Note 6)	$18,800-$23,500	$9,700-$12,500	$1,000-$2,000	As arranged	As incurred	Suppliers
Supplemental Equipment (Note 7)	$3,600-$6,800	$2,300-$4,500	$0	As arranged	As incurred	Suppliers
Insurance and Other Business Set Up Costs (Note 8)	$5,500-$10,500	$5,500-$10,500	$300-$500	Cash or as arranged	As arranged or incurred	Insurance brokers or companies, government agencies, utility companies, attorney
Signage (Interior & Exterior) (Note 9)	$14,500-$34,500	$14,500-$230,000	$1,500-$4,000	As arranged	As arranged	Suppliers
Leasehold Improvements (Note 10)	$0-$565,000	$0-$230,500	$0-$4,000	As arranged	As incurred	Landlord or Suppliers

YOUR ESTIMATED INITIAL INVESTMENT PLANT STORE, DROP STORES AND NON-TRADITIONAL STORES						
Type of Expenditure	**Plant Store Amount**	**Drop Store Amount**	**Non-Traditional Store Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
3 Months' Occupancy Cost (Note 11)	$0-$37,500	$0-$16,250	$0-$2,500	As agreed	As incurred	Landlord
POS and Related IT System (Note 12)	$22,800-$33,200	$18,200-$24,000	$5,500-$7,500	As arranged	As arranged	Suppliers
Vehicle (Note 13)	$0	$0-$55,000	$0-$55,000	As arranged	As arranged	Suppliers
Additional Funds (3 months) (Note 14)	$57,500-$90,000	$0-$63,000	$0	Cash	As needed	Suppliers
Total Estimated Initial Investment (Note 15)	$682,100-$1,586,700	$159,700-$635,650	$8,800-$86,500			

Explanatory Notes to Initial Investment For
Plant Stores, Drop Stores And Non-Traditional Stores (Item 7 Table A)

1. Initial Franchise Fee, Project Management Fee, Start-up Assistance and Training Fee, New Store Marketing Expense and Opening Advertising Expenditures. We describe the initial franchise fee, Project Management Fee, the Start-up Assistance and Training Fee, and the New Store Marketing Expense in Item 5. For Non-Traditional Stores, we do not charge an initial franchise fee and in lieu of the New Store Marketing Expenses, you must spend at least $500 on advertising and promoting the opening of the Outlet. If you qualify for the Development Incentive Program and timely open the Outlet according to an existing DRA Schedule (and meet our other requirements), we may reduce your total initial franchise fee for a Plant Store or a Drop Store to $20,000.

   We may reduce, at our sole option, the Start-up Assistance and Training Fee and/or the Project Management Fee payable under each Franchise Agreement for the third or any additional Plant Store or Drop Store you develop and open according to the DRA Schedule if you request the reduction at least 90 days in advance of opening and you develop and operate your first two Plant Stores and/or Drop Stores in accordance with their Franchise Agreements and our standards. If we reduce the Start-up Assistance and Training Fee and/or Project Management Fee you pay under a Franchise Agreement for any given Plant Store or Drop Store, we need not reduce these fees under the Franchise Agreement for any subsequent Plant Store or Drop Store you develop under the DRA Schedule.

2. Initial Training Travel Related Expenses. We describe training in Item 11. For Plant Stores and Drop Stores, this figure estimates the out-of-pocket costs and expenses for your attendees (two attendees for a Plant Store and one attendee for a Drop Store) if we require you to travel to and participate in our initial training program (for a Drop Store, we may conduct some or all training at the Outlet). The low end assumes you are an existing franchisee who has already successfully completed the New Franchise Orientation Program (or for a Drop Store, if we agreed to waive the requirement that your one designated attendee attend our initial training program because that

attendee already completed training to our satisfaction in relation to the Plant Store you also operate).

3. Cleaning Agents. For Plant Stores and Drop Stores, you must use our designated suppliers, which may include us or our affiliates, to acquire the Proprietary Products and related items (such as proprietary and non-proprietary agents, solvents, detergents and other miscellaneous products) that you will use to operate the Outlet. We will connect you with suppliers approved by us that may also help you order certain retail store merchandise that may be available for resale at the Outlet. The low end of our estimate for a Drop Store assumes that you already have access to the requisite supplies from another source (e.g., available inventory from an existing Plant Store you or your approved affiliate operates).

4. Equipment and Installation. These amounts include the laundry and dry cleaning equipment and pumps that supply detergent and chemicals to processing equipment, machines, conveyors, pressing machines, store pick up and drop off lockers or a kiosk, special services machines and other industrial technologies and related items (the "Plant Dry Cleaner Equipment"); the conveyors, touch boards, store pick up and drop off lockers or a kiosk, and any other applicable dry cleaning equipment (the "Drop Equipment") that you must purchase from suppliers we designate (which may include us or our affiliate). We will determine the amount of Plant Dry Cleaner Equipment or Drop Equipment that you will need to purchase. Outlet sizes and specifications, such as equipment needs (e.g., one dry cleaning machine versus two dry cleaning machines for a Plant Store), can vary with the Outlet's anticipated volume based on site location and demographics, thus accounting for the lower and higher figures represented. Terms and conditions are determined by the suppliers we designate. We anticipate that your purchase of Plant Dry Cleaner Equipment will require a deposit that approximates 50% of the final equipment price. The remaining balance is typically due to the supplier upon delivery to the Outlet and prior to installation.

5. Pre-Opening Wages. For Plant Stores and Drop Stores, this figure estimates the salaries you will pay your key employees (at least one general manager for a Plant Store) during the initial training we provide and their pre-opening employment at the Outlet, as well as a minimum of one week of pre-opening wages for hourly employees needed for opening. It does not include your out-of-pocket expenses related to the training in which your designated attendees will participate before you open your Outlet. For a Drop Store, the high end of the range assumes that you will employ at least one designated manager for the Outlet and the low end of the range assumes that we approve you to use the manager of the Plant Store that provides services for the Outlet as the manager of the Outlet.

   For Non-Traditional Stores, this estimate assumes that you will not need to pay the salaries of any Outlet personnel during their pre-opening employment because the supermarket or grocery store in which the Non-Traditional Store operates has loaned its employees to you in exchange for rent or a portion of the Non-Traditional Store's Net Sales. If you operate a Non-Traditional Store in another non-traditional location that we approve (other than a supermarket or grocery store), you may need to hire employees directly and will incur salary expenses related to their pre-opening employment

6. Start-up Supplies. These figures estimate the total initial cost of various supplies, including: hand-tools for minor repairs to the equipment and premises; uniforms for your personnel; branded laundry bags for consumer use; hangers; poly bags; baskets; printed materials (such as letterhead, stationery, business cards, envelopes, and invoices) and printing; basic furniture; and miscellaneous office supplies for the Outlet. We include our recommendations, minimum requirements or specifications, and designated or approved suppliers for these items in our confidential operations and policy manual(s) (collectively, the "Business Reference Manual"). "Start-up Supplies" will

include both consumables that are used to operate the Outlet and are replenished on an ongoing basis as needed, and durable supplies such as tools, garment bins, office furniture, and other items that are expected to last more than one year.

7. Supplemental Equipment. Supplemental Equipment includes the phone system, music system for the lobby, safe and security system and other miscellaneous equipment. If you sign the Locker Services Addendum to offer Locker Services from the Plant Store, you will need to purchase Lockers (the cost of which will depend on the number of Lockers you are going to service; a two set bay currently costs $380) and a vehicle to transport clothing from the Lockers to your Outlet (the cost of which can range from $0 to $50,000; the low end of the range presumes you already have a vehicle and the high end of the range estimates the costs of buying a new van for use to service the Lockers). You may incur additional costs if you add "wash and fold" services.

8. Insurance and Other Business Set Up Costs. We describe your insurance requirements in Item 8. Insurance costs depend on policy limits, types of policies, nature and value of physical assets, net revenue, number of employees, square footage, location, business contents, and other factors bearing on risk exposure. The estimate contemplates insurance costs for three months. We provide more information on insurance in the Business Reference Manual.

   For Non-Traditional Stores, this estimate assumes that you will add the Outlet to the insurance policies you maintain for your Plant Store. Your costs will be higher if your insurance company requires separate insurance coverage for the Non-Traditional Store.

   Business set up costs include certain licenses, utility and other deposits and legal fees. You must obtain all business licenses required by the jurisdiction where your Outlet is located and pay all utilities necessary for the Outlet's premises to operate. The amounts utility companies will require you to deposit vary considerably. You should contact the utility companies that will provide services to your Outlet about the relevant deposits and their amounts. Because you will develop and operate a Non-Traditional Store in a designated space within an existing business, we anticipate that you will not have separate utility costs due to utility companies. You will incur legal fees for forming your company and reviewing the contracts you will enter into related to your Outlet.

9. Signage (Interior & Exterior). We list our designated suppliers and the design for your signage in the Business Reference Manual. Our estimate for signage includes only the baseline signage we require for the Outlet. However, you may choose to purchase enhanced or upgraded signage at your option (if available from the designated supplier), which could cost more than our estimate.

10. Leasehold Improvements You must modify the Outlet according to our approved standards. For Plant Stores and Drop Stores, the architectural, engineering and construction costs associated with modifications to the site/building that may be necessary to install equipment and operate a Tide Cleaners Outlet according to our floor plans/layouts will vary depending on the condition of the site and whether the landlord includes the cost of improvements in the rent/lease. This may affect the monthly occupancy cost. However, you may choose to purchase upgraded electrical and plumbing, cabinetry, or flooring at your option (if available from the designated supplier and/or required by the supermarket, grocery store or other non-traditional location), which could cost more than our estimate. You may incur additional costs if you add "wash and fold" services.

    The costs associated with modifications to the site which may be necessary to operate a Tide Cleaners Outlet as a Non-Traditional Store according to our standards will vary depending on the condition of the site and whether the supermarket, grocery store or other non-traditional location in

which you operate the Outlet includes the costs of improvements in the rent/lease. This may affect the monthly occupancy cost.

11. 3 Months' Occupancy Cost. Rent will vary depending on various factors, including geographic location, size of the site, prevailing market rates, other businesses in the area, site profile, your credit rating, and other factors and may be considerably higher in certain areas (such as large metropolitan areas) and where the demand for commercial real estate exceeds the available inventory when you are looking for a site. We anticipate that you will rent the Outlet's premises, particularly for a Drop Store and a Non-Traditional Store. You might have to pay base rent and percentage rent for a Non-Traditional Store based on the Outlet's Net Sales. It is possible, however, that you might choose to buy, rather than rent, real estate on which to construct and/or develop a Plant Store. If you choose to purchase the land and building for a Plant Store, the total cost of acquiring and developing the land, building, and related premises according to our standards may range from approximately $1,000,000 to $2,000,000. Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying. Because of the numerous variables that affect the value of a particular piece of real estate, this initial investment table does not reflect the potential cost of purchased real estate but does include an estimate of the total rental payments due over the first three months of a 10-year lease. If you choose to acquire a Drop Store location, it will likely be in a multi-tenant environment and will require evaluation of relevant costs and expenses.

We or our designees will assist you in all phases of the design, style, and functionality of your Outlet. The Outlet must meet certain square footage, layout and design requirements. We have the right to approve any building you construct or lease. You are responsible for ensuring that the Outlet conforms to all applicable laws, including building, signage and zoning codes. As mentioned above, occupancy costs may vary based upon the amount of required improvements. The low end of our estimate reflects multiple instances where landlords have granted our franchisees waivers or deferrals of rental amounts during the first three months of operations such that the franchisees paid $0 during the period.

12. POS and Related IT System. These estimates include the computer hardware and software you will need to operate your Outlet and any related network equipment and cabling, start-up fees and support of the Computer System (defined in Item 11). Items 8 and 11 provide details relating to the Computer System components we require you to acquire and use at the Outlet.

13. Vehicle. This estimates the costs you will incur to acquire a van to transport clothing to a remote location for cleaning or to handle delivery services. The high end of the range estimates the costs of buying a new van while the low end of the range presumes you already own a van. We must approve the van you purchase or lease for use at the Outlet. If you are developing a Plant Store, you typically will not purchase a van until you open a Drop Store or start offering delivery services.

14. Additional Funds (3 months). For Plant Stores and Drop Stores, this estimates the funds needed to cover your initial expenses for the first three months of operation (other than the items identified separately in the table). These expenses include payroll costs (but not any draw or salary for you) and payment of utilities as well as the cost of Mystery Shoppers. These figures are estimates, and we cannot guarantee that you will not have additional expenses during the first three months you operate the Outlet and for a longer time period after that. This three-month period is not intended, and you should not use or interpret it, to identify a point at which your Outlet will break even. Your costs will depend, among other things, on how closely you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local

market for your products and services; the prevailing wage rate; competition; and the sales level the Outlet reaches during the initial period.

For Non-Traditional Stores, this estimate assumes that you will not need any additional funds to cover your initial expenses for the first three months of operation (other than the items identified separately in the table). We cannot guarantee that you will not have additional expenses during the first three months you operate the Outlet and for a longer time period after that, especially if you need to hire Outlet personnel directly or the existing business in which you choose to locate the Outlet requires you to contribute to utility costs.

15. Total Estimated Initial Investment. We relied on our officers' and consultants' over 31 years of collective experience in the fabric care and dry cleaning industry, five years of experience in licensing third parties to operate Tide Cleaners Outlets in supermarkets and grocery stores using the "non-traditional" format, and our experience in franchising, building, starting up and operating our Company-Owned Outlets, to generate these estimates. You should review these figures carefully with a business advisor before deciding to acquire the franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions from which you request a loan. Unless specified otherwise, you will incur the expenses described above in establishing the Outlet. Except for any real estate, rental and utility deposits (which third parties may impose and collect rather than us), no expenditure in the table above is refundable.

TABLE B:
YOUR ESTIMATED INITIAL INVESTMENT
DEVELOPMENT RIGHTS AGREEMENT - 1 TO 4 OUTLETS

The table below represents the initial investment required under the Development Rights Agreement if you commit to develop one to four Plant Stores and Drop Stores within the Area pursuant to the DRA Schedule. You will also incur the estimated initial investment described under the tables above in this Item 7 for each Tide Cleaners Outlet that you open and operate in your Area.

YOUR ESTIMATED INITIAL INVESTMENT DEVELOPMENT RIGHTS AGREEMENT - 1 TO 4 OUTLETS					
TYPE OF EXPENDITURE	**AMOUNT (LOW)**	**AMOUNT (HIGH)**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
Development Rights Fee (Note 1)	$20,000	$80,000	Lump sum	Upon signing Development Rights Agreement	Us
Additional Funds (3 months) (Note 2)	$500	$1,000	Cash	As needed	Suppliers
TOTAL ESTIMATED INITIAL INVESTMENT (Note 3)	**$20,500**	**$81,000**			

Explanatory Notes to Development Rights Agreement
Initial Investment (Item 7 Table B)

1. Development Rights Fee. The low range is the Development Rights Fee for one Outlet and the high range is the Development Rights Fee for four Outlets. See Item 5.

2. Additional Funds (3 months). This estimates the funds you initially might need to begin looking for acceptable sites for Plant Stores and Drop Stores.

3. Total Estimated Initial Investment. We relied on our officers' and consultants' over 31 years of collective experience in the fabric care and dry cleaning industry, and our experience in franchising, building, starting up and operating our Company-Owned Outlets, to generate these estimates. You should review these figures carefully with a business advisor before deciding to acquire the franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions from which you request a loan. No expenditure in the table above is refundable.

TABLE C:
YOUR ESTIMATED INITIAL INVESTMENT
CONVERSIONS

The table below represents the initial investment required under the Franchise Agreement and the Conversion Incentive Program Addendum if you convert an existing dry cleaning business to a Tide Cleaners Outlet.

YOUR ESTIMATED INITIAL INVESTMENT PLANT STORE, DROP STORE AND CENTRAL PLANT CONVERSIONS						
Type of Expenditure	**Plant Store Amount**	**Central Plant* Amount**	**Drop Store Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Initial training expenses (Note 1)	$0-$2,000	$0-$2,000	$0-$2,000	As incurred	As incurred	Third parties
Cleaning Agents (Note 2)	$5,800-$10,000	$5,800-$10,000	$0-$400	As arranged	As arranged	Suppliers
Equipment and Installation (Note 3)	$4,200-$12,000	$4,200-$14,000	$0-$7,700	As arranged	As arranged	Suppliers
Start-up Supplies (Note 4)	$7,300-$23,400	$7,300-$23,400	$4,300-$12,200	As arranged	As incurred	Suppliers
Supplemental Equipment (Note 5)	$2,300-$9,200	$2,300-$9,200	$2,300-$4,700	As arranged	As incurred	Suppliers

YOUR ESTIMATED INITIAL INVESTMENT PLANT STORE, DROP STORE AND CENTRAL PLANT CONVERSIONS						
Type of Expenditure	**Plant Store Amount**	**Central Plant* Amount**	**Drop Store Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Insurance and other Business Set Up Costs (Note 6)	$0-$10,500	$0-$10,500	$0-$10,500	Cash or as arranged	As arranged or incurred	Insurance brokers or companies, government agencies, utility companies, attorney
Signage (Interior & Exterior) (Note 7)	$14,500-$35,000	$500-$1,200	$14,500-$27,000	As arranged	As arranged	Suppliers
Leasehold Improvements (Note 8)	$24,000-$45,000	$0	$23,000-$29,000	As arranged	As incurred	Suppliers
POS and related IT System (Note 9)	$22,800-$33,200	$14,700-$18,700	$18,200-$24,000	As arranged	As arranged	Suppliers
Vehicle (Note 10)	$0-$3,500	$3,500-$3,500	$3,500-$3,500	As incurred	As incurred	Suppliers
Total Estimated Initial Investment (Note 11)	**$80,900-$183,800**	**$38,300-$92,500**	**$65,800-$121,000**			

* Central Plants are non-consumer facing outlets that provide dry cleaning and laundering services to support delivery routes and other Plant Store Outlets and Drop Store Outlets in their market.

Explanatory Notes to Conversion Initial Investment (Item 7 Table C)

1. Initial Training Expenses. We describe training in Item 11. This figure estimates the out-of-pocket costs and expenses for your two attendees (one attendee for a Drop Store) to travel to and participate in our New Franchise Orientation Program. The low end assumes you are an existing franchisee who has already successfully completed the New Franchise Orientation Program or, if you are converting a Drop Store, we agreed to waive the requirement that your one designated attendee attend our initial training program because that attendee already completed training to our satisfaction in relation to the Plant Store you also operate.

2. Cleaning Agents. You must use our designated suppliers, which may include us or our affiliates, to acquire the Proprietary Products and related items (such as proprietary and non-proprietary agents, solvents, detergents and other miscellaneous products) that you will use to operate the Outlet. We will connect you with suppliers approved by us that may also help you order certain retail store merchandise that may be available for resale at the Outlet. The low end of our estimate for the conversion of a Drop Store assumes that you already have access to the requisite supplies from another source (e.g., available inventory from an existing Plant Store you or your approved affiliate operates).

3. Equipment and Installation. For the conversion of Plant Stores and Central Plants, these amounts include the laundry and dry cleaning equipment pumps that supply detergent and chemicals to processing equipment, that you must purchase from suppliers we designate (which may include us or our affiliate). The estimate for the conversion of Plant Stores and Drop these amounts include store pick up and drop off lockers and a 24-hour drop box that you must purchase from suppliers we designate (which may include us or our affiliate). We will determine the amount of equipment that you will need to purchase and your costs may increase if the necessary equipment at the existing business does not exist, needs to be replaced or does not meet our standards.

4. Start-up Supplies. These figures estimate the total initial cost of various supplies including: hand-tools for minor repairs to the equipment and premises; uniforms for your personnel; branded laundry bags for consumer use; hangers; poly bags; baskets; printed materials (such as letterhead, stationery, business cards, envelopes, and invoices) and printing; basic furniture; and miscellaneous office supplies for the Outlet. We include our recommendations, minimum requirements or specifications, and designated or approved suppliers for these items in the Business Reference Manual. "Start-up Supplies" will include both consumables that are used to operate the Outlet and are replenished on an ongoing basis as needed, and durable supplies such as tools, garment bins, office furniture, and other items that are expected to last more than one year. The low end assumes that the majority of supplies such as baskets, hand tools, basic furniture and miscellaneous office supplies are already at the Outlet and do not need to be purchased. The high end assumes all supplies are needed.

5. Supplemental Equipment. Supplemental Equipment includes the phone system, music system for the lobby, safe and security system and other miscellaneous equipment.

6. Insurance and other Business Set Up Costs. We describe your insurance requirements in Item 8. Insurance costs depend on policy limits, types of policies, nature and value of physical assets, net revenue, number of employees, square footage, location, business contents, and other factors bearing on risk exposure. The estimate contemplates insurance costs for three months.

   Business set up costs include certain licenses, utility and other deposits and legal fees, as applicable. You must obtain all business licenses required by the jurisdiction where your Outlet is located and pay all utilities necessary for the Outlet's premises to operate. You may incur legal fees for forming your company and reviewing the contracts you will enter into related to your Outlet. The low end of the estimate assumes that you do not use additional legal assistance and that you already have an entity formed and adequate insurance in place.

7. Signage (Interior & Exterior). We list our designated suppliers and the design for your signage in the Business Reference Manual. Our estimate for signage includes only the baseline signage we require for the Outlet. However, you may choose to purchase enhanced or upgraded signage at your option (if available from the designated supplier), which could cost more than our estimate.

8. Leasehold Improvements. You must modify the Outlet according to our approved standards if you are converting a Plant Store or a Drop Store. The architectural, engineering and construction costs associated with modifications to the site/building that may be necessary to install equipment and operate a Tide Cleaners Outlet according to our floor plans/layouts will vary depending on the condition of the site. If you choose to purchase upgraded cabinetry, or flooring (if available from the designated supplier), it could cost more than our estimate. The estimate presumes you will need to make minimal modifications to the Outlet and you may incur additional expenses if significant upgrades are required. You may incur additional costs if you add "wash and fold" services at a

Drop Store. You will not be required to make any modifications if you are converting a Central Plant.

9. POS and Related IT System. These estimates include the computer hardware and software you will need to operate your Outlet and any related network equipment and cabling, start-up fees and support of the Computer System.

10. Vehicle. This estimates the costs you will incur to re-brand a van. The low end of the Plant Store range presumes you do not already own or lease a van.

11. Total Estimated Initial Investment. We relied on our officers' and consultants' over 31 years of collective experience in the fabric care and dry cleaning industry, and our experience in franchising, building, starting up and operating our Company-Owned Outlets, to generate these estimates. You should review these figures carefully with a business advisor before deciding to acquire the franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions from which you request a loan. Unless specified otherwise, you will incur the expenses described above in establishing the Outlet. Except for any real estate, rental and utility deposits (and third parties may impose and collect rather than us), no expenditure in the table above is refundable.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Franchise Agreement

You must operate the Outlet according to our System Standards. System Standards may regulate, among other things, the: (1) types, models, and brands of required building components, fixtures, furniture, Plant Dry Cleaner Equipment, Drop Equipment, other equipment (including credit card merchant equipment, the Computer System, other point-of-sale equipment, and any equipment used in the operation of a Non-Traditional Store), furnishings, vehicles, and signs (collectively, "Operating Assets"); (2) Proprietary Products and Proprietary Processes that you must use or offer at the Outlet; (3) other products and supplies we require for use or sale at the Outlet, including specified consumer products (such as detergents, agents, cleansers, dry cleaning and laundry products) bearing the Marks and other trademarks, electronic media (such as DVDs or other audio-visual programming), and other trademarked items (such as advertising and promotional materials); (4) Delivery Services (defined in Item 12); (5) inventory requirements for some or all items; (6) designated and approved suppliers (including us and our affiliates) of Operating Assets and other items and services; and (7) unauthorized and prohibited dry cleaning, laundry, and other products, services and/or suppliers that you may not use at or for the Outlet.

We have the absolute right to limit the suppliers with whom you may deal. We may restrict your sources of Proprietary Products, Proprietary Processes, and other items and services now and in the future in order to protect our trade secrets, assure quality, assure a reliable supply of products that meet our standards, achieve better purchase terms and delivery service, control usage of the Marks by third parties, and monitor the manufacture, packaging, processing, and sale of these items. If we, at our option, limit the Outlet's source(s) of certain items to us, our affiliates, and/or other specified exclusive or approved sources, then you must acquire those items only from the limited source(s) at the prices we or they decide to charge. Any purchases you make from us and our affiliates, whether required or voluntary, may be at prices exceeding our costs. We will list all designated and approved suppliers (including us and our affiliates) in

our Business Reference Manual or other written communications. We may periodically revise this list at our discretion.

Required Purchases from Specified Sources

You currently must acquire the following items (as applicable) for the Outlet only from outside suppliers we designate: (1) project management services related to the Outlet's development, as we further describe below; (2) certain Proprietary Products and Proprietary Processes, as we further describe below; (3) the Computer System components and related support, as we further describe below; (4) Plant Dry Cleaner Equipment and Drop Equipment, including lockers or kiosks; and (5) other specified Operating Assets (including uniforms, signage and proprietary furnishings) related to the Outlet's operations.

We currently designate suppliers to provide certain Proprietary Products and Proprietary Processes that we specify, including proprietary cleaning solvents, treatments, agents, and technologies, to Tide Cleaners Outlets. You may purchase other Proprietary Products or products for retail sale that we require you to use at the Outlet, including products marketed under trademarks that we or our affiliates own, from third-party wholesale or retail sources of your choice, with our prior written approval.

As described in Item 11, you must obtain the Computer System from our designated supplier in compliance with our then current standards and specifications.

If you operate the Outlet as a Drop Store or a Non-Traditional Store, or if you sign a Locker Services Addendum to your Plant Store Franchise Agreement, you must acquire (whether by purchase or lease) a van that we approve to be used for transportation of garments, products, and related items and other needs between the Outlet's premises and the Plant (the "Vehicle"). You must brand the Vehicle with the Marks and acquire and maintain sufficient insurance coverage for the Vehicle, as we specify. We must approve your Vehicle as satisfying our then-current standards and other specifications, including the make and model of the Vehicle, exterior wrap design of the Vehicle acquired from an approved vendor, as well as its condition and maintenance.

Except as we describe above, there are no other goods, services, supplies, fixtures, equipment, inventory, or computer hardware and software for the Outlet that you currently must buy or lease from us (or an affiliate) or designated suppliers.

Approved Purchases and Sources

To maintain the quality of the goods and services that Tide Cleaners Outlets sell and our system's reputation, we may condition your right to buy or lease goods and/or services (besides those described above that you may obtain only from specified designated suppliers) on their meeting our minimum standards and specifications and/or being acquired from suppliers that we approve. We will issue and modify standards and specifications based on our experience in franchising Tide Cleaners Outlets. Our standards and specifications may impose minimum requirements for production, performance, reputation, prices, quality, design, and appearance. Our Business Reference Manual or other communications will generally describe our standards and specifications. We will notify you and, where appropriate, the suppliers. There might be situations where you can obtain items from a supplier you believe satisfies our then current requirements and, therefore, upon your written request to us, we may qualify the supplier you request as an approved supplier after we evaluate and verify the supplier's capabilities (as described further below). At this time, we will not approve any products or suppliers as substitutes for sources of products and services that you currently must purchase from us, our affiliates, or designated suppliers.

If we institute any type of restrictive sourcing program (which, as noted above in this Item 8, we already have imposed or intend to impose for certain products and services), and if you want to use any product or service that we have not yet evaluated or to buy or lease from a supplier that we have not yet approved or designated, then you first must send us sufficient information, specifications, and samples so that we can determine whether the product or service complies with System Standards or the supplier meets our approved supplier criteria. We may charge you or the supplier a reasonable fee (not to exceed the reasonable cost of the inspection and the actual cost of the test) for the evaluation and will make a decision within a reasonable time (no more than 180 days). We periodically will establish procedures for your requests and may limit the number of approved products, services, and/or suppliers as we think best.

Supplier approval might depend on product quality, delivery frequency and reliability, service standards, financial capability, customer relations, concentration of purchases with limited suppliers to obtain better prices and service, and/or a supplier's willingness to do business with our system, including offering incentives to us or our affiliates. We do not make our criteria for approving suppliers available to our franchisees. Supplier approval might be temporary until we evaluate the supplier in more detail. We may inspect a proposed supplier's facilities during and after the approval process to make sure that the supplier meets our standards. If it does not, we may revoke our approval by notifying the supplier and you in writing. We have no obligation to approve any request for a new product, service, or supplier.

We do not currently serve as an approved or designated supplier for any products or services sold to our franchisees for their Tide Cleaners Outlets although we may do so in the future. Our franchisees may acquire certain branded items (for example, cleaning detergents, supplies and other related items) through a third party distributor who receives products directly from our affiliates. During our fiscal year ended June 30, 2019, we derived $57,062 from such transactions, which is less than 1% of our total revenue of $5,341,126.

Advertising Materials

Before you use them, you must send to us for review physical samples of all advertising, promotional, and marketing materials that we have not prepared or previously approved for your use. If you do not receive written approval within 30 days after we receive the materials, they are deemed to be disapproved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved. Our current web-based marketing platform provides approved advertising and promotional materials. If you would like to create your own advertising and promotional materials, and we approve of the materials, then we or you may have the materials produced by our agency or, alternatively, a local vendor approved by us.

Site of the Tide Cleaners Outlet and Lease

The Outlet must be at a site we approve. If the Outlet is a Plant Store or Drop Store, we have the right to approve the Outlet's lease or sublease before you sign it and to require that it include certain provisions, including our right, in the event of a lease or sublease, to the Outlet's site if the franchise is terminated or not renewed or if you lose possession because of your default under the lease. We also may require you and the landlord to sign a rider to the lease in a form we specify (Lease Rider – Exhibit I). If the Outlet is a Non-Traditional Store, we have the right to approve the terms of the lease – or other agreement evidencing your right to occupy the Outlet's designated space – before you sign it. (Non-Traditional Store Franchise Agreement - Section 2.A)

Purchasing and Leasing Arrangements

We estimate that approximately 50% to 75% of your overall purchases and leases in establishing and operating the Outlet will be made from approved or designated suppliers or in accordance with our specifications or requirements. The lower estimate of purchases and leases reflects a leased site for the Outlet and would increase on a percentage basis based on your financing or outright purchase of a site, as applicable.

We and our affiliates have the right to receive payments or other material consideration from suppliers on account of their actual or prospective dealings with our franchisees and to use all amounts that we and our affiliates receive without restriction (unless we and our affiliates agree otherwise with the supplier) for any purposes we and our affiliates deem appropriate. We do not currently have relationships with suppliers from which we or our affiliates will derive benefits based on franchisee purchases. However, we expect that we or our affiliates will receive payments in the future based on purchases made by our franchisees from other designated and approved suppliers, and we intend to use those amounts for ongoing assistance, support, and administration that we provide to the Tide Cleaners network (which may include, at our discretion, deposits into the Fund that we will use to benefit the Tide Cleaners network generally).

There currently are no purchasing or distribution cooperatives. We and our affiliates currently negotiate purchase arrangements with suppliers (including price terms) for the items and services described earlier in this Item that you may obtain only from designated sources. In doing so, we and our affiliates seek to promote the overall interests of the franchise system and affiliate-owned operations (including, in some instances, securing brand development funds, rebates and discounts in connection with product purchases) and our interests as the franchisor. Our affiliate currently has a negotiated rate with a worldwide shipping supplier that may be applicable to product purchases that franchisees make directly from the supplier; if any discounts are applied against shipping charges on product purchases you make at the supplier's market shipping rate, we will pay you on a quarterly basis for 50% of the total amount of the accrued savings on shipping charges attributable to your purchases. We may replace that shipping vendor during the next year with an affiliate that provides similar services. Other than as we describe above, we do not provide material benefits to you (for example, renewal or granting additional franchises) for your purchase of particular products or services or use of particular suppliers.

None of our officers or directors currently own an interest in any non-affiliated, third-party suppliers that comprise the existing supply base for the Tide Cleaners network.

Insurance

You must obtain and maintain, at your own expense, the insurance that we periodically require and issued by companies licensed to do business in the states or countries where the services are delivered or the operations are performed and must be rated "A-" or better by A.M. Best. You currently must obtain and maintain each of the following: (1) commercial general liability insurance with limits of at least $1,000,000 per occurrence and $2,000,000 annual aggregate, $5,000 medical expense per person, and $300,000 per occurrence for damage to premises rented to you; (2) commercial automobile liability insurance for all owned, non-owned and hired vehicles with limits of at least $1,000,000 combined single limit for bodily injury and property damage or the greater amount required by all laws and $10,000 auto medical payment each person; (3) workers compensation and employers liability insurance with limits no less than state statutory benefits, regardless of business form (e.g., sole proprietorship) or number of employees, and Employer Liability coverage no less than $1,000,000 each accident for bodily injury by accident, $1,000,000 policy limit for bodily injury by disease, and $1,000,000 each employee for bodily injury by disease; (4) umbrella/excess liability insurance with limits of no less than $2,000,000 per occurrence and annual aggregate, as excess over the insurance policies listed above; and (5) property and

inland marine insurance including "Special/All Risk perils" in an amount adequate to cover the replacement cost of the Outlet and property in the event of an insured loss, business income and extra expense, including Bailee's Coverage in an amount equal to the total replacement cost of customers' goods on premises, Equipment Breakdown in an amount adequate to cover production equipment, and Crime Coverage with a limit of at least $25,000 covering Employee Dishonesty, Forgery, Money and Securities. You must have a minimum of $3,000,000 per occurrence for General Liability, Auto Liability and Employers Liability and any combination of the primary and umbrella policy is acceptable in meeting this requirement. The general liability, commercial auto and employer's liability policies must be scheduled on the umbrella policy. We provide more information on insurance in the Business Reference Manual.

Development Rights Agreement

If you or your Controlled Affiliate (defined in Item 15) need third party assistance to find a site for a Plant Store or Drop Store and have not yet signed a Plant Store Franchise Agreement or Drop Store Franchise Agreement for the location, then the Development Rights Agreement requires that you use the brokers, third-party consultants or other third-party resources we designate, or another third party that you propose and we pre-approve in writing, to assist you in identifying and selecting a suitable proposed site. Otherwise, the Development Rights Agreement does not require you to buy or lease from us (or our affiliates), our designees, or approved suppliers, or according to our specifications, any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, or comparable items related to establishing or operating your development business under the Development Rights Agreement. However, you must give us information and materials we request concerning (i) each site at which you propose to acquire a franchise and operate a Plant Store or Drop Store, and (ii) you or your Controlled Affiliate, so that we can assess that site and your and their financial and operational qualifications, both of which are subject to our approval.

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN AGREEMENT Plant Store Franchise Agreement (PSFA), Drop Store Franchise Agreement (DSFA), Non-Traditional Store Franchise Agreement (NTSFA), Development Rights Agreement (DRA), Conversion Incentive Addendum (CIA), and Locker Services Addendum (LSA)	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/ lease	2.A of PSFA and DSFA; Lease Rider; 4 of DRA; and 2.A of NTSFA	7, 8, 11, and 12
b. Pre-opening purchases/ leases	2.B, C, and D and 10 of PSFA and DSFA; 2.A, B, and C and 9 of NTSFA; and 1 of LA	5, 7, 8, and 11
c. Site development and other pre-opening requirements	2.B, C, D, E, and F of PSFA and DSFA; and 2.A, B, C, D, and E of NTSFA	7, 8, and 11
d. Initial and ongoing training	4.A, B, and C of PSFA and DSFA; 4.A of NTSFA; and 2 of LSA	6, 7, and 11

OBLIGATION	SECTION IN AGREEMENT Plant Store Franchise Agreement (PSFA), Drop Store Franchise Agreement (DSFA), Non-Traditional Store Franchise Agreement (NTSFA), Development Rights Agreement (DRA), Conversion Incentive Addendum (CIA), and Locker Services Addendum (LSA)	DISCLOSURE DOCUMENT ITEM
e. Opening	2.E and F of PSFA and DSFA; 4 of DRA; 2.D and E of NTSFA; and 2 of CIA	11
f. Fees	2.A, 2.B, 2.D, 2.F, 3.A, 3.B, 3.D, 4.A, 4.B, 4.C, 4.D, 4.E, 11.A, 11.B, 13.B, 14.C(7), 14.E(2), 15.A, 16.B, 18.D, 19.C, and 19.E of PSFA and DSFA; 3 and 4 of DRA; 2 of Development Incentive Addendum; 2.A, 2.C, 2.E, 3.A, 3.B, 3.D, 4.A, 4.B, 4.C, 10.A, 10.B, 12.B, 16.D, 17.C, 17.E of NTSFA, and 3 and 4 of CIA; and 3 of LSA	1, 5, 6, and 7
g. Compliance with standards and policies/ operating manual	4.D and E and 10 of PSFA and DSFA; and 4.B and C and 9 of NTSFA	8 and 11
h. Trademarks and proprietary information	5, 6 and 7 of PSFA and DSFA; and 5 and 6 of NTSFA	13 and 14
i. Restrictions on products/ services offered	1.D and 10.C of PSFA and DSFA; and 1.C and 9.C of NTSFA	8, 11, 12, and 16
j. Warranty and customer service requirements	Not Applicable	Not Applicable
k. Territorial development and sales quotas	1.H of PSFA and DSFA; and 2 and Exhibit A of DRA	12
l. Ongoing product/ service purchases	2.C and D and 10 of PSFA and DSFA; and 2.B and C and 9 of NTSFA	6 and 8
m. Maintenance, appearance and remodeling requirements	10 and 15.A of PSFA and DSFA; 9 of NTSFA; and 2 of CIA	8, 11, 16, and 17
n. Insurance	10.F of PSFA and DSFA; and 9.E of NTSFA	7 and 8
o. Advertising	11 of PSFA and DSFA; 10 of NTSFA; and 4 of LSA	6, 7, 8, and 11
p. Indemnification	18.D of PSFA and DSFA; 9 of DRA; 16.D of NTSFA; and 8 of LSA	6
q. Owner's participation/ management/ staffing	1.C, 4.A, and 10.E of PSFA and DSFA; and 4.A and 9.G of NTSFA	11 and 15
r. Records and reports	12 of PSFA and DSFA; and 11 of NTSFA	9 and 11
s. Inspections and audits	13 of PSFA and DSFA; and 12 of NTSFA	6 and 11
t. Transfer	14 of PSFA and DSFA; 8 of DRA; and 13 of NTSFA	17
u. Renewal	15 of PSFA and DSFA; and 1.E of NTSFA	17

OBLIGATION	SECTION IN AGREEMENT Plant Store Franchise Agreement (PSFA), Drop Store Franchise Agreement (DSFA), Non-Traditional Store Franchise Agreement (NTSFA), Development Rights Agreement (DRA), Conversion Incentive Addendum (CIA), and Locker Services Addendum (LSA)	DISCLOSURE DOCUMENT ITEM
v. Post-termination obligations	17 of PSFA and DSFA; 15 of NTSFA; and 9 of LSA	17
w. Non-competition covenants	9, 14.C(12), 14.G and 17.D of PSFA and DSFA; and 8 and 15.D of NTSFA	15 and 17
x. Dispute resolution	19.E, F, G and H of PSFA and DSFA; 9 of DRA; and 17.E, F, G and H of NTSFA	17
y. Request for extension of deadlines	2.F of PSFA and DSFA; and 2.E of NTSFA	6
z. Lender Notification	13.C of PSFA and DSFA	Not applicable
aa. Personal Guarantee	Attached to PSFA, DSFA, and NTSFA	15

ITEM 10

FINANCING

Neither we nor any agent or affiliate offers direct or indirect financing to you, guarantees any note, lease or obligation of yours, or have any practice or intent to sell, assign, or discount to a third party all or part of any financing arrangement of yours.

ITEM 11

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

Except as listed below, Agile Pursuits Franchising, Inc. is not required to provide you with any assistance.

Pre-Opening Assistance

Before you open the Outlet, we will:

1. Work with you regarding site selection for the Outlet. The site must meet our criteria for demographic characteristics; traffic patterns; parking; character of neighborhood; competition from, proximity to, and nature of other businesses; size; appearance; and other physical and commercial characteristics. It is your sole responsibility to locate, identify and submit for our approval a suitable proposed site location for the Outlet. We will approve or disapprove any location you propose within 30 business days after receiving your description of, and evidence confirming your favorable prospects for obtaining, the proposed site. We will use reasonable efforts to help analyze your market area, to help determine site feasibility, and to assist in designating the location. (Development Rights Agreement - Section 4.C) We currently do not provide you with any assistance in locating a site for a Non-Traditional Store.

2. Approve your Outlet's lease if it meets our requirements (if the Outlet is a Plant Store or Drop Store). You must sign a lease for the premises of your Outlet (including personal guarantees) no later than 120 days before the opening date of the Outlet listed on the DRA Schedule, and deliver to us a signed copy of the lease within seven days after its execution. At our sole option, we may require that you and the landlord of the premises sign a rider to the Lease with us (the "Lease Rider" attached as Exhibit I). (Development Rights Agreement - Section 4.D and Lease Rider) If the Outlet is a Non-Traditional Store, you must sign a lease or other agreement for the Outlet's designated space within the existing business no later than 30 days after the date of the Non-Traditional Store Franchise Agreement, and deliver to us a signed copy of the lease or other agreement evidencing your right to occupy the space within 30 days after its execution. (Non-Traditional Store Franchise Agreement - Section 2.A)

3. Provide you mandatory and suggested specifications and layouts for a Tide Cleaners Outlet, including requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings, and color scheme. (Plant Store Franchise Agreement - Section 2.B; Drop Store Franchise Agreement - Section 2.B; Non-Traditional Store Franchise Agreement - Section 2.A)

4. As discussed in Item 8, identify the Operating Assets, Plant Dry Cleaner Equipment or Drop Equipment, Proprietary Products, certain Proprietary Processes, and related detergents, agents, and fabric and garment care cleaning and products and supplies that you must use to develop and operate the Outlet, the minimum standards and specifications that you must satisfy, and the designated and approved suppliers from whom you must or may buy or lease these items (which may include us, our affiliates, and/or other specified exclusive sources). (Plant Store Franchise Agreement - Sections 2.C, 10.A, 10.B, 10.C; Drop Store Franchise Agreement - Sections 2.C, 10.A, 10.B, 10.C; Non-Traditional Store Franchise Agreement - Sections 2.B, 9.A, 9.B, 9.C)

5. Provide you with access to the Business Reference Manual for guidance in your operation of the Outlet. The Business Reference Manual's current table of contents is found in Exhibit J. As of the issuance date of this disclosure document, the Business Reference Manual contains approximately 37 total pages. (Plant Store Franchise Agreement - Section 4.E; Drop Store Franchise Agreement - Section 4.E; Non-Traditional Store Franchise Agreement - Section 4.C)

6. Assist with and provide oversight over the development and construction of the Outlet, which may include in-depth site evaluation, real estate market analysis, demographics analysis, and amounts for program management related to coordinating negotiations, vendor management, floor plan layout, equipment layout and construction management. (Plant Store Franchise Agreement - Section 2.B; Drop Store Franchise Agreement - Section 2.B; Non-Traditional Store Franchise Agreement - Section 2.A) Any assistance we provide concerning your construction budget for the Outlet is an estimate only and based on the information and assumptions about your local market that you provide to us. You will likely have additional or unforeseen costs and expenses. You should independently verify the costs and expenses you are likely to experience in developing the Outlet.

7. Use the New Store Marketing Expense to promote the Outlet. (Plant Store Franchise Agreement - Section 11.A; Drop Store Franchise Agreement - Section 11.A) As described above in Item 5, if you qualify for the Development Incentive Program, you may be eligible to have us make a contribution toward your New Store Marketing Expense program in the amount of $25,000 for the first Plant Store that you open in a market, $20,000 for an additional Plant Store that you open in a market, or $10,000 for a Drop Store.

8. Train your two designated attendees for a Plant Store, or your one designated attendee for a Drop Store. (Plant Store Franchise Agreement - Section 4.A; Drop Store Franchise Agreement - Section 4.A) We describe our training programs later in this Item. We currently do not provide you or any designee with an initial training program on the operation of a Non-Traditional Store. However, we will develop and make available training tools, materials and recommendations for you to implement in training Outlet personnel.

Ongoing Assistance

During your operation of the Outlet, we will:

1. Send one to two of our representatives to the Outlet for a period of approximately 10 to 12 days for a Plant Store and 5 to 7 days for a Drop Store to assist with the Outlet's opening. The number of representatives we send, and duration of their assistance, will depend on your experience and needs. (Plant Store Franchise Agreement - Section 4.B; Drop Store Franchise Agreement - Section 4.B) For conversions, we will send up to two of our representatives to your market for a period of up to 12 days. (Conversion Incentive Addendum, Section 5)

2. Advise you regarding the Outlet's operation based on your reports and/or our inspections. We also will guide you on standards, specifications, and operating procedures and methods that Tide Cleaners Outlets use; purchasing required and authorized Operating Assets, Proprietary Products, and other items; advertising and marketing materials and programs; supervisory employee training methods and procedures (although you are solely responsible for the terms and conditions of employment of all Outlet employees); and administrative, bookkeeping, accounting, and inventory control procedures. We will guide you in our Business Reference Manual, bulletins, broadcast communications or other written materials; by electronic media; by telephone consultation; and/or at our office or the Outlet. (Plant Store Franchise Agreement - Section 4.D; Drop Store Franchise Agreement - Section 4.D; Non-Traditional Store Franchise Agreement - Section 4.B)

3. Give you, at your request (and our option), additional or special guidance, assistance, and training. (Plant Store Franchise Agreement - Section 4.C; Drop Store Franchise Agreement - Section 4.C; Non-Traditional Store Franchise Agreement - Section 4.A)

4. Continue to provide you access to the Business Reference Manual for the duration that your Franchise Agreement remains in effect. The Business Reference Manual may include audio/video recordings, electronic media, and/or written materials. The Business Reference Manual contains System Standards and other suggested specifications, standards, operating procedures, and rules that we designate. We may modify the Business Reference Manual periodically to reflect changes in System Standards. (Plant Store Franchise Agreement - Section 4.E; Drop Store Franchise Agreement - Section 4.E; Non-Traditional Store Franchise Agreement - Section 4.C)

5. Issue and modify System Standards for Tide Cleaners Outlets. We periodically may modify System Standards, which may accommodate regional or local variations, and these modifications may require you to invest additional capital in the Outlet and/or incur higher operating costs. (Plant Store Franchise Agreement - Section 10.I; Drop Store Franchise Agreement - Section 10.I; Non-Traditional Store Franchise Agreement - Section 9.G)

6. Periodically advise or offer guidance to you on prices for any products and services offered for sale by the Outlet that in our judgment constitute good business practice. Alternatively, we may, to the extent the law allows, regulate your minimum, maximum, or other prices for products or services and require you to participate in system-wide discount programs that we may authorize. (Plant

Store Franchise Agreement - Section 10.G; Drop Store Franchise Agreement - Section 10.G; Non-Traditional Store Franchise Agreement - Section 9.F)

7. Inspect the Outlet and observe its operation to help you comply with the Franchise Agreement and all System Standards. If the Outlet does not comply with System Standards upon our assessment, we will do a follow-up assessment (as soon as practicable, and typically within 30 days), at your cost and expense, in order to confirm that you have cured any deficiency. (Plant Store Franchise Agreement - Section 13.A; Drop Store Franchise Agreement - Section 13.A; Non-Traditional Store Franchise Agreement - Section 12.A)

8. Let you use our confidential information. (Plant Store Franchise Agreement - Section 7; Drop Store Franchise Agreement - Section 7; Non-Traditional Store Franchise Agreement - Section 6)

9. Let you use the Marks and the Patents (defined in Item 14). (Plant Store Franchise Agreement - Sections 5 and 6; Drop Store Franchise Agreement - Sections 5 and 6; Non-Traditional Store Franchise Agreement - Section 5)

If we grant you multi-unit development rights, then during your operation under the Development Rights Agreement we will grant you or a Controlled Affiliate franchises for Plant Stores and/or Drop Stores if we approve of your (or the Controlled Affiliate's) financial and operational ability and the proposed sites. You or your Controlled Affiliates must provide us evidence of your or their ability to occupy any site we approve for a Plant Store or Drop Store either by signing a purchase agreement, or a lease or sublease for the site, no later than 180 days before the opening date of the Plant Store or Drop Store set forth on the DRA Schedule. Neither you nor your Controlled Affiliate may sign any lease, sublease or purchase agreement for a site without our pre-approval of your (or your Controlled Affiliate's) financial and operational ability to develop and operate the Plant Store or Drop Store at the site. Within 30 days after you (or your Controlled Affiliate) sign a purchase agreement or lease for a site at which to develop and operate a Plant Store or Drop Store, you or the approved Controlled Affiliate must sign our then current form of franchise agreement and related documents for each Plant Store or Drop Store, the terms of which may differ substantially from those in the Plant Store Franchise Agreement or Drop Store Franchise Agreement attached to this disclosure document. If you or the Controlled Affiliate do not timely sign these franchise agreements, we may withdraw our approval for each site. (Development Rights Agreement - Section 4)

Advertising

Advertising and Development Fund

We have established a formal Advertising and Development Fund (the "Fund") for advertising, marketing, and public relations programs and materials we deem appropriate. You must contribute to the Fund the amounts that we periodically require. Tide Cleaners Outlets that we or our affiliates own will contribute to the Fund on the same basis as franchisees. We have the right to collect for deposit into the Fund any advertising, marketing, or similar allowances paid to us by suppliers who deal with Tide Cleaners Outlets and with whom we have agreed to deposit these allowances.

We will direct all programs that the Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining an electronic commerce website and/or related strategies; taxes on Fund Contributions; administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising; using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market

research, and other advertising, promotion, and marketing activities. At our sole discretion, the Fund may advertise locally, regionally, and/or nationally in printed materials, on radio or television, and/or on the Internet and we have no obligation to spend a requisite amount of Fund expenditures in your area or territory. We and/or a regional advertising agency currently produce all advertising and marketing. The Fund periodically will give you samples of advertising, marketing, and promotional formats and materials at no cost. We will sell you multiple copies of these materials at our direct cost of producing them, plus any related shipping, handling, and storage charges.

We will account for the Fund separately from our other funds and not use the Fund for our general operating expenses. However, we may use the Fund to reimburse us or our affiliates for the reasonable salaries and benefits of personnel who manage and administer the Fund, the Fund's other administrative costs, travel expenses of personnel while they are on Fund business, meeting costs, overhead relating to Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Fund and its programs, including conducting market research; public relations; preparing advertising, promotion, and marketing materials; and collecting and accounting for Fund contributions.

The Fund is not our asset. The Fund also is not a trust. We have a contractual obligation to hold all Fund contributions for the benefit of the contributors and to use contributions only for their permitted purposes (described above). We have no fiduciary obligation to you for administering the Fund.

The Fund may spend in any fiscal year more or less than the total Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. If the Fund spends more than the total amounts available in a given year (regardless of when those amounts accrued), the Fund may repay the difference plus reasonable interest to us (or another entity that covered the deficit) using contributions received by the Fund in the following or later year. We will use interest earned on Fund contributions to pay costs before spending the Fund's other assets. We will not use Fund contributions for advertising that principally is a solicitation for the sale of franchises. We will prepare an annual, unaudited statement of Fund collections and expenses and give it to you upon written request. We have the Fund audited annually, at the Fund's expense, by an independent certified public accountant. We may incorporate the Fund or operate it through a separate entity when we think best. The successor entity will have all of the rights and duties described here.

During the fiscal year ending June 30, 2019, the Fund spent 24% on production of media and promotional materials, 75% on media placement; and 1% on administrative expenses. We did not retain any franchisee contributions to the Fund during the prior fiscal year.

We intend for the Fund to maximize recognition of the Marks and patronage of Tide Cleaners Outlets. Although we will try to use the Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all Tide Cleaners Outlets, we need not ensure that Fund expenditures in or affecting any geographic area are proportionate or equivalent to Fund contributions by Tide Cleaners Outlets operating in that geographic area, or that the placement of advertising and marketing benefits Tide Cleaners Outlets operating as Drop Stores or Non-Traditional Stores in the same manner or in equal proportion to that of Plant Stores, or that any particular Tide Cleaners Outlet benefits directly or in proportion to its Fund contribution from the development of advertising and marketing materials or the placement of advertising; provided, however, that the use of the Fund's assets in any year is not intended to disproportionately benefit non-franchised outlets over franchised outlets. We need not use the Fund to develop advertising and marketing materials specific to the promotion of Non-Traditional Stores, and those advertising and marketing materials may have limited use or value for Non-Traditional Stores. We may use collection agents and institute legal proceedings to collect Fund contributions at the Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Fund. We

assume no other direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Fund.

We may at any time defer or reduce a franchisee's Fund contributions and, upon 30 days' prior written notice to you, reduce or suspend Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, later reinstate) the Fund. If we terminate the Fund, we will distribute all unspent monies to franchisees, and to us and our affiliates, in proportion to their, and our, respective contributions during the preceding 12-month period. (Plant Store Franchise Agreement - Section 11.B; Drop Store Franchise Agreement - Section 11.B; Non-Traditional Store Franchise Agreement - Section 10.B)

Your Local Advertising

In addition to your Fund contributions and your payment of the New Store Marketing Expense, you must spend at least 2% of the Outlet's Net Sales to advertise and promote your Outlet (including the costs of phone listings) (the "Local Advertising Expenditures"). We may offset this amount (whether partially or fully, as applicable) to the extent of amounts you may pay to a Cooperative Program (defined below) in your ACA (defined below). Within 30 days after the end of each month, you must send us, in the manner we specify, an accounting of your Local Advertising Expenditures during the preceding month. Your local advertising and promotion must follow our guidelines. All advertising and promotional materials developed for your Outlet must contain notices of our website's domain name in the manner we designate. You may not develop, maintain, or authorize any website that mentions or describes you or the Outlet or displays any of the Marks. Effective on 30 days' advance written notice to you, we may require you to pay all or a portion of your Local Advertising Expenditures to us and we will use these funds advertise and promote your Outlet.

All advertising, promotion, and marketing must be completely clear, factual, not misleading, and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we periodically require. If you are not using the approved marketing materials that are on our web-based marketing program, then before you use them, you must send to us or our designated agency for review physical samples of all advertising, promotional, and marketing materials that we have not prepared or previously approved. If you do not receive written approval within 30 days after we or our designated agency receives the materials, they are deemed to be disapproved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved.

If the Outlet is a Plant Store or Drop Store, you must list and advertise the Outlet in at least one recommended telephone directory within the Outlet's market area (in designated business classifications) or online directory that we specify and use an approved form of directory advertisement. If other Tide Cleaners Outlets are located within the directory's distribution area, you must participate in a collective directory advertisement with those locations and pay your share. (Plant Store Franchise Agreement - Section 11.C; Drop Store Franchise Agreement - Section 11.C)

If the Outlet is Non-Traditional Store, you must spend $500 on advertising and promotion of the Outlet during the new store opening period that we designate, which is typically two weeks before and two weeks after the date you open the Outlet, subject to changes we may allow based on the particular market area or other unique circumstances of the Outlet. You must send us documentation to demonstrate that you made these opening advertising expenditures.

If you sign a Conversion Incentive Addendum, you will not be required to make a Local Advertising Expenditure before the Conversion Date of your Tide Cleaners Outlet.

If you sign the Locker Services Addendum, in addition to your local marketing obligations in the Franchise Agreement for the Outlet, you agree to spend at least 2% of the Locker Net Revenues to advertise and promote the Locker Services provided by your Outlet (the "Local Locker Advertising Expenditures"). Within 30 days after the end of each month, you agree to send us, in the manner we prescribe, an accounting of your Local Locker Advertising expenditures during the preceding month. All local advertising and promotion of the Locker Services must follow our guidelines as well as the requirements for advertising set forth in the Franchise Agreement. Effective on 30 days' advance written notice to you, we may require you to pay all or a portion of your Local Locker Advertising Expenditures to us and we will advertise and promote the Locker Services provided by your Outlet.

Cooperative Advertising Programs

We may designate an Advertising Coverage Area ("ACA") - local or regional - in which Tide Cleaners Outlets are located in order to establish a cooperative advertising program ("Cooperative Program"). An ACA is the area covered by the particular advertising medium recognized in the industry or as we may otherwise prescribe based on a Designated Marketing Area ("DMA") or other method. We will require all Tide Cleaners Outlets in the ACA to participate in a Cooperative Program if one is established in that ACA. The members of the Cooperative Program in an ACA will be all of the Tide Cleaners Outlets located in that ACA, including those operated by us and our affiliates. Each Tide Cleaners Outlet operating in the ACA will have one vote.

If a Cooperative Program is established for your ACA, you must contribute at least 1% of your Outlet's Net Sales for the prior month to the Cooperative Program (the "Co-op Dues"), payable in the same manner as the Royalty. Your actual Co-op Dues to the Cooperative Program will be determined by a vote of 67% or more of the Tide Cleaners Outlets participating in that ACA's Cooperative Program, subject to our approval. Your Cooperative Program may increase your Co-op Dues and the applicable rules of contribution if 67% or more of the Tide Cleaners Outlets operating in the ACA vote to support the change. Any amounts you contribute to a Cooperative Program will count toward your Local Advertising Expenditures, but in no event will your amounts contributed to a Cooperative Program affect your New Store Marketing Expense or Contributions to the Fund. The most we require you to spend on marketing fees is a combined total of 4% of Net Sales towards Contribution, Local Advertising Expenditures and Co-op Dues (except to the extent that your Cooperative Program may vote to increase the level of Co-op Dues above 2%). If your ACA's Cooperative Program votes to increase the Co-op Dues above 2% of your Outlet's Net Sales, and you fail or refuse to contribute the increased Co-op Dues to the ACA's Cooperative Program, the Cooperative Program may suspend your voting rights and other privileges relating to the Cooperative Program until you begin contributing the increased Co-op Dues and pay all past due Co-op Dues.

We have the power to form, change, dissolve, or merge any Cooperative Program. Cooperative Programs will not operate from any written governing documents. We will make available for your review any records showing payments to and expenses of any Cooperative Program in which you participate. (Plant Store Franchise Agreement - Section 11.D; Drop Store Franchise Agreement - Section 11.D; Non-Traditional Store Franchise Agreement - Section 10.D)

Franchise Advisory Council

We have a Franchise Advisory Council ("FAC") as a formal channel of communication between us and the franchise system. The FAC acts in an advisory capacity, rather than having a binding effect on us or the network of Tide Cleaners Outlets, with the intent to foster collaboration and innovation within the franchise network. Therefore, while the FAC may provide recommendations on advertising policies impacting the Tide Cleaners Outlet network, its recommendations are not controlling and it has no authority

over the Fund's activities or other advertising initiatives that we may implement. We have the power to form, change, or dissolve the FAC. We appoint franchisee members to the FAC based on nominations received from existing franchisees in good standing (including self-nominations). Franchisee members of the FAC represent geographic regions within the United States by bringing matters of importance in their regions to the attention of our management. FAC members receive no compensation for their participation; however, we may reimburse them for their costs associated with participation in the FAC. We determine the number of FAC meetings held during the calendar year (currently four, including two annual in-person meetings plus two phone/webinars on a quarterly basis), the number of total members or participants (currently four franchisees across various geographic regions, plus at least one of our representatives acting as a facilitator), and the duration of FAC membership terms (currently 18 months, with the possibility of a two-year term for one franchisee member, as we may approve). No officer positions have yet been established for the FAC, but we may do so in the future.

Computer System

You must obtain and use the computer hardware and software complying with specifications that we periodically establish, including hardware components, point-of-sale software, dedicated telephone and power lines, modems, printers, and other computer-related accessories and peripheral equipment (the "Computer System"). You will use the Computer System to maintain and operate the Outlet's equipment and related technology. The Computer System also will function as a web-based point-of-sale system for all transactions at the Outlet. The Computer System may store some data and information about the Outlet's customers, finances and operations based on information you input. You must maintain the continuous operation of the Computer System. You also must have a functioning e-mail address so that we can send you notices and otherwise communicate with you by this method.

The Computer System currently includes point-of-sale software and maintenance programs provided by us, our affiliates, or one or more third-party suppliers that we designate. You must acquire the Computer System, certain software downloads, and the point-of-sale system from our designated supplier. You will pay approximately $22,800 to $33,200 for a Plant Store, $18,200 to $24,000 for a Drop Store, and $5,500 to $7,500 for a Non-Traditional Store to buy and install the Computer System's components when you develop the Outlet.

You must obtain specific hosting, maintenance, updating, upgrading or support contracts for the Computer System from a supplier we designate (including us or our affiliate). We estimate the annual cost of the required maintenance or support contracts for the Computer System to be in a range between $16,500 and $24,780 annually for a Plant Store, $14,508 and $17,532 annually for a Drop Store, or $8,460 and $9,228 for a Non-Traditional Store.

We may periodically modify specifications for and components of the Computer System. Our modification of specifications for the Computer System, and/or other technological developments or events, may require you to purchase, lease and/or license new or modified computer hardware, software and other components and to obtain service and support for the Computer System. Although we cannot estimate the future costs of the Computer System or required service or support, you must incur the costs of obtaining the computer hardware, software and other components comprising the Computer System (and additions and modifications) and required service or support. Within 60 days after we deliver notice to you, you must obtain the Computer System components that we designate and ensure that your Computer System, as modified, is functioning properly. We anticipate utilizing a new Computer System and related technology during our next fiscal year and this change will have a resulting change in the licensing fees referenced in Item 6 and the cost structure referenced above.

We and our affiliates may condition any license of required or recommended proprietary software to you, and/or your use of technology developed or maintained by or for us on your signing a software license agreement or similar document, or otherwise agreeing to the terms (for example, by acknowledging your consent to and accepting the terms of a click-through license agreement), that we and our affiliates periodically specify to regulate your use of, and our (or our affiliate's) and your respective rights and responsibilities for, the software or technology. You must not modify, delete, or change any software or hardware configurations that we or our designated suppliers (which may include our affiliates) provide to you without our advanced written consent. We (and our affiliates) may charge you up-front or ongoing fees for any required or recommended proprietary software or technology that we (or our affiliates) license to you and for other Computer System maintenance and support services provided to you.

Despite your obligation to buy, use, and maintain the Computer System according to our standards and specifications, you have sole and complete responsibility for: (1) the acquisition, operation, maintenance, upgrading, and updating of the Computer System; (2) the manner in which your Computer System interfaces with our and any third party's computer system; and (3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded. We will have unlimited, independent access to all of the information and data in the Computer System, and you acknowledge that we may access customer data that the Computer System uses or generates. (Plant Store Franchise Agreement - Section 2.D; Drop Store Franchise Agreement - Section 2.D; Non-Traditional Store Franchise Agreement - Section 2.C)

Opening

You must open the Outlet (if the Outlet is a Plant Store or Drop Store) by the opening date set forth on the DRA Schedule to the Development Rights Agreement or we may terminate the Plant Store Franchise Agreement or Drop Store Franchise Agreement. If the Outlet is a Non-Traditional Store, you must open the Outlet within 120 days after signing the Non-Traditional Store Franchise Agreement or we may terminate the Non-Traditional Store Franchise Agreement. We estimate that the time between your signing the Plant Store Franchise Agreement (which is when you will first pay us consideration for the franchise) and opening the Outlet for business is 365 days if you have not located a site for the Outlet when you sign the Plant Store Franchise Agreement or 150 days if you have located and signed a lease for an accepted site before you sign the Plant Store Franchise Agreement. We estimate that the time between your signing the Drop Store Franchise Agreement and opening the Outlet for business is 90 days (because you have located and signed a lease for an accepted site before you sign the Drop Store Franchise Agreement). The specific timetable for opening depends on the site's condition; the Outlet's construction schedule; the extent to which you must construct a new location or remodel an existing location; the delivery schedule for equipment and supplies; completing training; and complying with local laws and regulations.

We estimate that the time between your signing the Non-Traditional Store Franchise Agreement and opening the Outlet for business as a Non-Traditional Store is 90 days if the Non-Traditional Store operates within a supermarket or grocery store, but this time period may be longer if you operate a Non-Traditional Store at another location that requires more significant build-out or remodeling than typically required at a supermarket or grocery store. The specific timetable for opening depends on the site's condition; the extent to which you must modify the space; and the delivery schedule for supplies.

You may not open the Outlet until: (1) we notify you in writing that the Outlet meets our standards and specifications; (2) you complete pre-opening training to our satisfaction (if applicable); (3) you pay the initial franchise fee (if applicable) and other amounts then due to us; and (4) you give us certificates for all required insurance policies. If the Outlet is a Drop Store or Non-Traditional Store, we must approve your Vehicle as satisfying our standards or other specifications before you open the Outlet. Subject to these conditions, you must open the Outlet in accordance with the required opening time frame as applicable.

(Plant Store Franchise Agreement - Section 2.E; Drop Store Franchise Agreement - Section 2.E; Non-Traditional Store Franchise Agreement - Section 2.D)

Training

Initial Training Program

If this is your first Tide Cleaners Outlet, then before the Outlet opens, you (or your Managing Owner) must attend our new franchise orientation program (the "NFOP"). The NFOP is held in Cincinnati, Ohio over two to three days. The NFOP is an orientation program about us and the Franchise System, not training on the operation of the day-to-day business conducted from Tide Cleaners Outlets.

We will also train two of your designated attendees if the Outlet is a Plant Store (if this is your first Tide Cleaners Outlet, this will include you or your Managing Owner) and one designated attendee if the Outlet is a Drop Store, on the material aspects of operating a Tide Cleaners Outlet. We will provide the initial training program at a designated training facility of our choice and/or at an operating Tide Cleaners Outlet. Our initial training program currently spans approximately four weeks (Monday-Saturday). This estimated four-week period excludes the NFOP and the pre-opening period during which one or more of our representatives will assist you on-site at the Outlet. The initial training program currently includes approximately four hours of self-directed computer-based training courses that your attendees will complete using our web portal at their own locations and/or at the training facility, and approximately four weeks of classroom instruction and on-the-job training that we conduct at our training facility in Cincinnati, Ohio, an existing Tide Cleaners Outlet, or another location we designate. If you (or your Managing Owner) and your designated attendees cannot complete initial training to our satisfaction, we may terminate the Plant Store Franchise Agreement or Drop Store Franchise Agreement. If the Outlet is a Drop Store, we may, in our sole discretion, agree to waive the requirement that your one designated attendee attend our initial training program if that attendee already completed training to our satisfaction in relation to the Plant Store you also operate. (Plant Store Franchise Agreement - Section 4.A; Drop Store Franchise Agreement - Section 4.A).

Additional people beyond your designated attendees (two required for Plant Store, one required for Drop Store) may attend initial training if you pay the Additional Training Fee for each attendee. You also must pay for all travel and living expenses that you and your employees incur and for your employees' wages and workers' compensation insurance while they attend our training programs.

Training will occur after you sign the Plant Store Franchise Agreement or Drop Store Franchise Agreement and while you are developing the Outlet. Your attendees must complete the required training programs before you may open your Outlet (currently at least 30 days before opening, excluding the new store assistance phase we describe below). We currently provide training modules in dry cleaning and laundry operations and in administration and customer service related to the Outlet. The instructional materials for our required training programs include computer-based training courses and software, videos, handouts, the Business Reference Manual, hands-on training at a certified training site and tests or other evaluations that we require you to complete. We plan to be flexible in scheduling training to accommodate our personnel, you, and your personnel. As of the date of this disclosure document, we provide the following training:

TRAINING PROGRAM

Subject	Hours of Classroom Training		Hours of On the Job Training	Location
	Self-Directed Computer-Based (Note 1)	Live Classroom		
New Franchise Orientation Program (the NFOP)	2	8	6	Cincinnati, Ohio or other training location we designate
Manager Training Academy – Production Training	2	4	80	Cincinnati, Ohio or other training location we designate
Manager Training Academy – CSR Training	0	0	50	Cincinnati, Ohio or other training location we designate
Manager Training Academy – Manager & Maintenance Training	0	0	30	Cincinnati, Ohio or other training location we designate
Totals	4	12	166	

Note 1 - Franchisee personnel complete self-directed, computer-based training courses at their own chosen locations and/or at the training facility, as we designate.

Note 2 – In some instances upon a franchisee's request, we may conduct portions of the training program at their outlet depending upon scheduling and the availability of our training staff. If we do so, then we will charge for our trainers' time and travel costs.

Shannon Folk, Operations & Training Manager helps to oversee all training programs. Ms. Folk has over 21 years of experience in the dry cleaning industry, and she has been involved in all facets of our training programs since November 2016.

Opening Assistance

When the Outlet is ready to open, we will send up to two of our representatives to the Outlet for up to a total of 12 days for a Plant Store (typically between 10 and 12 days) and up to one of our representatives to the Outlet for up to seven days for a Drop Store (typically between five to seven days) to assist with the opening of the Outlet. You and your employees at the Outlet also must successfully complete this phase of the initial training program.

Conversion Assistance

If you do not already operate a Tide Cleaners Outlet, then after signing the Franchise Agreement and Conversion Incentive Addendum and before the Conversion Date for the first business that you convert to Tide Cleaners in a market, you (or your Managing Owner) must attend the NFOP. If you are converting one or more businesses to Tide Cleaners under the Conversion Incentive Program, you will not be required to attend the initial training program. When the Conversion Date is approaching for the first business that you convert to Tide Cleaners in a market, we will, send up to two of our representatives to your market to provide training and assistance for a period of up to 12 days. The number of representatives we send, and the duration of their assistance, will depend on our opinion of your ability, experience, and needs. If you request, and we agree to provide, additional or special guidance, assistance, or training during this

conversion phase, or if you request that we send our personnel to assist with the conversion of additional Tide Cleaners Outlets in the market, then you agree to pay our then applicable Additional Training Fee for our training personnel including our personnel's travel and living expenses. We and you will jointly determine the duration of this additional training.

Non-Traditional Stores

We currently do not provide you or any designee with an initial training program on the operation of a Non-Traditional Store. However, we will develop and make available training tools, materials and recommendations for you to implement in training Outlet personnel which we will provide to you no later than 45 days before you open the Outlet. We may periodically update these training materials to reflect changes in our training methods and procedures. You are responsible for training all personnel providing services to customers at the Outlet and otherwise administering certain operations at the Outlet (whether employed by you or directly by the existing business in which you choose to locate the Outlet).

Locker Services

If you sign the Locker Services Addendum, before you begin offering Locker Services, we will provide training to your designated manager on the material aspects of the Locker System. The training program may be held at our office or your Outlet and may last one to three days, depending on your experience level. We may require you to attend additional training programs related to the Locker System during the term of your Franchise Agreement. If you replace your designated manager, the replacement must successfully complete any training program that we require related to the Locker System within fifteen (15) days of their appointment. As of the date of this disclosure document, we provide the following training for the Locker Services; however, we may modify the training program based on your level of experience:

Subject	Hours of Classroom Training	Hours of On the Job Training	Location
Locker Installation/Branding	0	4	Cincinnati, Ohio or Your Outlet
Technology	8	0	Cincinnati, Ohio or Your Outlet
Inventory, Customer Service, Pickup/Delivery, and Reporting	0	8	Cincinnati, Ohio or Your Outlet
Totals	8	12	

Additional Training.

You (or your Managing Owner) and/or other previously trained and experienced employees must attend and satisfactorily complete various ongoing training courses that we provide at the times and locations that we designate including our quarterly webcasts via webinar. We may charge reasonable registration or similar fees for these courses. We will not require attendance for more than a total of 10 days during a calendar year. You must pay all travel and living expenses which you and your employees incur during all training courses and programs.

Besides attending these courses, you must send at least two representatives (which can be you (if you are an individual) or your Managing Owner (if you are an entity) and one of your manager-level

employees) to attend any convention and meetings at a location we designate. We will not require attendance at any convention for more than three days during any calendar year. We may charge reasonable registration fees for these conventions. You must pay all costs incurred by your representatives to attend the conventions, including all related travel and living expenses and wages.

You also must assist us in training other Tide Cleaners Outlet franchisees. We will reimburse your out-of-pocket expenses for providing this assistance.

ITEM 12

TERRITORY

Franchise Agreement

You will operate the Outlet at a specific location that we first must approve as the premises. You may operate the Outlet only at the approved premises and may not relocate the premises without our approval. Whether or not we would allow relocation depends on the circumstances at the time and what is in the Outlet's and the Tide Cleaners network's best interests (any relocation will be at your sole cost, plus reasonable costs incurred by us in approving the new location). Factors we will consider include, for example, the proposed area, its proximity to other Tide Cleaners Outlets, whether you are complying with your Franchise Agreement, whether you properly de-identify the old location, and how long it will take you to open at the new location. If we allow you to relocate the premises, then you must comply with our then-current standards and specifications (which currently include, for a Plant Store or a Drop Store (i) starting the relocation process within 180 days after you depart the prior location, and (ii) opening and operating the business at the new location we approve as the updated premises within the next 180 days).

We will describe your territory in your Plant Store Franchise Agreement or Drop Store Franchise Agreement when we approve a site for the Outlet (the "Territory"). We will determine the size and boundaries of your Territory in our discretion, based upon factors including geographic area, population density, character of neighborhood, location and number of competing businesses and other factors. Our determination of the Territory is final. While there is no minimum Territory size and the exact size of each franchise Territory varies based on the applicable factors, a typical Territory will cover an area that is an approximate six-minute drive time from the front door of the Outlet, with the premises located at the Territory's approximate center. Your Territory will exclude all geographic areas that comprise a college or university campus, with student housing.

If you are in full compliance with the Plant Store Franchise Agreement or Drop Store Franchise Agreement, then during the term of the Plant Store Franchise Agreement or Drop Store Franchise Agreement, neither we nor our affiliates will operate or grant a franchise for the operation of another Tide Cleaners Outlet at a location within your Territory. Except for the territorial rights set forth in the preceding sentence, you do not receive an exclusive territory under the Plant Store Franchise Agreement or Drop Store Franchise Agreement and 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 and our affiliates retain all rights with respect to Tide Cleaners Outlets, the Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate, without our compensating you in any manner when we make sales through these channels or under these brands, whenever and wherever we desire, including:

(1) the right to provide, offer and sell, and to grant others the right to provide, offer and sell, products or services that are similar or dissimilar to and/or competitive with those provided at Tide Cleaners Outlets (such as home delivery dry cleaning businesses or other fabric or textile cleaning services), whether identified by the Marks or other trademarks or service marks, regardless

of the method of distribution, inside and outside the Territory and on any terms and conditions we deem appropriate;

(2) the right to establish and operate, and to grant to others the right to establish and operate, retail businesses offering premium dry cleaning, laundry, and related fabric care services and products, or any similar or dissimilar products and services, that are not primarily identified by the Marks, both inside and outside the Territory and on any terms and conditions we deem appropriate;

(3) the right to operate, and to grant others the right to operate, Tide Cleaners Outlets the physical premises of which are located anywhere outside your Territory under any terms and conditions we deem appropriate and regardless of proximity to the Outlet;

(4) the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at Tide Cleaners Outlets, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in your Territory); and

(5) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Tide Cleaners Outlets, or by another business, even if such business operates, franchises and/or licenses competitive businesses in your Territory.

Unless you sign or have signed a Development Rights Agreement, you have no options, rights of first refusal, or similar rights to acquire additional franchises. Your Territory may not be modified under any circumstances.

If the Outlet is a Non-Traditional Store, we will not grant you any territorial rights. You will not receive an exclusive territory. You may face competition from outlets that we own, from other channels of distribution or competitive brands that we control.

If sign the Locker Services Addendum, your right to use the Locker System and offer Locker Services in conjunction with your Outlet is non-exclusive and we have the right to use and license third parties to use the Locker System and offer Locker Services within the Territory assigned to your Outlet.

Our Affiliate-Owned Cleaning Businesses that offer Locker Services, pick-up and delivery laundry and dry-cleaning services may compete with you for certain customers.

Although we have the right to do so (as described above), at this time we have not established other franchises or Company-Owned Outlets or another distribution channel selling or leasing similar products or services under a different trademark.

Continuation of your franchise does not depend on your achieving a certain sales volume, market penetration, or other contingency.

There are no restrictions on the areas in which you may solicit or accept orders (except as provided below) provided that the manner or channel of distribution in which you are intending to provide products or services under such orders are permissible under the Franchise Agreement and the Business Reference Manual.

As long as you or your affiliates operate a Plant Store Outlet that has been open for at least six months, you may offer and provide remote pick-up, delivery, or similar services (collectively, "Delivery Services") in connection with the Outlet. You must (a) comply with our System Standards and other standards that we periodically specify relating to Delivery Services; and (b) provide Delivery Services directly to end user customers only through your employees, and you may not use independent contractors to provide those services. You may provide Delivery Services only within the Territory for your Outlet (unless we specify a smaller area in writing). We may, at any time and for any or no reason, change the definition of the delivery area and, in particular, reduce its size. (We have the right to review requests for delivery outside the delivery area and may, on a temporary basis, give our approval for those delivery services or revoke our approval.) If we ever decide to do so, you agree immediately to provide Delivery Services only within the newly-defined delivery area (if any). If you fail to do so, then we may immediately terminate your right to provide any Delivery Services anywhere. The delivery area is not exclusive and we may engage, and/or allow other franchisees and third parties to engage, in any activities we desire within the delivery area without any restrictions whatsoever. We will not be liable for any reduction in your sales as a result of these activities. You must follow our rules for Delivery Services and delivery driver qualifications. You may not provide Delivery Services from or in connection with a Non-Traditional Store.

Development Rights Agreement

When you sign the Development Rights Agreement, you (and your Controlled Affiliates) will commit to develop a specified number of Plant Stores and Drop Stores within the Area. (Any Non-Traditional Stores you develop and open will not count toward your development obligations under the DRA Schedule.) We and you will identify the Area in the Development Rights Agreement before signing it. Sizes and boundaries for Areas will vary widely depending on factors like economic conditions in the market you are developing, the number of Plant Stores and Drop Stores that we approve you to develop, demographics, and site availability. There is generally no minimum size for Areas. We will describe the Area using streets or other natural boundaries or, in some markets, city or county boundaries. Your Area will exclude all geographic areas that comprise a college or university campus with student housing. We and you will negotiate the DRA Schedule describing the number of Plant Stores and Drop Stores that you must develop to keep your development rights and the dates by which you must develop them. We and you then will complete the DRA Schedule in the Development Rights Agreement before signing it.

If the location of any Plant Store or Drop Store you develop under the Development Rights Agreement is unassigned (meaning not yet selected), then in order to meet the expectation that you will open within the prescribed timeframe, you must locate and obtain our approval of a suitable site for the premises that is located within the Area listed in the Development Rights Agreement. Excluding the first Franchise Agreement, which we and you will sign concurrently with the Development Rights Agreement, within 30 days after you sign the lease, sublease or purchase agreement for a site at which to develop and operate any Plant Store or Drop Store, you or your Controlled Affiliate (and your or its owners) must sign Franchise Agreements for the Plant Store or Drop Store to be developed at that site.

If you are in full compliance with the Development Rights Agreement, then during the Development Rights Agreement's term neither we nor our affiliates will develop or grant a franchise for the development of another Tide Cleaners Outlet at a location within your Area. Except for the rights set forth in the preceding sentence, you do not receive an exclusive territory under the Development Rights Agreement and 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 may exercise all of the rights that we now reserve in the Plant Store Franchise Agreement and Drop Store Franchise Agreement (as described above). After the Development Rights Agreement expires or is terminated, regardless of the reason, we and our affiliates may engage, and allow others to engage, in any activities we desire within and outside the

Area without any restrictions whatsoever, subject only to your (or any Controlled Affiliate's) rights under franchise agreements with us then in effect.

There are no other restrictions on us or our affiliates under the Development Rights Agreement. You may not develop or operate Tide Cleaners Outlets outside the Area without our written consent. We may terminate the Development Rights Agreement (but not franchise agreements with you or your Controlled Affiliates) if you do not satisfy your development obligations according to the DRA Schedule. Except as described above, continuation of your territorial rights in the Area does not depend on your achieving a certain sales volume, market penetration, or other contingency. We may not alter your Area or your territorial rights without your written consent.

ITEM 13

TRADEMARKS

We registered the following principal Marks on the Principal Register of the United States Patent and Trademark Office ("USPTO") and all required affidavits of use and renewals have been filed:

Mark	Registration Number	Registration Date
TIDE & Design (color)	3,632,738	June 2, 2009
TIDE DRY CLEANERS & Design DRY CLEANERS	4,086,306	January 17, 2012
TIDE DRYCLEANERS INNER CIRCLE REWARDS & Design DRY CLEANERS Inner Circle Rewards	4,086,385	January 17, 2012

Our affiliate, Agile, has applied for registration of the following mark on the Principal Register of the United States Patent and Trademark Office:

Mark	Application Number	Application Date
TIDE CLEANERS	88/336,389	March 12, 2019

Although Agile has filed this application, it does not have a federal registration for the TIDE CLEANERS mark. Therefore, this mark does not have the same legal benefits and rights as a federally registered mark. If Agile's right to use this mark is challenged, you may have to change to an alternative mark, which may increase your expenses.

Agile has granted us the exclusive right to use and permit our franchisees to use the TIDE CLEANERS mark under a Trademark License Agreement dated October 21, 2019 (the "Agile License Agreement"). Agile has the right to terminate the Agile License Agreement if we commit a breach of the Agile License Agreement. In that event, we will require you to cease using the TIDE CLEANERS mark.

Our designated third party supplier, GrE, has registered the following Marks on the Principal Register of the USPTO and all required affidavits of use and renewals have been filed:

Mark	Registration Number	Registration Date
GREENEARTH (Stylized) GREENEARTH	2,413,095	December 12, 2000
Miscellaneous Design	2,496,831	October 9, 2001

GrE allows us to use and sublicense these Marks, certain patents and Patented Processes, and related intellectual property under a cooperation agreement between P&G (including its affiliates and subsidiaries) and GrE, effective as of July 1, 2019 (the "Cooperation Agreement"). The Cooperation Agreement is for a 4-year term, renewing for successive 5-year periods unless either P&G or GrE provide advanced notice of non-renewal. Either party may terminate the Cooperation Agreement (a) if the other party is in material breach of the Cooperation Agreement, effective immediately upon notice for non-curable breaches and effective within 30 calendar days after the date of notice for curable breaches, unless the other party cures the breach identified in the notice before the end of the 30-day period; and (b) due to the bankruptcy of the other party. No other agreement limits our right to use or license the Marks. You must include certain Marks that GrE owns in certain signage, marketing materials, and other consumer messaging as we direct in System Standards.

We license the Marks to franchisees to use in operating Tide Cleaners Outlets. You must follow our rules and other System Standards when you use the Marks, including giving proper notices of trademark and service mark registration and obtaining fictitious or assumed name registrations required by law. You may not use any Mark in your corporate or legal business name; with modifying words, terms, designs, or symbols (except for those we license to you); in selling any unauthorized services or products; or as part of any domain name, homepage, electronic address, or otherwise in connection with a website.

We do not know of any currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition, or cancellation proceedings or material litigation, involving the principal Marks. We do not currently know of either superior prior rights or infringing uses that could materially affect your use of the Marks in any state.

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and you may not communicate with any person other than us, our attorneys, and your attorneys regarding any infringement, challenge, or claim. We and our affiliates may take the action we deem appropriate (including no action) and control exclusively any litigation, USPTO proceeding, or other administrative proceeding arising from any infringement, challenge, or claim. You must assist us and them in protecting and maintaining our interests in any litigation or USPTO or other proceeding. We will reimburse you for your costs of taking any action that we asked you to take.

If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, you must comply with our directions within a reasonable time after receiving notice. We need not reimburse you for any of your expenses in complying with these directions (such as the costs of changing the Outlet's signs), for any loss

of revenue due to any modified or discontinued Mark, or for any of your expenses of promoting a modified or substitute trademark or service mark.

We will reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark that we or our affiliates own, and for all costs and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark that GrE owns, under the Franchise Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding. At our option, we may defend and control the defense of any proceeding arising from your use of any Mark.

The Development Rights Agreement does not grant you rights to use the Marks. These rights arise only under the Franchise Agreement.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Certain patents currently are material to the franchise. Under the Franchise Agreement, we would authorize you to use the following principal patents in operating the Outlet:

Patent or Serial Number	Type	Title	Issue or Application Date	Expiration Date
U.S. 8,123,819 (Note 1)	Utility	System & Method for Dry Cleaning Articles	February 28, 2012	November 13, 2028
U.S. 8,097,047 (Note 2)	Utility	Fabric Color Rejuvenation Composition	January 17, 2012	October 21, 2029
U.S. 8,728,172 (Note 2)	Utility	Compositions And Methods For Providing A Benefit	May 20, 2014	August 28, 2029

Note 1: Our designated third party supplier, GrE, owns this patent.

Note 2: Our affiliate, P&G, owns these patents.

We refer below to the patents we license from GrE and P&G collectively as the "Patents." GrE (through the License Agreement) and P&G authorize us to sublicense these Patents to franchisees as part of the Proprietary Processes used in operating a Plant Store and Drop Store. You must follow our rules and other System Standards when you use the technologies in the licensed Patents. You may not provide or sell any unauthorized services or products under the licensed Patents.

Other than as described above, neither we nor our affiliates currently have any pending patent applications that we believe are material to the franchise. However, in the future we and our affiliates may file other patent applications, or may determine that currently pending patents relate to or have become material to the franchise, and we will make those patents available to franchisees for the operation of Plant Stores and Drop Stores.

We do not know of any currently effective material determinations of any court, or of any pending infringement, opposition, or re-examination proceedings or material litigation, involving the Patents. We

do not currently know of either superior prior rights or infringing uses that could materially affect your right to practice under the Patents.

You must notify us immediately in writing of any apparent infringement of any Patent, or of any challenge to your use of the Proprietary Products or Proprietary Processes, and you may not communicate with any person other than us, our attorneys, and your attorneys regarding any infringement, challenge, or claim. We or our affiliates and designated third parties may take the action we deem appropriate (including no action) and control exclusively any litigation, USPTO proceeding, or other administrative proceeding arising from any such infringement, challenge, or claim. You must assist us and them in protecting and maintaining our interests in any litigation or USPTO or other proceeding. We will reimburse you for your costs of taking any action that we asked you to take.

If it becomes advisable at any time for us and/or you to modify or discontinue using any products, processes, or technologies and/or to use one or more additional or substitute products, processes or technologies (whether or not patented), you must comply with our directions within a reasonable time after receiving notice. We need not reimburse you for any of your expenses in complying with these directions (such as the costs of changing the Outlet's products or processes), for any loss of revenue due to the use of any modified or discontinued product or process, or for your expenses of promoting a modified or substitute product or process.

Neither we nor our affiliates warrant the validity of any of the licensed Patents. Neither we nor they warrant (whether expressly or impliedly) that the practice of the licensed Patents is not currently limited, or will not be limited in the future, by the intellectual property rights of third parties. At our option, we may defend and control the defense of any proceeding arising from your use of any Proprietary Product or Proprietary Process under the licensed Patents, but we are not obligated to provide indemnification.

Copyrights and Confidential Information

We and our affiliates claim copyrights in the Business Reference Manual (which contains our trade secrets), advertising and marketing materials, promotional videos and DVDs, and similar items used in developing and operating Tide Cleaners Outlets. We and our affiliates have not registered these copyrights with the United States Registrar of Copyrights, but need not do so at this time to protect them. You may use these items only as we specify while operating your Outlet (and must stop using them if we so direct you).

We do not know of any currently effective adverse determinations of the USPTO, the United States Copyright Office or any court regarding the copyrighted materials. No agreement limits our right to use or allow others to use the copyrighted materials. We do not actually know of any infringing uses of our copyrights that could materially affect your use of the copyrighted materials in any state.

We need not protect or defend copyrights, although we intend to do so if in the system's best interests. We may control any action we choose to bring, even if you voluntarily bring the matter to our attention. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright.

You may not use our confidential information in an unauthorized manner. You must take reasonable steps to prevent its improper disclosure to others and use non-disclosure and non-competition agreements with those having access. We may regulate the form of agreement that you use and will be a third party beneficiary of that agreement with independent enforcement rights.

Business Reference Manual

Our Business Reference Manual and other materials contain our confidential information (some of which constitutes trade secrets under applicable law). This information includes site selection criteria; formulas for Proprietary Products; methods and technologies for Proprietary Processes; training and operations materials; methods, formats, specifications, standards, systems, procedures, dry cleaning and fabric care techniques, sales and marketing techniques, knowledge, and experience used in developing and operating Tide Cleaners Outlets; marketing and advertising programs for Tide Cleaners Outlets; any computer software or similar technology that is proprietary to us or the system; knowledge of specifications for and suppliers of Operating Assets, Proprietary Products, Proprietary Processes, and other products and supplies; knowledge of the operating results and financial performance of Tide Cleaners Outlets other than your Outlet; and graphic designs and related intellectual property.

Any materials or guidance that we provide concerning employment-related policies or procedures, whether in the Business Reference Manual or otherwise, are solely for your optional use. These materials and guidance do not form part of the System Standards. You will determine to what extent, if any, these materials or guidance should apply to your employees and Outlet operations. We and you recognize that we neither dictate nor control labor or employment matters for franchisees and their employees and we are not responsible for the safety and security of Tide Cleaners Outlet employees or customers. You are solely responsible for determining the terms and conditions of employment for your employees and for all decisions concerning the hiring, firing and discipline of your employees, and for all other aspects of the Outlet's labor relations and employment practices.

You must keep your copy of the Business Reference Manual current and communicate all updates to your employees and personnel in a timely manner. You must keep all parts of the Business Reference Manual in a secure location and restrict access to any passwords provided to you or developed by you for accessing the Business Reference Manual. If you and we have a dispute about its contents, our master copy of the Business Reference Manual controls. The Business Reference Manual's contents are confidential and you will not disclose the Business Reference Manual to any person other than Outlet employees and personnel who need to know its contents. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Business Reference Manual.

At our option, we may post some or all of the Business Reference Manual on a restricted website or intranet to which we will provide you access. If we do so, you must monitor and access the website or intranet for any updates to the Business Reference Manual or System Standards. We or our designee will periodically notify you electronically about updates, changes, or deletions to the content posted on the restricted website or intranet. We consider any passwords or other digital identifications necessary to access the Business Reference Manual on a website or intranet part of the confidential information relating the Tide Cleaners Outlets.

Customer Data

You must comply with our reasonable instructions regarding the organizational, physical, administrative and technical measures and security procedures to safeguard the confidentiality and security of the names, addresses, telephone numbers, e-mail addresses, dates of birth, demographic or related information, and credit card information of previous, current and prospective customers of the Outlet ("Customer Data") and, in any event, employ reasonable means to safeguard the confidentiality and security of Customer Data. You must comply with all applicable laws governing the use, protection, and disclosure of Customer Data. If there is a suspected or actual breach of security or unauthorized access involving Customer Data, you must notify us immediately after becoming aware of such actual or suspected occurrence and specify the extent to which Customer Data was compromised or disclosed.

We may access all Customer Data and records for the Outlet, including dates of transactions and assortments of garments dry cleaned at the Outlet, located on the Computer System. We are the sole owners of Customer Data, and you may not distribute or sell Customer Data to any third party without our prior written consent. We and our affiliates may use Customer Data in our and their business activities, but during the Franchise Agreement's term we and our affiliates will not use the Customer Data that we or they learn from you or from accessing the Computer System to compete directly with the Outlet. When the Franchise Agreement expires or terminates, we and our affiliates may make all disclosures and use the Customer Data in any manner that we or they deem necessary or appropriate.

Innovations

You must promptly disclose to us all ideas, concepts, inventions, techniques, or materials concerning a Tide Cleaners Outlet, whether or not protectable intellectual property and whether created by or for you or your owners or employees, which will be our sole and exclusive property, and part of the system. You assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing assignment or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

Development Rights Agreement

The Development Rights Agreement does not grant you rights to use technologies under the Patents, copyrighted works, or other confidential information belonging to us, our affiliates or designated third parties. These rights arise only under the Franchise Agreement.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Franchise Agreement

If the Outlet is a Plant Store or Drop Store, you (or, if you are an entity, your Managing Owner) must act as the general manager of the Outlet with responsibility for direct, on-premises supervision of the Outlet. If you are a legal entity, you must appoint one of your owners to be your "Managing Owner" who will be responsible for overseeing and supervising the Outlet's operation. You (or your Managing Owner) must devote full time and efforts to the management and supervision of the Outlet. However, if the Outlet is one of multiple Tide Cleaners Outlets that you (or your Controlled Affiliates) own, or if we otherwise allow (in our sole discretion) upon your written request, then a general manager we have approved and who has completed our required training programs (including any replacement general manager during the franchise term) instead may operate the Outlet under his or her direct on-premises supervision.

If the Outlet is a Non-Traditional Store, you need not participate personally in the direct operation of the Outlet, although we recommend that you exercise some oversight over Outlet personnel you engage to provide services to customers at the Outlet and otherwise administer certain operations at the Outlet (whether employed by you or directly by the existing business in which you choose to locate the Outlet). There are no limits on whom you may hire as an on-premises supervisor of the Outlet and, if you are an entity, the on-premises supervisor need not have an equity interest in your business. We do not require that the on-premises supervisor or any Outlet personnel attend and satisfactorily complete our initial training program, but we may require attendance at our initial training program in the future (and also require you to train the Outlet personnel to ensure they abide by System Standards).

You must at all times faithfully, honestly, and diligently perform your contractual obligations and use best efforts to promote and enhance the Outlet. System Standards may regulate the manner of identifying the Outlet's personnel and employee training, dress, and appearance.

You must keep us informed at all times of the identity of any supervisory employees acting as assistant managers of the Outlet. Your assistant managers need not have an equity interest in the Outlet or you, but they must agree in writing to preserve confidential information to which they have access and not to compete with you, us, and other franchisees. We may regulate the form of agreement that you use and be a third party beneficiary of that agreement with independent enforcement rights. (If the Outlet is a Non-Traditional Store, you must keep us informed at all times of the identity of Outlet personnel responsible for operating the Outlet.)

If you are a corporation, limited liability company, or partnership, your owners must personally guarantee your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete. This "Guaranty and Assumption of Obligations" is found on the last page of the Franchise Agreement and constitutes a separate agreement between us and those persons signing as the guarantors.

Development Rights Agreement

You must develop Plant Stores and Drop Stores (excluding any Non-Traditional Stores) according to the DRA Schedule. We do not require, but we do recommend, that you personally supervise your development of Plant Stores and Drop Stores. You must hire sufficient personnel to manage and supervise the development of your Plant Stores and Drop Stores. The personnel need not have an equity interest in your business nor attend our training program. If you are a business entity, your owners need not sign any personal guarantees of your obligations under the Development Rights Agreement.

We will grant Tide Cleaners franchises under the Development Rights Agreement only to you or your Controlled Affiliates that we approve. "Controlled Affiliate" means a corporation, limited liability company or other business entity of which you or one or more of your majority owners owns at least 51% of the total authorized ownership interests, but only if you or the owner(s) have the right to control the entity's management and policies. Franchises that we grant to your Controlled Affiliates will count toward your DRA Schedule.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell all Proprietary Products, cleaning and washing retail products and services, and all other services that we periodically require for Tide Cleaners Outlets. You may not offer or sell any products or perform any services that we have not authorized. Our System Standards may regulate required and/or authorized Proprietary Products, Proprietary Processes, and other cleaning products and services; unauthorized and prohibited dry cleaning, laundry, and fabric care products and services; purchase, storage, preparation, handling, and packaging procedures and techniques for Proprietary Products and other products and services; and inventory requirements for Proprietary Products and other products and supplies so that your Outlet operates at full capacity. We periodically may change required and/or authorized Proprietary Products, Proprietary Processes, and other products and service offerings. We may, to the extent allowed by applicable law, regulate your minimum, maximum, or other prices for the resale of any products you offer at the Outlet. There are no limits on our right 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

Franchise Agreement

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
a. Length of the franchise term	Section 1.D of Plant Store Franchise Agreement and Drop Store Franchise Agreement; Section 1.E of Non-Traditional Store Franchise Agreement	10 years from the date the Outlet opens for business under the Marks. For a Non-Traditional Store, one year from the date the Outlet opens for business under the Marks.
b. Renewal or extension of the term	Section 15 of Plant Store Franchise Agreement and Drop Store Franchise Agreement; Section 1.E of Non-Traditional Store Franchise Agreement; Section 2 of Conversion Incentive Addendum to the Franchise Agreement	If (i) you (and each of your owners) have substantially complied with the Franchise Agreement; (ii) you (and each of your owners) are in compliance with the Franchise Agreement and System Standards on the date you notify us you want a successor franchise and on the date on which the term of the successor franchise begins; (iii) you remodel the Outlet, secure a substitute premises that we approve, or convert the Outlet to a Plant Store (if the Outlet is a Drop Store); (iv) we are then offering new franchise opportunities for Tide Cleaners Outlets; and (v) we have determined, in our sole judgment, that a business model change has not occurred, then you may acquire one successor franchise term of 10 years. The term of the Non-Traditional Store Franchise Agreement automatically extends for an additional 1-year period, up to a total of 9, 1-year extensions.
c. Requirements for franchisee to renew or extend	Section 15 of Plant Store Franchise Agreement and Drop Store Franchise Agreement; Section 1.E of Non-	"Renewal" means: give us timely notice; maintain possession of Outlet premises or find acceptable substitute

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
	Traditional Store Franchise Agreement	premises; remodel Outlet according to our then current standards (regardless of cost) or convert the Outlet to a Plant Store (if Drop Store); and sign new franchise agreement (which may contain materially different terms and conditions from the original contract), a form of general release (if law allows, see Exhibit K), and other documents we use to grant franchises. If we decline your request to acquire a successor franchise term because of a business model change, then you may exercise one of three alternatives: (1) continue operating the business at the premises as a non-franchised, independent dry cleaning business on certain conditions; (2) request that we purchase the business (which request we may reject in our sole discretion) under the terms of Section 16.D of the Franchise Agreement and other prescribed conditions; or (3) become our licensee if we are then offering the opportunity to convert franchised locations to licensed locations using the Marks. You may extend the term of the Non-Traditional Store Franchise Agreement if we do not deliver written notice of non-renewal 30 days before the annual expiration date, the Agreement is in effect, and you complied with the terms of the Non-Traditional Store Franchise Agreement during the Agreement's term and are not, in our sole opinion, in material breach of that Agreement or any related agreements.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
d. Termination by franchisee	Section 14(1) of Non-Traditional Store Franchise Agreement; Section 9 of Locker Services Addendum	If the Outlet is a Non-Traditional Store, you may terminate the Non-Traditional Store Franchise Agreement on 30 days' written notice to us. You may terminate the Locker Services Addendum on six months' written notice to us.
e. Termination by franchisor without cause	Section 14(1) of Non-Traditional Store Franchise Agreement; Section 9 of Locker Services Addendum	If the Outlet is a Non-Traditional Store, we may terminate the Non-Traditional Store Franchise Agreement on 30 days' written notice to you (subject to state law). We may terminate the Locker Services Addendum on 90 days' written notice to you (subject to state law).
f. Termination by franchisor with cause	Section 16.A of Plant Store Franchise Agreement and Drop Store Franchise Agreement; Section 14(2) of Non-Traditional Store Franchise Agreement; Section 9 of Conversion Incentive Addendum; Section 9 of Locker Services Addendum	We may terminate your franchise if you or your owners commit one of several violations.
g. "Cause" defined - curable defaults	Section 16.A of Plant Store Franchise Agreement and Drop Store Franchise Agreement; Section 14(2) of Non-Traditional Store Franchise Agreement	You have 72 hours to cure health, safety, or sanitation law violations; ten days to cure monetary defaults and failure to maintain required insurance; five days to cure Plant Store closure if the Outlet is a Drop Store or Non-Traditional Store; and thirty days to cure operational defaults and other defaults not listed in (h) below.
h. "Cause" defined —non-curable defaults	Section 16.A of Plant Store Franchise Agreement and Drop Store Franchise Agreement; Section 14(2) of Non-Traditional Store Franchise Agreement	Non-curable defaults include: misrepresentation in acquiring the franchise; failure to open Outlet within prescribed timing; failure to complete training; abandonment; unapproved transfers; termination of another agreement with us or our affiliate (other than a Development Rights Agreement); conviction of a

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		felony; dishonest or unethical conduct or acts or omissions that adversely affect the Outlet's reputation or the goodwill associated with the Marks; unauthorized use or disclosure of the Business Reference Manual or other confidential information; failure to pay taxes; understating Net Sales; repeated defaults (even if cured); an assignment for the benefit of creditors; appointment of a trustee or receiver; violation of any anti-terrorism law; violation of System Standards concerning use of unauthorized equipment, services, technologies, or products or disapproved suppliers.
i. Franchisee's obligations on termination/nonrenewal	Section 17 of Plant Store Franchise Agreement and Drop Store Franchise Agreement; Section 15 of Non-Traditional Store Franchise Agreement; Section 9 of Locker Service Addendum	Obligations include paying outstanding amounts; complete deidentification; assigning telephone and other numbers; ceasing use of the Marks, Proprietary Products and Proprietary Processes; and returning confidential information (also see (o) and (r) below). Under the Locker Services Addendum, you must cease marketing the Locker Services, pay all amounts owed and return all materials related to the Locker System.
j. Assignment of contract by franchisor	Section 14.A of Plant Store Franchise Agreement and Drop Store Franchise Agreement; Section 13 of Non-Traditional Store Franchise Agreement	No restriction on our right to assign; we may assign without your approval.
k. "Transfer" by franchisee — defined	Section 14.B of Plant Store Franchise Agreement and Drop Store Franchise Agreement	Includes transfer of Franchise Agreement, the Outlet (or its profits, losses or capital appreciation) sale of Outlet's assets, and ownership change in you or your owners.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
l. Franchisor approval of transfer by franchisee	Section 14.C of Plant Store Franchise Agreement and Drop Store Franchise Agreement; Section 13 of Non-Traditional Store Franchise Agreement	No transfer without our prior written consent. We will consent to non-controlling ownership interest transfers if the proposed transferee (or its owner(s)) are of good character and meet our then applicable standards (including no involvement with a competitive business), you provide us with written notice, and the transfer does not, through one or a series of transfers, transfer or create a controlling ownership interest as a result of the transfer. You may make a permitted transfer under the Non-Traditional Store Franchise Agreement only with a transfer under and in compliance with the Plant Store Franchise Agreement.
m. Conditions for franchisor approval of transfer	Section 14.C of Plant Store Franchise Agreement and Drop Store Franchise Agreement	New franchisee qualifies; you pay us, our affiliates, and third-party vendors all amounts due and submit all required reports; no default during 60-day period before transfer request or during period between request and transfer's proposed effective date; new franchisee (and its owners and affiliates) are not in a competitive business; training completed; lease transferred; you or transferee signs our then current franchise agreement and other documents as we require (including non-competition and non-solicitation agreements, as applicable); transfer fee paid; you sign release (if applicable law allows – see Exhibit K); we approve material terms; you subordinate amounts due to you; you and transferring owners agree to not identify yourselves as current or former Tide Cleaners franchisees or otherwise use the Marks; you correct existing Outlet deficiencies of which we notify you on punch list; and

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		transferee must agree to upgrade and remodel the Outlet within specified timeframe after transfer (also see (r) below).
n. Franchisor's right of first refusal to acquire franchisee's business	Section 14.G of Plant Store Franchise Agreement and Drop Store Franchise Agreement	We may match any offer for your Outlet or an ownership interest in you.
o. Franchisor's option to purchase franchisee's business	Section 17.E of Plant Store Franchise Agreement and Drop Store Franchise Agreement	We may buy certain operating assets and equipment of the Outlet at the then current market value (or appraisal value as determined by arbitration) after the Plant Store Franchise Agreement or Drop Store Franchise Agreement is terminated or expires (without renewal).
p. Death or disability of franchisee	Section 14.E of Plant Store Franchise Agreement and Drop Store Franchise Agreement	Assignment of franchise or an ownership interest in you to approved party within nine months; we may manage Outlet if there is no qualified manager.
q. Non-competition covenants during the term of the franchise	Section 9 of Plant Store Franchise Agreement and Drop Store Franchise Agreement; Section 8 of Non-Traditional Store Franchise Agreement	No diverting business; no ownership interest in, or performing services for, competitive business anywhere ("competitive business" means any business that derives, or reasonably expects to derive, more than 5% of its revenue from selling dry cleaning, laundry, or related or derivative products or services, or any business granting franchises or licenses to others to operate such a business).
r. Non-competition covenants after the franchise is terminated or expires	Section 17.D of Plant Store Franchise Agreement and Drop Store Franchise Agreement; Section 15.D of Non-Traditional Store Franchise Agreement	No direct or indirect ownership interest in, or performing services for, competing business for two years at Outlet's premises, within 25 miles of premises or within 25 miles of any other Tide Cleaners outlet that then operates or that is under construction as of when the Franchise Agreement expires or is terminated (same restrictions apply after transfer). Cease all use of Proprietary Processes and related know-how. However, these non-competition

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		covenants may not apply in some circumstances where we do not offer to renew your franchise.
s. Modification of the agreement	Section 19.I of Plant Store Franchise Agreement and Drop Store Franchise Agreement; Section 17.I of Non-Traditional Store Franchise Agreement	No modifications generally, but we may change Business Reference Manual and System Standards, and amend and restate Exhibit B to the Plant Store Franchise Agreement to reflect the Territory (if the location of the Outlet's premises is unknown when you sign the Plant Store Franchise Agreement).
t. Integration/merger clause	Section 19.K of Plant Store Franchise Agreement and Drop Store Franchise Agreement; Section 17.K of Non-Traditional Store Franchise Agreement	Only the terms of the Franchise Agreement (including System Standards in the Business Reference Manual) are binding (subject to applicable federal and state law), except that nothing in the Franchise Agreement shall disclaim or require you to waive reliance on any representations made in this disclosure document (including its exhibits and amendments) delivered to you or your representative. Any other promises made outside the disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 19.E of Plant Store Franchise Agreement and Drop Store Franchise Agreement; Section 17.E of Non-Traditional Store Franchise Agreement	We and you must arbitrate all disputes in Cincinnati, Ohio (subject to state law).
v. Choice of forum	Section 19.G of Plant Store Franchise Agreement and Drop Store Franchise Agreement; Section 17.G of Non-Traditional Store Franchise Agreement	Subject to arbitration requirement, litigation must be in courts in Cincinnati, Ohio (subject to state law).
w. Choice of law	Section 19.F of Plant Store Franchise Agreement and Drop Store Franchise Agreement; Section 17.F of Non-Traditional Store Franchise Agreement	Except for Federal Arbitration Act and other federal law, Ohio law governs (subject to state law).

Development Rights Agreement

PROVISION	SECTION IN DEVELOPMENT RIGHTS AGREEMENT	SUMMARY
a. Length of the franchise term	Section 7 of Development Rights Agreement	Expires on date when last franchise unit under DRA Schedule opens or is scheduled to open (whichever is earlier).
b. Renewal or extension of the term	Section 4	You have no right to renew or extend the term. At your request and in our discretion, we may extend development deadlines.
c. Requirements for franchisee to renew or extend	Section 4	For development deadline extensions only, you must request an extension and pay extension fee at least 14 days before a prescribed deadline occurs.
d. Termination by franchisee	Not applicable	You may not terminate (except as the law allows).
e. Termination by franchisor without cause	Not applicable	We may not terminate without cause.
f. Termination by franchisor with cause	Section 7 of Development Rights Agreement	We may terminate if you commit one of several violations.
g. "Cause" defined — curable defaults	Not applicable	You have no right to cure defaults.
h. "Cause" defined — non-curable defaults	Section 7 of Development Rights Agreement	Non-curable defaults are failure to meet DRA Schedule, breach of any obligation, and termination of any franchise agreement with you or Controlled Affiliate.
i. Franchisee's obligations on termination/nonrenewal	Not applicable	Not applicable.
j. Assignment of contract by franchisor	Section 8 of Development Rights Agreement	No restriction on our right to assign or transfer ownership interests without your approval.
k. "Transfer" by franchisee — defined	Section 8 of Development Rights Agreement	Not transferable.
l. Franchisor approval of transfer by franchisee	Section 8 of Development Rights Agreement	No transfers.

PROVISION	SECTION IN DEVELOPMENT RIGHTS AGREEMENT	SUMMARY
m. Conditions for franchisor approval of transfer	Section 8 of Development Rights Agreement	We may grant or withhold consent for any or no reason.
n. Franchisor's right of first refusal to acquire franchisee's business	Not applicable	Not applicable.
o. Franchisor's option to purchase franchisee's business	Not applicable	Not applicable.
p. Death or disability of franchisee	Not applicable	Not applicable.
q. Non-competition covenants during the term of the franchise	Not applicable	There is no non-competition covenant under the Development Rights Agreement, but the covenant under the Franchise Agreement applies.
r. Non-competition covenants after the franchise is terminated or expires	Not applicable	There is no non-competition covenant under the Development Rights Agreement, but the covenant under the Franchise Agreement applies.
s. Modification of the agreement	Section 9 of Development Rights Agreement	No modifications unless agreed to in writing.
t. Integration/merge r clause	Section 9 of Development Rights Agreement	Only the terms of Development Rights Agreement are binding (subject to applicable federal and state law), except that nothing in the Development Rights Agreement (including its exhibits and amendments) shall disclaim or require you to waive reliance on any representations made in this disclosure document delivered to you or your representative. Any representations or promises made outside the disclosure document and Development Rights Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 9 of Development Rights Agreement	We and you must arbitrate all disputes in Cincinnati, Ohio (subject to state law).
v. Choice of forum	Section 9 of Development Rights Agreement	Subject to arbitration requirement, litigation must be in courts in

PROVISION	SECTION IN DEVELOPMENT RIGHTS AGREEMENT	SUMMARY
		Cincinnati, Ohio (subject to state law).
w. Choice of law	Section 9 of Development Rights Agreement	Except for Federal Arbitration Act and other federal law, Ohio law governs (subject to state law).

ITEM 18

PUBLIC FIGURES

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

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATION

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.

1. SALES AND CERTAIN EXPENSES OF FRANCHISED NON-SERVICING PLANT STORES OPEN AT LEAST ONE YEAR AND AT LEAST THREE YEARS AS OF JUNE 30, 2019

The following tables reflect the average sales, certain expenses and net controllable income for the period from July 1, 2018 through June 30, 2019 (the "Covered Period") for (1) 21 Franchised Plant Stores that were open and operating for over one year as of June 30, 2019 that did not support one or more Drop Stores or Non-Traditional Stores ("Non-Servicing Plant Stores"), and (2) 13 Franchised Non-Servicing Plant Stores that were open and operating for over three years as of June 30, 2019. The Non-Servicing Plant Stores use the prototypical business format, facilities, and operating procedures for a Plant Store that form the basis of the Tide Cleaners franchise opportunity that we offer in this FDD. The Non-Servicing Plant Stores operate in suburban locations within greater metropolitan areas of U.S. cities, and most from free-standing premises. The Non-Servicing Plant Stores had been in operation for an average of four years and two months.

As of June 30, 2019, there were 147 Tide Cleaners Outlets operating in the United States. The following tables exclude the performance of: (1) 63 franchised Outlets that converted to Tide Cleaners beginning in June 2018; (2) nine franchised new Outlets that had not operated for a full year as of June 30, 2019 (3) 21 franchised Outlets that operated as Drop Stores or Non-Traditional Stores; (4) five franchised Outlets that previously changed ownership and ongoing format as part of a conversion, (5) four franchised Outlets where we do not have a full year of results due to a change in ownership during the year, (6) 13 franchised Outlets that operated as Plant Stores that serviced one or more Drop Stores or Non-Traditional Stores ("Servicing Plant Stores"), which incur additional costs of sales, labor and utility expenses in servicing their associated Drop Stores and Non-Traditional Stores, and these additional expenses (and the

difficulty in allocating the expenses between the Servicing Plant Stores and the Drop Stores and/or Non-Traditional Stores) alter the Servicing Plant Stores' stand-alone results; and (7) 11 company-operated Outlets.

	Non-Servicing Plant Stores opened over 1 year (21 Stores)	Non-Servicing Plant Stores opened over 3 years (13 Stores)
Gross Sales[1]	**$1,103,007**	**$1,330,931**
Discounts[2]	($104,578)	($108,923)
Net Sales[2]	**$998,429**	**$1,222,008**
Expenses		
Cost of Sales[3]	8%	7%
Labor Cost and Taxes[4]	44%	39%
Marketing[5]	4%	4%
Utilities[6]	5%	4%
Repairs and Maintenance[7]	1%	2%
Credit Card Fees	2%	2%
Miscellaneous Expenses[8]	8%	7%
Total Controllable Expense	**72%**	**65%**
Net Controllable Income[9]	**28%**	**35%**
Royalty[10]	6.5%	6.5%
Net Controllable Income Less Royalty[11]	**21.5%**	**28.5%**

The following table includes some key factors for the Non-Servicing Plant Stores open at least one year and the Non-Servicing Plant Stores open at least three years during the Covered Period:

Key Factors	21 Non-Servicing Plant Stores Opened Over 1 Year	13 Non-Servicing Plant Stores Opened Over 3 Years
Range Of Average Annual Gross Sales	$378,646 – $1,992,624	$795,093 - $1,992,624
Median Annual Gross Sales	$1,136,424	$1,305,338
#/% Of Covered Outlets Exceeding Average Gross Sales	12/57%	5/38%
Range Of Average Annual Net Sales	$334,626 - $1,870,578	$694,022 - $1,870,578
Median Annual Net Sales	$1,056,032	$1,232,249

Key Factors	21 Non-Servicing Plant Stores Opened Over 1 Year	13 Non-Servicing Plant Stores Opened Over 3 Years
#/% Of Covered Outlets Exceeding Average Annual Net Sales	12/57%	7/54%
#/% Of Covered Outlets With Total Controllable Expenses That Were Less Than, And Net Controllable Income That Exceeded The Averages For The Covered Period	12/57%	7/54%

The following table includes some key factors for the Non-Servicing Plant Stores open at least one year during the Covered Period:

Key Factors	Low	High	Average	Median	#/% of Covered Outlets Exceeding Average
Average Net Sales per customer visit	$21.41	$35.76	$28.31	$28.68	11/52%
Average price per garment	$3.40	$6.12	$4.38	$4.21	10/48%
Average garments per trip	4.8	7.4	6.5	6.6	12/57%
Average monthly customer visits	1,214	5,226	2,903	2,769	10/48%
Average monthly Discount rate (see Note (2))	4.91%	25.28%	10.80%	9.74%	8/38%

The following table includes some key factors for the Non-Servicing Plant Stores open at least three years during the Covered Period:

Key Factors	Low	High	Average	Median	#/% of Covered Outlets Exceeding Average
Average Net Sales per customer visit	$21.41	$35.76	$29.51	$29.84	7/54%
Average price per garment	$3.99	$5.77	$4.63	$4.51	5/38%
Average garments per trip	4.8	7.2	6.4	6.6	7/54%
Average monthly customer visits	2,018	5,226	3,475	3,323	5/38%
Average monthly Discount rate (see Note (2))	4.91%	12.70%	8.58%	8.77%	7/54%

2. SALES AND CERTAIN EXPENSES OF FRANCHISED NON-SERVICING PLANT STORES OPEN AT LEAST ONE YEAR AS OF JUNE 30, 2019 IN SALES BANDS

The following tables reflect the average sales, certain expenses and net controllable income for the Covered Period for the 21 Franchised Non-Servicing Plant Stores that have been in operation for more than one year as of June 30, 2019 in three sales bands. These tables exclude the same Outlets that were excluded in the tables presented in Section 1 above.

	Non-Servicing Plant Stores with Gross Sales over $1,2000,000 (8 Stores)	Non-Servicing Plant Stores with Gross Sales between $800,000 - $1,2000,000 (6 Stores)	Non-Servicing Plant Stores with Gross Sales below $800,000 (7 Stores)
Gross Sales[1]	**$1,519,252**	**$1,069,072**	**$656,387**
Discounts[2]	($113,540)	($93,726)	($103,639)
Net Sales[2]	**$1,405,713**	**$975,346**	**$552,748**
Expenses			
Cost of Sales[3]	7%	8%	11%
Labor Cost and Taxes[4]	37%	41%	53%
Marketing[5]	4%	4%	4%
Utilities[6]	4%	5%	6%
Repairs and Maintenance[7]	2%	2%	0%
Credit Card Fees	3%	2%	2%
Miscellaneous Expenses[8]	5%	9%	11%
Total Controllable Expense	**62%**	**71%**	**87%**
Net Controllable Income[9]	**38%**	**29%**	**13%**
Royalty[10]	6.5%	6.5%	6.5%
Net Controllable Income Less Royalty[11]	**31.5%**	**22.5%**	**6.5%**

The following table includes some key factors for the Non-Servicing Plant Stores in each Sales Band during the Covered Period:

Key Factors	Non-Servicing Plant Stores With Gross Sales Over $1,200,000 (8 Stores)	Non-Servicing Plant Stores With Gross Sales Between $800,000 - $1,200,000 (6 Stores)	Non-Servicing Plant Stores With Gross Sales Below $800,000 (7 Stores)
Range Of Average Annual Gross Sales	$1,261,935 - $1,992,624	$898,594 - $1,185,246	$378,646 - $795,093
Median Annual Gross Sales	$1,408,571	$1,134,574	$771,256
#/% Of Covered Outlets Exceeding Average Gross Sales	3/38%	4/67%	4/57%

Key Factors	Non-Servicing Plant Stores With Gross Sales Over $1,200,000 (8 Stores)	Non-Servicing Plant Stores With Gross Sales Between $800,000 - $1,200,000 (6 Stores)	Non-Servicing Plant Stores With Gross Sales Below $800,000 (7 Stores)
Range Of Average Annual Net Sales	$1,131,041 - $1,870,578	$808,159 - $1,073,810	$334,626 - $694,022
Median Annual Net Sales	$1,274,322	$1,040,739	$637,129
#/% Of Covered Outlets Exceeding Average Annual Net Sales	3/38%	4/67%	5/71%
#/% Of Covered Outlets With Total Controllable Expenses That Were Less Than, And Net Controllable Income That Exceeded The Averages For The Covered Period	4/50%	2/33%	3/43%

The following table includes some key factors for the Non-Servicing Plant Stores with Gross Sales over $1,200,000 during the Covered Period:

Key Factors	Low	High	Average	Median	#/% of Covered Outlets Exceeding Average
Average Net Sales per customer visit	$21.41	$35.76	$30.52	$30.71	4/50%
Average price per garment	$4.16	$5.77	$4.87	$4.72	2/25%
Average garments per trip	4.8	7.2	6.3	6.5	5/63%
Average monthly customer visits	2,769	5,226	3,908	3,691	3/38%
Average monthly Discount rate (see Note (2))	4.91%	10.98%	7.67%	7.32%	4/50%

The following table includes some key factors for the Non-Servicing Plant Stores with Gross Sales between $800,000 - $1,200,000 during the Covered Period:

Key Factors	Low	High	Average	Median	#/% of Covered Outlets Exceeding Average
Average Net Sales per customer visit	$25.22	$35.64	$28.60	$27.52	2/33%
Average price per garment	$3.49	$6.12	$4.39	$4.10	2/33%
Average garments per trip	5.8	7.2	6.6	6.7	4/67%
Average monthly customer visits	2,475	3,323	2,858	2,845	3/50%
Average monthly Discount rate (see Note (2))	6.85%	10.81%	8.99%	9.39%	4/67%

The following table includes some key factors for the Non-Servicing Plant Stores with Gross Sales below $800,000 during the Covered Period:

Key Factors	Low	High	Average	Median	#/% of Covered Outlets Exceeding Average
Average Net Sales per customer visit	$21.70	$31.00	$25.54	$25.42	3/43%
Average price per garment	$3.40	$4.61	$3.83	$3.71	3/43%
Average garments per trip	6.0	7.4	6.7	6.7	4/57%
Average monthly customer visits	1,214	2,365	1,792	1,840	4/57%
Average monthly Discount rate (see Note (2))	8.91%	25.28%	15.92%	14.72%	2/29%

3. NET SALES OF FRANCHISED SERVICING PLANT STORES OPEN AT LEAST ONE YEAR AND AT LEAST THREE YEARS AS OF JUNE 30, 2019

The following tables reflect the Net Sales of (1) 13 Franchised Servicing Plant Stores for the Covered Period that were open and operating for over one year on June 30, 2019, and (2) eight Franchise Owned Servicing Plant Stores that were open and operating for over three years on June 30, 2019. The Servicing Plant Stores operate in suburban locations within greater metropolitan areas of U.S. cities, and most from free-standing premises. The Servicing Plant Stores had been in operation for an average of three years and seven months.

The following tables exclude the performance of (1) 63 franchised Outlets that converted to Tide Cleaners beginning in June 2018; (2) nine franchised new Outlets that had not operated for a full year as of June 30, 2019 (3) 21 franchised Outlets that operated as Drop Stores or Non-Traditional Stores; (4) five franchised Outlets that previously changed ownership and ongoing format as part of a conversion, (5) four franchised Outlets where we do not have a full year of results due to a change in ownership during the year, (6) 21 franchised Non-Servicing Plant Stores; and (7) 11 company-operated Outlets.

	Servicing Plant Stores opened over 1 year (13 Stores)	**Servicing Plant Stores opened over 3 years (8 Stores)**
Gross Sales[1]	**$898,163**	**$981,488**
Discounts[2]	($88,311)	($87,337)
Net Sales[2]	**$809,852**	**$894,150**

The following table includes some key factors for the Servicing Plant Stores opened over one year and the Servicing Plant Stores opened over three years during the Covered Period:

Key Factors	Servicing Plant Stores Opened Over 1 Year (13 Stores)	Servicing Plant Stores Opened Over 3 Years (8 Stores)
Range Of Average Annual Gross Sales	$422,450 - $1,434,486	$603,121 - $1,434,486
Median Annual Gross Sales	$838,173	$959,651
#/% Of Covered Outlets Exceeding Average Gross Sales	6/46%	4/50%
Range Of Average Annual Net Sales	$361,155 - $1,323,716	$514,304 - $1,323,716
Median Annual Net Sales	$762,893	$888,905
#/% Of Covered Outlets Exceeding Average Annual Net Sales	6/46%	4/50%

The following table includes some key factors for the Servicing Plant Stores open at least one year during the Covered Period:

Key Factors	Low	High	Average	Median	#/% of Covered Outlets Exceeding Average
Average Net Sales per customer visit	$25.79	$34.19	$29.01	$27.56	6/46%
Average price per garment	$3.71	$5.79	$4.43	$4.42	6/46%
Average garments per trip	5.7	7.4	6.6	6.7	7/54%
Average monthly customer visits	1,170	3,542	2,329	2,223	5/38%
Average monthly Discount rate (see Note (2))	6.71%	14.67%	10.38%	9.26%	6/46%

The following table includes some key factors for the Servicing Plant Stores open at least three years during the Covered Period:

Key Factors	Low	High	Average	Median	#/% of Covered Outlets Exceeding Average
Average Net Sales per customer visit	$27.08	$31.69	$28.54	$27.43	3/38%
Average price per garment	$3.71	$4.90	$4.26	$4.21	4/50%
Average garments per trip	6.1	7.4	6.7	6.8	5/63%
Average monthly customer visits	1,480	3,542	2,612	2,583	4/50%
Average monthly Discount rate (see Note (2))	6.71%	14.67%	9.26%	8.50%	2/25%

4. SALES AND CERTAIN EXPENSES OF FRANCHISED DROP STORES OPEN AT LEAST ONE YEAR AND AT LEAST THREE YEARS AS OF JUNE 30, 2019

The following tables reflect the average sales, certain expenses and net controllable income for the Covered Period for (1) ten Franchised Drop Stores that were open and operating for over one year as of June 30, 2019 and (2) four Franchised Drop Stores that were open and operating for over three years as of June 30, 2019. The Franchised Drop Stores use the prototypical business format and operating procedures for a Drop Store that we describe in this FDD. The Franchised Drop Stores operate in suburban locations within greater metropolitan areas of U.S. cities. Approximately one half of the Franchised Drop Stores operate from free-standing premises, and the other one half operate in end-cap locations in strip centers. The Franchised Drop Stores had operated for an average of three years and six months.

The following tables exclude the performance of: (1) nine franchised Outlets that had not operated for a full year as of June 30, 2019; (2) 21 franchised Outlets that operated as Non-Servicing Plant Stores, (3) 13 franchised Outlets that operated as Servicing Plant Stores; (4) 63 franchised Outlets that converted to Tide Cleaners beginning in June 2018; (5) four franchised Outlets that changed ownership during the year where we do not have a full 12 months of data; (6) five franchised Outlets that previously changed ownership and ongoing format as part of a conversion, (7) ten franchised Outlets that operated as Non-Traditional Stores; and (8) one franchised Outlet that does not fit in any of the above exclusions nor does it meet criteria for a Drop Store; and (9) 11 company-operated Outlets.

	Drop Stores opened over 1 year (10 Stores)	**Drop Stores opened over 3 years (4 Stores)**
Gross Sales[1]	**$473,893**	**$599,513**
Discounts[2]	($59,907)	($62,979)
Net Sales[2]	**$413,986**	**$536,534**
Expenses		
Labor Cost and Taxes[4]	29%	21%
Marketing[5]	4%	4%
Utilities[6]	3%	2%
Repairs and Maintenance[7]	0%	0%
Credit Card Fees	2%	2%
Miscellaneous Expenses[8]	8%	7%
Total Controllable Expense	**46%**	**36%**
Net Controllable Income[9]	**54%**	**64%**
Royalty[10]	6.5%	6.5%
Net Controllable Income Less Royalty[11]	**47.5%**	**57.5%**

The following table includes some key factors for the Drop Stores opened over one year and the Drop Stores opened over three years during the Covered Period:

Key Factors	Drop Stores Opened Over 1 Year (10 Stores)	Drop Stores Opened Over 3 Years (4 Stores)
Range Of Average Annual Gross Sales	$272,989 - $706,631	$381,000 – $706,631
Median Annual Gross Sales	$435,620	$655,211
#/% Of Covered Outlets Exceeding Average Gross Sales	5/50%	3/75%
Range Of Average Annual Net Sales	$239,202 - $632,034	$352,423 – $632,034
Median Annual Net Sales	$390,237	$580,840
#/% Of Covered Outlets Exceeding Average Annual Net Sales	5/50%	3/75%
#/% Of Covered Outlets With Total Controllable Expenses That Were Less Than, And Net Controllable Income That Exceeded The Averages For The Covered Period	6/60%	3/75%

The following table includes some key factors for the Drop Store open at least one year during the Covered Period:

Key Factors	Low	High	Average	Median	#/% of Covered Outlets Exceeding Average
Average Net Sales per customer visit	$23.48	$30.37	$26.18	$24.96	4/40%
Average price per garment	$3.36	$5.61	$4.19	$3.90	3/30%
Average garments per trip	5.4	7.0	6.3	6.4	6/60%
Average monthly customer visits	795	2,029	1,313	1,306	5/50%
Average monthly Discount rate (see Note (2))	7.51%	20.71%	12.96%	12.49%	4/40%

The following table includes some key factors for the Drop Stores open at least three years during the Covered Period:

Key Factors	Low	High	Average	Median	#/% of Covered Outlets Exceeding Average
Average Net Sales per customer visit	$24.53	$29.39	$26.95	$26.93	2/50%
Average price per garment	$3.76	$4.96	$4.28	$4.20	2/50%
Average garments per trip	5.8	6.6	6.3	6.4	3/75%
Average monthly customer visits	1,179	2,029	1,656	1,709	2/50%
Average monthly Discount rate (see Note (2))	7.51%	13.58%	10.06%	9.58%	2/50%

5. Sales and Certain Expenses of Franchised Drop Stores Open At Least One Year As of June 30, 2019 In Sales Bands

The following tables reflect the average sales, certain expenses and net controllable income for the Covered Period for the ten Franchised Drop Stores that have been in operation for more than one year as of June 30, 2019 in three sales bands. These tables exclude the same Outlets that were excluded in the tables presented in Section 4 above.

	Drop Stores with Gross Sales over $500,000 (4 Stores)	Drop Stores with Gross Sales between $350,000 - $500,000 (3 Stores)	Drop Stores with Gross Sales below $350,000 (3 Stores)
Gross Sales[1]	**$642,988**	**$417,266**	**$305,060**
Discounts[2]	($76,114)	($56,870)	($41,334)
Net Sales[2]	**$566,874**	**$360,395**	**$263,726**
Expenses			
Labor Cost and Taxes[4]	19%	29%	44%
Marketing[5]	4%	4%	4%
Utilities[6]	1%	4%	5%
Repairs and Maintenance[7]	0%	0%	1%
Credit Card Fees	2%	2%	2%
Miscellaneous Expenses[8]	5%	10%	12%
Total Controllable Expense	**31%**	**49%**	**68%**
Net Controllable Income[9]	**69%**	**51%**	**32%**
Royalty[10]	6.5%	6.5%	6.5%
Net Controllable Income Less Royalty[11]	**62.5%**	**44.5%**	**25.5%**

The following table includes some key factors for the Drop Stores opened at least one year as of June 30, 2019 in sales bands during the Covered Period:

Key Factors	Drop Stores With Gross Sales Over $500,000 (4 Stores)	Drop Stores With Gross Sales Between $350,000 - $500,000 (3 Stores)	Drop Stores With Gross Sales Below $350,000 (3 Stores)
Range Of Average Annual Gross Sales	$554,899 - $706,631	$380,557 - $490,241	$272,989 - $348,913
Median Annual Gross Sales	$655,211	$381,000	$293,277
#/% Of Covered Outlets Exceeding Average Gross Sales	2/50%	1/33%	1/33%
Range Of Average Annual Net Sales	$473,781 - $632,034	$300,712 – $428,051	$239,202 - $306,180
Median Annual Net Sales	$607,760	$380,778	$283,133

Key Factors	Drop Stores With Gross Sales Over $500,000 (4 Stores)	Drop Stores With Gross Sales Between $350,000 - $500,000 (3 Stores)	Drop Stores With Gross Sales Below $350,000 (3 Stores)
#/% Of Covered Outlets Exceeding Average Annual Net Sales	2/50%	1/33%	1/33%
#/% Of Covered Outlets With Total Controllable Expenses That Were Less Than, And Net Controllable Income That Exceeded The Averages For The Covered Period	2/50%	2/67%	1/33%

The following table includes some key factors for the Non-Servicing Plant Stores with Gross Sales over $500,000 during the Covered Period:

Key Factors	Low	High	Average	Median	#/% of Covered Outlets Exceeding Average
Average Net Sales per customer visit	$24.53	$29.39	$27.59	$28.21	2/50%
Average price per garment	$3.83	$4.96	$4.38	$4.36	2/50%
Average garments per trip	5.8	6.6	6.3	6.4	3/75%
Average monthly customer visits	1,434	2,029	1,720	1,709	2/50%
Average monthly Discount rate (see Note (2))	8.69%	14.81%	11.89%	12.03%	2/50%

The following table includes some key factors for the Non-Servicing Plant Stores with Gross Sales between $350,000 - $500,000 during the Covered Period:

Key Factors	Low	High	Average	Median	#/% of Covered Outlets Exceeding Average
Average Net Sales per customer visit	$23.48	$30.37	$26.25	$24.90	1/33%
Average price per garment	$3.76	$5.61	$4.41	$3.87	1/33%
Average garments per trip	5.4	6.6	6.0	6.1	2/67%
Average monthly customer visits	825	1,518	1,174	1,179	2/67%
Average monthly Discount rate (see Note (2))	7.51%	20.71%	13.64%	12.72%	1/33%

The following table includes some key factors for the Non-Servicing Plant Stores with Gross Sales below $350,000 during the Covered Period:

Key Factors	Low	High	Average	Median	#/% of Covered Outlets Exceeding Average
Average Net Sales per customer visit	$23.59	$25.03	$24.23	$24.08	1/33%
Average price per garment	$3.36	$3.94	$3.72	$3.84	2/67%
Average garments per trip	6.1	7.0	6.6	6.5	1/33%
Average monthly customer visits	795	1,081	910	855	1/33%
Average monthly Discount rate (see Note (2))	10.27%	18.53%	13.69%	12.27%	1/33%

Notes to All Financial Performance Representations

1. "Gross Sales" means all revenue from all sales made from the Outlet's point-of-sale system and all other revenue that was derived from operating the Outlet, including all amounts that received at or away from the premises, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions, but excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority.

2. Net Sales" means Gross Sales that have been reduced by (1) the amount of any documented refunds, credits, coupons, manager-authorized and/or customer loyalty program discounts, allowances, and charge-backs the Outlet in good faith gives to customers ("Discounts").
The average monthly Discount rate reflects the average Discounts, reflected as a percentage of the average Gross Sales for the Outlets.

   The #/% of Outlets Exceeding Average (Mean) reflect the number and percentage of Outlets whose monthly Discount rate was lower than the average (mean) listed in the table.

3. "Cost of Sales" represents the costs for detergents, hangers, bags, and other supplies used to dry clean and launder garments. The Costs of Sales vary primarily based on the mix and volume of garments that the Plant Store processes. There are no "Cost of Sales" reported for the Drop Stores because the associated Servicing Plant Store dry cleans and launders the garments that customers bring to the Drop Stores, and we are unable to separate any Cost of Sales related to these garments from the Cost of Sales associated with garments from customers at the Servicing Plant Store.

4. "Labor Cost and Taxes" represents the salary or wages, benefits (if any), and payroll and other taxes for employees at the Outlets. Salary and wage rates might vary from market to market, and you alone will determine the terms and conditions of employment for your Outlet's employees and the Outlet's staffing decisions. Franchisees (or their owners) might serve as the general manager and/or assistant manager for their Outlets, and while this item reflects the amounts they reported to us for their labor costs, those costs might be higher or lower than market rates because of their status as owners of the franchised Outlets. This item also does not include other employment-related expenses, such as payroll processing fees and employee uniforms, which are covered as Miscellaneous Expenses.

   "Labor Cost and Taxes" for Drop Stores only include salary or wages, benefits (if any), and payroll and other taxes for customer service representatives employed on site at the Drop Stores and do not

include salary or wages, benefits (if any), and payroll and other taxes for employees that process and produce the Drop Stores' garments at the associated Servicing Plant Store.

5. "Marketing" represents the amounts that the Outlets spent on advertising, marketing and promotional activities and includes each Outlet's contributions to the Advertising and Development Fund. You may need to spend more than the amounts listed in the table on marketing, particularly if your Outlet is in an area where there are fewer Tide Cleaners Outlets operating and the brand recognition is lower.

6. "Utilities" represents the costs for electric, gas, sewer, water, telephone/DSL connectivity and other utilities associated with each Outlet. Utility costs can vary widely from market to market. "Utilities" for Drop Stores do not include any utility costs incurred in processing and producing the Drop Store's garments, which occurs off-site at the associated Servicing Plant Store.

7. "Repairs and Maintenance" represents amounts for repairs, maintenance and replacement parts on the Outlets' equipment. The amount you will spend on repairs and maintenance for your Outlet will depend primarily on the type of equipment your Outlet has, the age and condition of the equipment, and the degree to which you maintain it on a regular basis. This figure does not include any costs to obtain the equipment, such as initial or ongoing payments for any leased equipment. "Repairs and Maintenance" for Drop Stores only includes the amount of repairs, maintenance and replacement parts for more limited Drop Equipment (e.g., conveyors and touch boards).

8. "Miscellaneous Expenses" include but are not limited to amounts for customer claims, durable goods, cleaning supplies (such as floor cleaners and bathroom supplies), waste removal, landscaping, computer and other office supplies, software license fees, employee uniforms, bank charges, business licenses, workers' compensation insurance, business insurance, third party service providers, delivery operation expenses, building and facility repairs and maintenance, and cash over/short.

9. "Net Controllable Income," which we reflect as a percentage, represents 100% of Net Sales less the percentages for all of the controllable expenses listed in the tables. However, the controllable expenses in the tables do not reflect all of the categories of costs and expenses associated with the Outlets or that you will incur in operating your Outlet. Some of these other costs include, for example, rent, real estate taxes, common area maintenance charges and other real property-related expenses, including any utility and insurance expenses that are paid to the landlord as part of the lease; legal, accounting and other professional fees; interest and other debt service costs, taxes (other than employment-related taxes included as part of Labor Costs and Taxes), depreciation and amortization. The controllable expense also does not include any return or compensation for the franchisee owning an Outlet, unless that franchisee works as a general manager or assistant manager and reports his or her compensation to us as part of Labor Costs and Taxes.

10. "Royalty" represents the Royalty Fee, calculated as 6.5% percent of Net Sales, as described in Item 6.

11. "Net Controllable Income" for Drop Stores does not include costs and expenses related to processing and producing the garments that customers bring to the Drop Store, including labor, supplies, and utilities used in the production of the garments. In addition to the other costs and expenses described in Note 8 above as not being factored into Net Controllable Income, if you develop a Drop Store, you will need to consider these production costs when planning for your Drop Store's (and associated Plant Store's) operations.

We calculated the figures in these financial performance representations using information from the financial reports of the included Outlets, some of which our franchisees provided. Prospective franchisees and sellers of franchises should note that no certified public accountant has audited these figures or expressed his or her opinion concerning their contents or form.

We will provide written substantiation of the data we used to prepare these financial performance representations at our office or another Tide Cleaners-related location we designate upon your reasonable request.

The Outlets presented have operated for at least a full year. These Outlets have developed brand recognition in their local markets and certain operating efficiencies that could increase Net Sales and decrease some controllable expenses. Your results will depend on many factors, some of which include competition, overall economic conditions, and your experience, marketing abilities, and skill in managing a business. You should conduct an independent investigation of the sales, costs and expenses you are likely to experience in operating a Tide Cleaners Outlet.

The financial performance representation figures do not reflect all of 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 Tide Cleaners Outlet. Franchisees or former franchisees, listed in this disclosure document, may be one source of this information.

Some Tide Cleaners Outlets have sold or earned the amounts shown above. Your individual results may differ. There is no assurance you will sell or earn as much.

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 other 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 other than as we provide above, you should report it to the franchisor's management by contacting Brooks Ewing at 2 Procter & Gamble Plaza, TE-16, Cincinnati, Ohio 45202 or 513-884-7892, the Federal Trade Commission, and the appropriate state regulatory agencies.

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 other 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 other than as we provide above, you should report it to the franchisor's management by contacting Brooks Ewing at 2 Procter & Gamble Plaza, TE-16, Cincinnati, Ohio 45202 or 513-884-7892, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
Plant Stores and Drop Stores
For Years 2017 to 2019

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2017	28	35	+7
	2018	35	57	+22
	2019	57	125	+68
Company-Owned	2017	8	11	+3
	2018	11	10	-1
	2019	10	10	0
Total Outlets	2017	36	46	+10
	2018	46	67	+21
	2019	67	132	+65

Table No. 2

Transfers of Plant Stores and Drop Stores from Franchisees to New Owners
(other than the Franchisor)
For Years 2017 to 2019

State	Year	Number of Transfers
Colorado	2017	0
	2018	0
	2019	1
Total	2017	0
	2018	0
	2019	1

Table No. 3

Status of Franchised Outlets
Plant Stores[1] and Drop Stores
For Years 2017 to 2019

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations -Other Reasons	Outlets at End of the Year
Arizona	2017	2	0	0	0	0	0	2
	2018	2[2]	1	0	0	0	0	3
	2019	3	19[3]	0	0	0	0	22
Arkansas	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
Colorado	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Florida	2017	3	2	0	0	0	0	5
	2018	5	4	0	0	0	0	9
	2019	9	3[3]	0	0	0	0	12
Georgia	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	3	0	0	0	0	3
Illinois	2017	2	2	0	0	0	0	4
	2018	4	2	0	0	0	0	6
	2019	6	0	0	0	0	0	6
Indiana	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	3[3]	0	0	0	0	3
Kansas	2017	4	0	0	0	0	0	4
	2018	4	0	0	0	0	0	4
	2019	4	0	0	0	0	0	4

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations -Other Reasons	Outlets at End of the Year
Missouri	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Michigan	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	1	0	0	0	0	2
Minnesota	2017	1	1	0	0	0	0	2
	2018	2	1	0	0	0	0	3
	2019	3	2[3]	0	0	0	0	5
Nebraska	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
Nevada	2017	0	2	0	0	0	0	2
	2018	2	1	0	0	0	0	3
	2019	3	2	0	0	0	0	5
New Jersey	2017	1	0	0	0	0	0	1
	2018	1	1	0	0	0	0	2
	2019	2	0	0	0	0	0	2
North Carolina	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
Ohio	2017	3	0	0	0	2	0	1
	2018	1	2	0	0	0	0	3
	2019	3	1	0	0	0	0	4
Oklahoma	2017	1	0	0	0	0	0	1
	2018	1	1	0	0	0	0	2
	2019	2	1	0	0	0	0	3
Texas	2017	1	2	0	0	0	0	3
	2018	3	8[2]	0	0	0	0	11
	2019	11	33	0	0	0	0	44
Utah	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations -Other Reasons	Outlets at End of the Year
Total	2017	28	9	0	0	2	0	35
	2018	35	22	0	0	0	0	57
	2019	57	68	0	0	0	0	125

NOTES

1. One Outlet in Arizona and one Outlet in Texas (which was a conversion) are Central Plants.

2. Two Outlets in Arizona were sold by a franchisee to Agile and then re-sold to a new franchisee in 2018.

3. These Outlets include 19 conversions in Texas, 1 conversion in Florida, 3 conversions in Indiana, and 2 conversions in Minnesota.

Table No. 4

Status of Company-Owned Outlets
Plant Stores and Drop Stores
For Years 2017 to 2019

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Arizona	2017	1	0	0	0	0	1
	2018	1	0	2	0	3	0
	2019	0	0	0	0	0	0
Georgia	2017	3	0	0	0	0	3
	2018	3	0	0	0	0	3
	2019	3	0	0	0	3	0
Illinois	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
	2019	0	3	0	0	0	3
Nevada	2017	2	0	0	0	2	0
	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
Ohio	2017	2	3	2	0	0	7
	2018	7	0	0	0	0	7
	2019	7	0	0	0	0	7

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Totals	2017	8	3	2	0	2	11
	2018	11	0	0	0	1	10
	2019	10	3	0	0	3	10

NOTES

1. One Outlet in Illinois is a Central Plant.

Table No. 5

Projected Plant Store and Drop Store Openings as of June 30, 2019

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
Arizona	1	0	0
Colorado	0	1	0
Florida	0	6	0
Georgia	1	0	0
Illinois	0	1	1
Indiana	1	3	0
North Carolina	1	1	0
Ohio	2	1	1
Pennsylvania	2	1	0
South Carolina	1	1	0
Tennessee	1	1	0
Texas	3	2	0
Wisconsin	0	0	1
Totals	13	18	3

The numbers appearing in Tables 6 through 10 below relate to Non-Traditional Stores.

Table No. 6

Systemwide Non-Traditional Outlet Summary
For Years 2017 to 2019

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2017	4	9	+5
	2018	9	10	+1
	2019	10	11	+1

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Company-Owned	2017	1	1	+0
	2018	1	1	+0
	2019	1	1	0
Total Outlets	2017	5	10	+5
	2018	10	11	+1
	2019	11	12	+1

Table No. 7

Transfers of Non-Traditional Outlets from Franchisees to New Owners (other than the Franchisor) For years 2017 to 2019

State	Year	Number of Transfers
Total	2016	0
	2017	0
	2018	0

Table No. 8

Status of Franchised Non-Traditional Outlets For Years 2017 to 2019

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Minnesota	2017	1	3	0	0	0	0	4
	2018	4	1	0	0	0	0	5
	2019	5	1	0	0	0	0	6
Nebraska	2017	3	2	0	0	0	0	5
	2018	5	1	0	0	0	1	5
	2019	5	0	0	0	0	0	5
Total	2017	4	5	0	0	0	0	9
	2018	9	2	0	0	0	1	10
	2019	10	1	0	0	0	0	11

Table No. 9

Status of Company-Owned Non-Traditional Outlets
For Years 2017 to 2019

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Ohio	2017	1	0	0	0	0	1
	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
Totals	2017	1	0	0	0	0	1
	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1

Table No. 10

Projected Non-Traditional
Openings as of June 30, 2019

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
Minnesota	0	1	0
Nebraska	0	0	0
Ohio	0	0	0
Totals	0	1	0

Exhibit L contains a list of: (1) our franchisees and the addresses and telephone numbers of their Tide Cleaners Outlets (or their contact information if their Tide Cleaners Outlets are not yet open); and (2) the name, city and state, and current business telephone number (or, if unknown, the last known home telephone or other contact number) of the two franchisees whose outlets were terminated, canceled, or not renewed, or who otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement and Development Rights Agreement during our last fiscal year ended June 30, 2019, or who have not communicated with us within 10 weeks of this disclosure document's issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current or former franchisees sign provisions restricting their ability to speak openly about their experience with the Tide Cleaners franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees may be able to communicate with you.

Current franchisee members of the FAC representing various geographic regions include Jon Kassolis, John Plaso, Todd Laabs and Mike Nesbit. The FAC's contact information is: Tide Cleaners Franchise Advisory Council, c/o Brooks Ewing, 2 Procter & Gamble Plaza, TE-16, Cincinnati, Ohio 45202; Mr. Ewing may also be reached at ewing.bg@pg.com or (513) 884-7892. There are no other trademark-specific franchisee organizations associated with the Tide Cleaners Outlet franchise network.

ITEM 21

FINANCIAL STATEMENTS

Exhibit M contains our audited financial statements for the fiscal years ended June 30, 2017, June 30, 2018, and June 30, 2019.

ITEM 22

CONTRACTS

The following contracts/documents are exhibits to this disclosure document:

B	Development Rights Agreement
C	Plant Store Franchise Agreement
D	Drop Store Franchise Agreement
E	Non-Traditional Store Franchise Agreement
F	Locker Services Addendum
G	Development Incentive Addendum
H	Conversion Incentive Addendum
I	Lease Rider
K	General Release
O	State-Specific Additional Disclosures and Riders

ITEM 23

RECEIPT

Our and your copies of the Franchise Disclosure Document Receipt are located at the last two pages of this disclosure document.

EXHIBIT A-1
LIST OF STATE ADMINISTRATORS

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

CALIFORNIA Commissioner of Business Oversight Department of Business Oversight 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677	**NEW YORK** New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8236
HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2722	**NORTH DAKOTA** North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Division of Insurance Securities Regulation 124 South Euclid Avenue, Suite 104 Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**VIRGINIA** State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
MICHIGAN Michigan Attorney General's Office Consumer Protection Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7622	**WASHINGTON** Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	**WISCONSIN** Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT A-2
AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

CALIFORNIA Commissioner of Business Oversight Department of Business Oversight 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677	**NEW YORK** New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492
HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2722	**NORTH DAKOTA** North Dakota Securities Commissioner State Capitol 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, Suite 104 Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**VIRGINIA** Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
MICHIGAN Michigan Attorney General's Office Consumer Protection Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7622	**WASHINGTON** Director of Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	**WISCONSIN** Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT B

DEVELOPMENT RIGHTS AGREEMENT

AGILE PURSUITS FRANCHISING, INC.
TIDE CLEANERS
DEVELOPMENT RIGHTS AGREEMENT

THIS DEVELOPMENT RIGHTS AGREEMENT (the "Agreement") is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 ("we," "us," or "our"), and _____, a _____ having its principal business address at _____ ("you" or "your") as of the date signed by us and set forth opposite our signature on this Agreement (the "Effective Date").

1. **PREAMBLES.**

A. We and our affiliates have designed and developed a method of developing and operating retail outlet businesses identified by the Marks (as defined below) that currently provide premium dry cleaning, clothing laundering, and related fabric and textile care products and services ("Tide Cleaners Outlets"). For purposes of this Agreement, "Tide Cleaners Outlets" means only traditional, full-service Tide Cleaners Outlets and Tide Cleaners Outlets operating under the "drop store" format, and does not include any other format of Tide Cleaners Outlet that we periodically develop.

B. We and our affiliates have developed, and we use, promote and license, certain trademarks, service marks and other commercial symbols in operating Tide Cleaners Outlets, including the "Tide®" brand name, and we may create, use and license other trademarks, service marks and commercial symbols for Tide Cleaners Outlets, all of which we may further improve and modify (collectively, the "Marks").

C. You have received our most recently issued franchise disclosure document ("Current FDD") at least fourteen (14) calendar days before the Effective Date or otherwise acknowledge that the transaction to which this Agreement relates meets a United States federal and, if applicable, state-based exemption from laws and regulations governing the offer and sale of franchises in your jurisdiction.

D. We and you are signing this Agreement because you would like the right to develop and operate one (1) or more Tide Cleaners Outlets within a certain geographic area over a certain period of time, and we are willing to grant you such rights if you comply with this Agreement's terms.

E. Concurrently with signing this Agreement, we and you or your Controlled Affiliate (as defined in Section 2.A) have signed a franchise agreement dated as of _____, 20__ for the operation of a Tide Cleaners Outlet (the "Current Franchise Agreement").

2. GRANT OF DEVELOPMENT AND TERRITORIAL RIGHTS.

A. **Grant of Development Rights**. Subject to the terms of this Agreement, and provided that you are in full compliance with this Agreement, we grant you (and/or any of your Controlled Affiliates) the right to develop _____ (__) Tide Cleaners Outlet(s) according to the mandatory development schedule identified on **Exhibit A** to this Agreement (the "Schedule"), within the geographic area described on **Exhibit B** to this Agreement (the "Area"). In this Agreement, the term "Controlled Affiliate" means any corporation, limited liability company or other business entity of which you or one or more of your majority owners owns at least fifty-one percent (51%) of the total authorized ownership interests, as long as you or such owner(s) have the right to control the entity's management and policies, and in each case approved by us.

B. **Exclusivity**. Provided you and your Controlled Affiliates are in full compliance with this Agreement and all other agreements between you (or any of the Controlled Affiliates) and us (or any of our affiliates), including the Current Franchise Agreement, then, during this Agreement's term only, except as otherwise provided in this Agreement, neither we nor our affiliates will operate, or authorize any other party to operate, a Tide Cleaners Outlet the physical premises of which are located within the Area.

C. **Reservation of Rights**. You acknowledge and agree that we may exercise any and all of the rights that we reserve in the Current Franchise Agreement (and related documents), including in Section 1.F of the Current Franchise Agreement. After this Agreement expires or is terminated (regardless of the reason), we and our affiliates may engage, and allow others to engage, in any activities we desire within and outside the Area without any restrictions whatsoever, subject only to your (or any Controlled Affiliate's) rights under franchise agreements with us then in effect.

3. DEVELOPMENT RIGHTS FEE.

Simultaneously with signing this Agreement, you must pay us a "Development Rights Fee" of _____ Dollars ($_____), which is Twenty Thousand Dollars ($20,000) multiplied by the number of Tide Cleaners Outlets that you agree to develop under the Schedule. The Development Rights Fee is fully earned by us when this Agreement is signed and is non-refundable, except that we will apply Twenty Thousand Dollars ($20,000) of the total Development Rights Fee paid under this Agreement towards the initial franchise fee due under each franchise agreement you or your Controlled Affiliates sign with us pursuant to this Agreement, including the Current Franchise Agreement.

4. DEVELOPMENT OBLIGATIONS AND REQUIREMENTS.

A. **Development Obligations**. To maintain your rights under this Agreement, you (and/or your Controlled Affiliates) must sign franchise agreements for, develop, and open for business the agreed-upon number of Tide Cleaners Outlets within the Area by the dates set forth on the Schedule. You or a Controlled Affiliate will operate each Tide Cleaners Outlet under a separate franchise agreement (and related documents) with us. The franchise agreement (and related documents) that you or your Controlled Affiliate will sign for each Tide Cleaners Outlet will be our then current form of franchise agreement and related documents, including, without

limitation, personal guarantees (collectively, the "Franchise Documents"), any or all of the terms of which may differ substantially from the terms contained in the Current Franchise Agreement, except that the terms and conditions of the development incentive addendum attached to the Current Franchise Agreement (the "Development Incentive Addendum") will apply to all Franchise Documents you or your Controlled Affiliates sign for the Tide Cleaners Outlets you or your Controlled Affiliates develop under this Agreement.

B. **Ongoing Compliance**. To retain your rights under this Agreement, you or your Controlled Affiliate must develop, open and operate each Tide Cleaners Outlet within the Area in accordance with the Schedule and pursuant to the terms of the Current Franchise Agreement and/or Franchise Documents. If you do not have a location for one (1) or more of the Tide Cleaners Outlets you or your Controlled Affiliates must develop, open and operate pursuant to this Agreement, then this Section will govern the site selection, evaluation, and approval process.

C. **Site Evaluation and Approval Process**.

a. **Site Selection Methods**. You agree to select a site within the Area for each Tide Cleaners Outlet to be developed under the Schedule in one of the following two (2) ways:

i. You may submit a proposed site to us without using any brokers, third-party consultants or other third-party resources; or

ii. If you need third-party assistance to find a site, then you must use the brokers, third-party consultants or other third-party resources we designate, or another third party that you propose and we pre-approve in writing (collectively, the "Site Consultant"), to assist you in identifying and selecting a suitable proposed site. You acknowledge that the Site Consultant is solely responsible for its activities, communications, and information that it shares with you, and they are not activities, communications, or information from us.

b. **Site Suitability**. You acknowledge and agree that, if we recommend, evaluate or give you or your Controlled Affiliate information regarding a site, the recommendation, evaluation, or information is not a representation or warranty of any kind, express or implied, of the site's suitability for a Tide Cleaners Outlet or any other purpose. Our recommendation indicates only that we believe that the site meets, or that we have waived, our then acceptable criteria for Tide Cleaners Outlets. Applying criteria that have appeared effective with other sites and premises might not accurately reflect the potential for all sites and premises, and demographic and/or other factors included in or excluded from our criteria could change, altering the potential of a site and premises. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if a site and premises we recommend or evaluate fails to meet your expectations. You acknowledge and agree that your acceptance of any site for a Tide Cleaners Outlet is based on your own independent investigation of the site's suitability.

c. **Site and Franchisee Approval**. You agree to give us all information and materials that we request to assess (i) each proposed site and (ii) your or your Controlled Affiliate's financial and operational ability to develop and operate each proposed Tide Cleaners Outlet. We will not unreasonably withhold approval of any site you propose that meets our then current criteria for population density and other demographic characteristics, visibility, traffic flow, competition, accessibility, parking, size, appearance, and other physical and commercial characteristics. We will not unreasonably withhold approval of you or a Controlled Affiliate as the franchisee of a Tide Cleaners Outlet if you or the Controlled Affiliate meets our then current criteria for the financial and operational qualifications of Tide Cleaners Outlet franchisees. However, we have the absolute right to refuse to accept any site or disapprove you and any Controlled Affiliate that do not meet these criteria. We will use reasonable efforts to review and approve or disapprove the sites and approve or disapprove you or the Controlled Affiliates that you propose within thirty (30) days after we receive all requested information and materials.

D. **Ownership or Lease of Tide Cleaners Outlets**. You or your Controlled Affiliates must provide us evidence of your or their ability to occupy any site we approve for a Tide Cleaners Outlet either by signing a purchase agreement, or a lease or sublease for the site (each, a "Lease"), no later than one hundred eighty (180) days before the opening date of the Tide Cleaners Outlet set forth on the Schedule. (You or your Controlled Affiliates also agree to begin diligently pursuing any necessary permits and licenses as soon as practicable in order to satisfy your or their development obligations and be able to reasonably meet the prescribed timeline for opening.) Neither you nor your Controlled Affiliate may sign any Lease or purchase agreement for a site without our pre-approval of your (or your Controlled Affiliate's) financial and operational ability to develop and operate the Tide Cleaners Outlet at such site. We have the right to approve the terms of any Lease before you (or your Controlled Affiliate) sign it. At our sole option, in the case of a lease or sublease, we may require that you (or your Controlled Affiliate) and the landlord of the site sign a rider to the Lease in a form that we specify ("Lease Rider"), which Lease Rider shall be incorporated as part of the Lease upon execution. Although we will not directly negotiate any Lease, a Lease must be in a form acceptable to us and must contain certain required terms and provisions (some or all of which may be covered by the Lease Rider if we require it), including:

(1) A provision reserving to us the right to receive an assignment of the Lease upon termination or expiration of the Current Franchise Agreement or any Franchise Documents;

(2) A provision requiring the lessor to give us all sales and other information we request relating to the Tide Cleaners Outlet's operation;

(3) A provision requiring the lessor concurrently to send us a copy of any written notice of a Lease default sent to you or your Controlled Affiliate and granting us the right (but without any obligation) to cure any Lease default within fifteen (15) business days after the expiration of the cure period if you or your Controlled Affiliate fail to do so;

(4) A provision evidencing your or your Controlled Affiliate's right to display the Marks according to the specifications that we prescribe (subject only to applicable law); and

(5) A provision that the site may be used only for the operation of a Tide Cleaners Outlet.

You acknowledge that our approval of a Lease is not a guarantee or warranty, express or implied, of the success or profitability of a Tide Cleaners Outlet operated at a site. Our approval indicates only that we believe that the site and the Lease's terms meet our then acceptable criteria. You or your Controlled Affiliate must deliver to us a signed copy of each Lease within seven (7) days after its execution, including the signed Lease Rider if we require it.

E. **Franchise Documents**. Within thirty (30) days after you (or your Controlled Affiliate) sign a Lease or purchase agreement for a site at which to develop and operate a Tide Cleaners Outlet, you or your Controlled Affiliate (and your or its owners) must sign Franchise Documents for the Tide Cleaners Outlet to be developed at that site. If you or your Controlled Affiliate (and such owners) do not do so, then we may withdraw our approval for such site. After you (or your Controlled Affiliate) sign Franchise Documents for a particular Tide Cleaners Outlet, the terms and conditions of the Franchise Documents will control the further development and operation of that Tide Cleaners Outlet.

F. **Extensions**. During the term of this Agreement, we may, in our sole judgment, grant you extensions on any of the prescribed deadlines in this Agreement. You must request from us an extension of the applicable deadline at least fourteen (14) calendar days before the deadline date. If we grant an extension on any deadline, we will determine the amount of the extension fee and the length of the extension in our sole judgment. We may consider a variety of factors in whether we grant an extension, including the diligence you have shown in developing the Tide Cleaners Outlet(s). You must pay us our then current lump-sum extension fee (Five Thousand Dollars ($5,000) per month as of the Effective Date, but may change during Term) for each extension at the time of your (or your Controlled Affiliate's) extension request to compensate us for our costs, expenses and lost opportunities related to the proposed extension. We will deem each extension request granted and the extension fee fully earned and non-refundable unless we notify you (or your Controlled Affiliate) otherwise on or before the prescribed deadline date. Extensions do not change any date(s) listed on the Schedule, other than the particular date(s) then being adjusted by the extension.

5. NO SUBLICENSING OR OTHER RIGHTS.

This Agreement does not grant you any right to license others to operate Tide Cleaners Outlets. Only you or your Controlled Affiliates may open and operate Tide Cleaners Outlets pursuant to this Agreement and only under Franchise Documents with us. This Agreement is not a franchise agreement and does not grant you the right to engage in the business of offering, selling or distributing goods and services under the Marks, or to use the Marks in any manner. These rights are granted only by franchise agreements signed by you or your Controlled Affiliates, and us. Subject to Section 7(b) below, any and all Franchise Documents are independent of this Agreement.

6. TERM.

This Agreement's term begins on the Effective Date and ends on the date when (a) the final Tide Cleaners Outlet under the Schedule opens for business, or (b) this Agreement otherwise is terminated.

7. TERMINATION.

We may terminate this Agreement and your right to develop additional Tide Cleaners Outlets within the Area at any time, effective upon delivery of written notice of termination, if: (a) you fail to satisfy either your development obligations under the Schedule or any other obligation under this Agreement, which defaults you have no right to cure; or (b) the Current Franchise Agreement or any Franchise Documents between us and you (or any Controlled Affiliate) for a Tide Cleaners Outlet is terminated by us or you (or the Controlled Affiliate) for any reason.

8. TRANSFER.

You (and each of your owners) acknowledge that we are granting you the rights under this Agreement because of our perception of your (and your owners') individual and collective character, skill, business acumen, financial capability and ability to operate Tide Cleaners Outlets according to our standards. These rights are personal to you and your owners. Therefore, you and your owners may not transfer (as defined in the Current Franchise Agreement) this Agreement or any of your ownership interests (whether directly or indirectly). We may transfer this Agreement or any of our ownership interests without restriction.

9. INCORPORATION OF OTHER TERMS.

Section 7 of the Current Franchise Agreement, entitled "Confidential Information," and Sections 18 through 22 of the Current Franchise Agreement, entitled "Relationship of the Parties/Indemnification," "Enforcement," "Notices and Payments," "Compliance with Anti-Terrorism Laws" and "Electronic Mail," respectively, including, without limitation, the arbitration obligations under Section 19.E of the Current Franchise Agreement, are incorporated by reference in this Agreement and will govern all aspects of this Agreement and your and our relationship as if fully restated within the text of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

AGILE PURSUITS FRANCHISING, INC., an Ohio corporation

By:_____

Print Name:_____

Title:_____

DATED*:_____

(*Effective Date of this Agreement)

DEVELOPER

(IF CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP):

_____

[Name]

By:_____

[Signature of person signing on behalf of entity]

Title of Signatory:_____

DATED:_____

(IF INDIVIDUALS):

_____

[Signature]

Print Name:_____

DATED:_____

_____

[Signature]

Print Name:_____

DATED:_____

EXHIBIT A

TO THE DEVELOPMENT RIGHTS AGREEMENT

You agree to open _____ (__) Tide Cleaners Outlets within the Area, including the Tide Cleaners Outlet developed or to be developed under the Current Franchise Agreement, according to the following Schedule:

Outlet Number	Outlet Opening by (Date)	Cumulative Number of Tide Cleaners Outlets To Be Opened and Operating No Later Than the Opening Date (in Previous Column)

AGILE PURSUITS FRANCHISING, INC., an Ohio corporation

By:_____

Print Name:_____

Title:_____

DATED:_____

DEVELOPER

(IF CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP):

_____

[Name]

By:_____

[Signature of person signing on behalf of entity]

Title of Signatory:_____

DATED:_____

(IF INDIVIDUALS):

_____
[Signature]

Print Name:_____

DATED:_____

_____
[Signature]

Print Name:_____

DATED:_____

EXHIBIT B

TO THE DEVELOPMENT RIGHTS AGREEMENT

The Area is defined as the entire territory encompassed by _____ in the State of _____. If the Area is identified by city or other political subdivisions, political boundaries will be considered fixed as of the date of this Agreement, notwithstanding any political reorganization or change to the boundaries. The Area is depicted on the map attached to this **Exhibit B**. However, if there is an inconsistency between the language in this **Exhibit B** and the attached map, the language in this **Exhibit B** shall control. All street boundaries will be deemed to end at the street center line unless otherwise specified.

AGILE PURSUITS FRANCHISING, INC., an Ohio corporation

By:_____

Print Name:_____

Title:_____

DATED:_____

DEVELOPER

(IF CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP):

_____

[Name]

By:_____

[Signature of person signing on behalf of entity]

Title of Signatory:_____

DATED:_____

(IF INDIVIDUALS):

_____

[Signature]

Print Name:_____

DATED:_____

_____

[Signature]

Print Name:_____

DATED:_____

MAP OF AREA

EXHIBIT C

PLANT STORE FRANCHISE AGREEMENT

AGILE PURSUITS FRANCHISING, INC.

TIDE CLEANERS

PLANT STORE FRANCHISE AGREEMENT

_____

FRANCHISE OWNER

_____

DATE OF AGREEMENT

_____

OUTLET ADDRESS

_____

_____

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GUARANTY AND ASSUMPTION OF OBLIGATIONS

AGILE PURSUITS FRANCHISING, INC.
TIDE CLEANERS
PLANT STORE FRANCHISE AGREEMENT

THIS PLANT STORE FRANCHISE AGREEMENT (the "Agreement") is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 ("we," "us," or "our"), and _____, a _____ having its principal business address at _____ ("you," or "your") as of the date signed by us and set forth opposite our signature on this Agreement (the "Effective Date").

1. **PREAMBLES, ACKNOWLEDGMENTS, AND GRANT OF FRANCHISE.**

A. **PREAMBLES.**

(1) We and our affiliates have, over a considerable time period and with considerable effort, developed (and continue to develop and modify) a system and franchise opportunity for the operation of retail businesses offering premium dry cleaning, laundering, and related fabric and garment care services and products. We own and license, or are authorized to use and license, the Marks (as defined below) and related brand names, devices, and patented technologies for use in connection with retail dry cleaning locations. These retail dry cleaning locations operate under the "Tide" brand name and other Marks ("Tide Cleaners Outlets") and have distinctive business formats, methods, procedures, designs, layouts, standards, and specifications, all of which we may improve, further develop, or otherwise modify from time to time. Tide Cleaners Outlets offer and use products and services, including Proprietary Products and Proprietary Processes, that we, our affiliates, or designated third parties authorize and periodically specify for use in connection with the operation of Tide Cleaners Outlets.

"Proprietary Products" means the proprietary agents, detergents, solvents, formulas, equipment, devices, and related products that we, our affiliates, and/or designated third parties own, have developed, or may develop and authorize for use or sale in connection with Tide Cleaners Outlets. (For purposes of this definition, Proprietary Products specifically include products marketed under trademarks that we or our affiliates own, which products currently are generally available and that you may purchase through third party wholesale or retail sources, subject to our then current System Standards (as defined in Section 4.E).) "Proprietary Processes" means the proprietary know-how, techniques, procedures, cleaning methods, technologies, and related processes that we, our affiliates and/or designated third parties own, have used, or may use to develop the products and services (including the Proprietary Products) offered by Tide Cleaners Outlets and that we or they authorize for use in connection with Tide Cleaners Outlets.

(2) We and our affiliates use, promote, and license certain trademarks, service marks, and other commercial symbols in operating Tide Cleaners Outlets, which have gained and will continue to gain public acceptance and goodwill, and may create, use, and

license other trademarks, service marks, and commercial symbols for Tide Cleaners Outlets, all of which we may further improve and modify (collectively, the "Marks").

(3) We grant to persons who meet our qualifications, and are willing to undertake the investment and effort, a franchise to own and operate a Tide Cleaners Outlet offering the products and services we authorize and using our business formats, methods, procedures, signs, designs, layouts, standards, specifications, and Marks, all of which we may further improve and modify (the "Franchise System").

(4) As a franchise owner of a Tide Cleaners Outlet, you will comply with this Agreement and all System Standards in order to maintain the high and consistent quality that is critical to attracting and keeping customers for Tide Cleaners.

(5) You have applied for a franchise to own and operate a Tide Cleaners Outlet.

B. **ACKNOWLEDGMENTS.**

You acknowledge:

(1) That you have independently investigated the TDC franchise opportunity and recognize that, like any other business, the nature of the business a Tide Cleaners Outlet conducts may, and probably will, evolve and change over time;

(2) That an investment in a Tide Cleaners Outlet involves business risks that could result in the loss of a significant portion or all of your investment;

(3) That your business abilities and efforts are vital to your success;

(4) That attracting customers for your Tide Cleaners Outlet will require you to make consistent marketing and relationship building efforts in your community through various methods, which currently include media advertising, direct mail advertising, community events and display and use of in-store promotional materials;

(5) That retaining customers for your Tide Cleaners Outlet will require you to have a high level of customer service and adhere strictly to the Franchise System and our System Standards and that you are committed to maintaining System Standards;

(6) That you have not received from us, and are not relying upon, any representations or guarantees, express or implied, as to the potential volume, sales, income, or profits of a Tide Cleaners Outlet (other than what is included in our most recent franchise disclosure document delivered to you or your representative);

(7) That in all of their dealings with you, our officers, directors, employees, and agents act only in a representative, and not in an individual, capacity and that business dealings between you and them as a result of this Agreement are deemed to be only between you and us;

(8) That you have represented to us, to induce our entry into this Agreement, that all statements you have made and all materials you have given us are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the franchise;

(9) That you have read this Agreement and our franchise disclosure document and understand and accept that this Agreement's terms and covenants are reasonably necessary for us to maintain our high standards of quality and service, as well as the uniformity of those standards at each Tide Cleaners Outlet, and to protect and preserve the goodwill of the Marks;

(10) That we will restrict your sources of Proprietary Products and also have the right to restrict your sources of other goods and services;

(11) That we have not made any representation, warranty, or other claim regarding this Tide Cleaners franchise opportunity, other than those made in this Agreement and our franchise disclosure document, and that you have independently evaluated this opportunity, including by using your business professionals and advisors, and have relied solely upon those evaluations in deciding to enter into this Agreement;

(12) That you have been afforded an opportunity to ask any questions you have and to review any materials of interest to you concerning the Tide Cleaners franchise opportunity;

(13) That you have been afforded an opportunity, and have been encouraged by us, to have this Agreement and all other agreements and materials we have given or made available to you reviewed by an attorney and have either done so or waived your right to do so; and

(14) That you received our franchise disclosure document at least fourteen (14) days before the Effective Date, or the transaction to which this Agreement relates meets a United States federal and, if applicable, state-based exemption from laws and regulations governing the offer and sale of franchises in your jurisdiction.

C. **CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP.**

If you are at any time a corporation, limited liability company, or other business legal entity (collectively, an "Entity"), you agree and represent that:

(1) You will have the authority to execute, deliver, and perform your obligations under this Agreement and all related agreements and are duly organized or formed, validly existing and in good standing under the laws of the state of your incorporation or formation;

(2) Your organizational documents, operating agreement, or partnership agreement, as applicable, will recite that this Agreement restricts the issuance and transfer

of any ownership interests in you, and all certificates and other documents representing ownership interests in you will bear a legend referring to this Agreement's restrictions;

(3) **Exhibit A** to this Agreement completely and accurately describes all of your owners and their interests in you as of the Effective Date;

(4) Each of your owners during this Agreement's Term (as defined in Section 1.D) will execute a guaranty in the form we prescribe undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. Subject to our rights and your obligations under Section 14, you and your owners agree to sign and deliver to us a revised Exhibit A to reflect any permitted changes in the information that **Exhibit A** now contains;

(5) You will appoint one (1) of your owners to be your "Managing Owner" that will be responsible for overseeing and supervising the operation of the Outlet (as defined in Section 1.D). The Managing Owner as of the Effective Date is identified in **Exhibit A**. You may not change the Managing Owner without our prior written consent; and

(6) The Outlet and other Tide Cleaners Outlets, if applicable, will be the only businesses you operate (although your owners may have other, non-Competitive Business (as defined in Section 9) interests).

D. **GRANT OF FRANCHISE.**

You have applied for a franchise to own and operate a Tide Cleaners Outlet at the location identified in the attached **Exhibit B** (the "Premises"). Subject to this Agreement's terms, we grant you a franchise (the "Franchise") to operate a Tide Cleaners Outlet at the Premises (the "Outlet"), and to use the Franchise System in its operation, for a term beginning on the Effective Date and expiring on the tenth (10th) anniversary of the date the Outlet opens for business under the Marks. (If the exact location of the Premises is unknown as of the Effective Date, the location will be determined in accordance with the Development Rights Agreement (as defined in Section 1.H).) You may use the Premises only for the Outlet. You agree at all times faithfully, honestly, and diligently to perform your obligations under this Agreement and to use your best efforts to promote the Outlet.

E. **TERRITORIAL RIGHTS.**

We describe the Outlet's territory (the "Territory") in **Exhibit B**. If the exact location of the Premises is unknown as of the Effective Date, we will describe the Territory on an amended and restated **Exhibit B** that we will provide to you once we determine the Territory. The Territory is determined in our sole judgment considering a range of factors that we deem relevant, which might include geographic area, population density, character of neighborhood, location, and number of competing businesses. You agree that our determination of the Territory, as described on the amended and restated **Exhibit B**, is final.

Provided that you are in full compliance with this Agreement, then beginning on the Effective Date (if the exact location of the Premises is known as of the Effective Date) or the date you first open the Outlet for business under this Agreement (if the exact location of the Premises

is unknown as of the Effective Date), and continuing throughout the Term, we and our affiliates will not operate or grant a franchise for the operation of another Tide Cleaners Outlet the physical premises of which are located within the Territory.

F. **RIGHTS WE RESERVE.**

Except as expressly limited by Section 1.E, we and our affiliates retain all rights with respect to Tide Cleaners Outlets, the Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire. Specifically, but without limitation, we reserve the following rights:

(1) the right to provide, offer and sell, and to grant others the right to provide, offer and sell (except as specifically set forth in Section 1.E), products or services that are similar or dissimilar to and/or competitive with those provided at Tide Cleaners Outlets (such as home delivery dry cleaning businesses or other fabric or textile cleaning services), whether identified by the Marks or other trademarks or service marks, regardless of the method of distribution, inside and outside the Territory and on any terms and conditions we deem appropriate;

(2) the right to establish and operate, and to grant to others the right to establish and operate, retail businesses offering premium dry cleaning, laundry, and related fabric care services and products, or any similar or dissimilar products and services, that are not primarily identified by the Marks, both inside and outside the Territory and on any terms and conditions we deem appropriate;

(3) the right to operate, and to grant others the right to operate, Tide Cleaners Outlets the physical premises of which are located anywhere outside the Territory under any terms and conditions we deem appropriate and regardless of proximity to the Outlet;

(4) the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at Tide Cleaners Outlets, and to franchise, license or create similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Territory); and

(5) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Tide Cleaners Outlets, or by another business, even if such business operates, franchises and/or licenses Competitive Businesses in the Territory.

G. **REASONABLE BUSINESS JUDGMENT.**

We have the right to operate, develop and change the Franchise System and System Standards in any manner that is not specifically prohibited by this Agreement. Whenever we have reserved in this Agreement a right to take or to withhold an action, or to grant or decline to grant you a right to take or omit an action, we may, except as otherwise specifically provided in this Agreement, make our decision or exercise our rights based on information readily available to us

and our judgment of what is in the best interests of us or our affiliates, the Tide Cleaners Outlet franchise network generally, or the Franchise System at the time our decision is made, without regard to whether we could have made other reasonable or even arguably preferable alternative decisions or whether our decision promotes our or our affiliates' financial or other individual interest. Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated or completed actions that require our approval.

H. DEVELOPMENT RIGHTS AGREEMENT.

Before or concurrently with signing this Agreement, you or your affiliate have also signed a development rights agreement with us under which we grant you or your affiliates the right to develop the Outlet, and if applicable, additional Tide Cleaners Outlets under the Franchise System within a defined geographic area (the "Development Rights Agreement"). If you have not selected, or we have not approved, the location of the Outlet as of the Effective Date, then the Development Rights Agreement will govern the site selection, evaluation and approval process for the Outlet.

2. LEASE, RELOCATION OF PREMISES, DEVELOPMENT AND OPENING OF OUTLET.

A. OWNERSHIP OR LEASE OF PREMISES; RELOCATION.

Before signing this Agreement, and pursuant to the lease or purchase agreement conditions in the Development Rights Agreement, you signed a purchase agreement, or a lease or sublease for the Premises (the "Lease"). If the Lease expires or is terminated without your fault, or if the site for the Premises is destroyed, condemned, or otherwise rendered unusable, we will allow you to relocate the Outlet to a new site acceptable to us. Any relocation will be at your sole expense, and we may charge you for the reasonable costs we incur in connection with any relocation of the Outlet. If you desire or are required to relocate the Premises during the Term, you must start the relocation process within one hundred eighty (180) days after the date upon which you lose the Premises, and you must open and begin operating the business at a relocated Premises we approve within one hundred eighty (180) days thereafter.

B. OUTLET DEVELOPMENT.

You are responsible for developing the Outlet in accordance with the terms and conditions contained in this Agreement. We or our designees may, at any time and from time to time (but in no way limiting or affecting your responsibility for developing the Outlet), provide certain support and assistance in the development and start-up of the Outlet. In connection with this assistance, critical path management oversight and assistance, the initial training described in Section 4.A for your two (2) attendees, vendor support, and other periodic support in connection with the opening of the Outlet and start-up of operations, you must pay us a lump-sum, non-refundable start-up assistance and training fee (the "Start-up Assistance and Training Fee") of Twenty Thousand Dollars ($20,000), at least ninety (90) days before the earlier of (i) the scheduled opening date, or (ii) the actual opening date if you desire to open the Outlet earlier than scheduled. You acknowledge and agree that we will not authorize you to open the Outlet pursuant to Section 2.E

without receiving the Start-up Assistance and Training Fee. The Start-up Assistance and Training Fee is separate from the Project Management Fee (as defined below).

We will give you mandatory and suggested specifications and layouts for a Tide Cleaners Outlet, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings, and color scheme. These plans might not reflect the requirements of any federal, state, or local law, code, or regulation, including those arising under the Americans with Disabilities Act (the "ADA") or similar rules governing public accommodations for persons with disabilities. It is your responsibility, though we may assist, to prepare a site survey and all required construction plans and specifications to suit the Premises and to make sure that these plans and specifications comply with the ADA and similar rules governing public accommodations for persons with disabilities, other applicable ordinances, building codes, permit requirements, and Lease requirements and restrictions.

While we or our designee may manage the construction of the Outlet, you agree to send us construction plans and specifications for review before you begin constructing the Outlet and all revised or "as built" plans and specifications during construction. You are responsible for selecting the architect and/or general contractor (collectively, the "Builder"), which Builder must be one of our pre-approved vendors or another vendor that you present and we approve in our sole judgment, to design and construct the Outlet. Because our review is limited to ensuring your compliance with our design requirements, it might not assess compliance with federal, state, or local laws and regulations, including the ADA, as compliance with these laws is your responsibility. We may inspect the Premises while you are developing the Outlet.

You agree to take, at your own expense, all actions relating to the development of the Outlet at the Premises, including the following:

(1) securing all financing required to develop and operate the Outlet;

(2) obtaining all required building, utility, sign, health, sanitation, business, and other permits and licenses;

(3) constructing all required improvements to the Premises and decorating the Outlet according to approved plans and specifications;

(4) obtaining all necessary civil engineering and other services necessary in connection with the design and construction of the Outlet in accordance with this Agreement and applicable plans, specifications, permits, licenses, and regulations;

(5) obtaining all customary contractors' sworn statements and partial and final waivers of lien for construction, remodeling, decorating, and installation services;

(6) purchasing or leasing, and installing, all required fixtures, furniture, machines, equipment (including required or recommended Computer System (as defined in Section 2.D)), furnishings, and signs (collectively, "Operating Assets") for the Outlet; and

(7) purchasing an opening inventory of authorized and approved Proprietary Products, agents, detergents, materials, supplies, and other products to operate the Outlet.

In connection with the foregoing, you agree to engage us, our affiliates or third parties we designate to assist with, and provide oversight concerning, the development and construction of the Outlet in compliance with this Agreement and other aspects of the Outlet's development. To reimburse us for any costs we incur in connection with our project management oversight related to the development of the Outlet, you must pay us a lump-sum, non-refundable project management fee (the "Project Management Fee") of Twenty Thousand Dollars ($20,000), at least ninety (90) days before the earlier of (i) the scheduled opening date, or (ii) the actual opening date if you desire to open the Outlet earlier than scheduled. The costs we incur may include those related to in-depth site evaluation, real estate market analysis, demographics analysis, and amounts for program management related to coordinating negotiations, vendor management, floor plan layout, equipment layout and construction management. Notwithstanding the foregoing, you (and not we) are responsible for the performance of the Builder and subcontractors you must hire to develop and maintain the Outlet, and our project management of the site does not assess the site's compliance with federal, state, or local laws and regulations. You acknowledge and agree that we will not authorize you to open the Outlet pursuant to Section 2.E without receiving the Project Management Fee.

C. **OPERATING ASSETS.**

You agree to use in operating the Outlet only those Operating Assets that we periodically approve for Tide Cleaners Outlets as meeting our specifications and standards for quality, design, appearance, function, and performance. You may not install or otherwise operate at the Premises any unauthorized vending or lotto machines or other Operating Assets that we have not authorized. You agree to place or display at the Premises (interior and exterior), and on any permitted delivery vehicles, only the signs, emblems, lettering, logos, and display materials and products that we prescribe or otherwise approve from time to time. You agree to purchase or lease approved brands, types, or models of Operating Assets only from suppliers we designate or approve (which may include or be limited to us and/or our affiliates).

D. **COMPUTER SYSTEM.**

You agree to obtain and use the computer hardware, maintenance and operation systems, point of sale systems, and/or operating software we specify from time to time (the "Computer System"). You must maintain the continuous operation of the Computer System. You also agree to maintain a functioning e-mail address. We may periodically modify specifications for and components of the Computer System. Our modification of specifications for the Computer System, and/or other technological developments or events, might require you to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service, maintenance and support for the Computer System. Although we cannot estimate the future costs of the Computer System or required service or support, and although these costs might not be fully amortizable over this Agreement's remaining Term, you agree to incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions and modifications) and required service or support. We have no obligation to reimburse you for any Computer System costs. Within sixty (60) days after you receive notice from us, you agree to

obtain the Computer System components that we designate and to ensure that your Computer System, as modified, is functioning properly.

You agree that we or our affiliates may condition any license of proprietary software to you, or your use of technology that we, our affiliates, or third parties develop or maintain, on your signing a software license agreement or similar document, or otherwise agreeing to the terms (for example, by acknowledging your consent to and accepting the terms of a click-through license agreement), that we or our affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities with respect to, the software or technology. We and our affiliates may charge you upfront or ongoing fees for any proprietary software or technology that we or our affiliates license to you and for other maintenance and support services that we or our affiliates provide during this Agreement's Term. You agree not to modify, delete, or change any software or hardware configurations that we or our designated supplier(s) (which may include our affiliates) license or otherwise provide to you, without our advanced written consent.

Notwithstanding your obligation to buy, use, and maintain the Computer System according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer System; (2) the manner in which your Computer System interfaces with our and any third party's computer system; and (3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded. You acknowledge that we may have unlimited, independent access to customer or financial data generated by or through the Outlet's Computer System in accordance with this Agreement.

E. **OUTLET OPENING.**

You agree not to open the Outlet until:

(1) we notify you in writing that the Outlet meets our then current standards and specifications (although our acceptance is not a representation or warranty, express or implied, that the Outlet complies with any engineering, licensing, environmental, labor, health, building, fire, sanitation, occupational, landlord's, insurance, safety, tax, governmental, or other statutes, rules, regulations, requirements, or recommendations nor a waiver of our right to require continuing compliance with our requirements, standards, or policies);

(2) you (or your Managing Owner) and your other designated attendees satisfactorily complete training;

(3) you pay the initial franchise fee, the Start-up Assistance and Training Fee, Project Management Fee and other amounts then due to us; and

(4) you provide us certificates for all required insurance policies.

Subject to your compliance with these conditions, you agree to open the Outlet for business no later than the opening date of the Outlet pursuant to the development schedule on Exhibit A of the Development Rights Agreement. The date upon which you begin operating the Outlet pursuant to this paragraph and this Agreement shall be deemed the "Opening Date."

F. **EXTENSION OF DEADLINES.**

We may grant you, according to our reasonable business judgment, extensions on the prescribed deadlines for site evaluation and approval, securing the Lease, and opening the Outlet as required in this Section. You must request from us an extension of the applicable deadline at least fourteen (14) calendar days before the occurrence of the deadline date. If we grant an extension on any deadline, we will determine the amount of the extension fee and the length of the extension at our sole option. We may consider a variety of factors in whether we grant an extension, including the diligence you have shown in developing the Outlet. You must pay us our then current lump-sum extension fee (Five Thousand Dollars ($5,000) per month as of the Effective Date, but may change during Term) for each extension at the time of your extension request to compensate us for our costs, expenses and lost opportunities related to the proposed extension. Unless we notify you otherwise on or before the deadline date, your extension request will be deemed granted and the extension fee fully earned and non-refundable by us. Extensions do not change any date(s) included in the development schedule on Exhibit A of the Development Rights Agreement, other than the particular date(s) then being adjusted by the extension.

3. **FEES.**

A. **INITIAL FRANCHISE FEE.**

You agree to pay us a non-recurring and non-refundable lump-sum initial franchise fee of Fifty Thousand Dollars ($50,000). The initial franchise fee compensates us for our costs of evaluating your credentials as a prospective franchisee and otherwise assisting you in the application process to acquire your Franchise. We will apply a portion of the development fee you paid under the Development Rights Agreement toward the amount of your initial franchise fee due to us under this Agreement. The initial franchise fee is due in full, and fully earned by us, when you sign this Agreement.

B. **CONTINUING SERVICE AND ROYALTY FEE.**

You agree to pay us, in the manner provided below (or as the Business Reference Manual otherwise prescribes), a weekly Continuing Service and Royalty Fee (the "Royalty") equal to six and one-half percent (6.5%) of the Outlet's Net Sales (as defined in Section 3.C). On or before Thursday of each week, you agree to send us, on a form we approve (or as we otherwise direct), a signed statement of the Outlet's Net Sales for the previous week ended. Each weekly statement of Net Sales must be accompanied by the Royalty due for that week, except where the conditions and procedures for electronic payment pursuant to Section 3.F below may apply. As used in this Agreement, a "week" means the seven (7) consecutive calendar-day period beginning on Monday and ending at the close of the Outlet's daily operations the following Sunday. In lieu of submitting a weekly statement of Net Sales, you agree that we may elect to extract your Net Sales data from the Computer System and debit the Royalty in accordance with Section 3.F on the basis of the Net Sales reflected therein.

C. **DEFINITION OF "NET SALES".**

As used in this Agreement, the term "Net Sales" means all revenue from all sales made from your point of sale system and all other revenue that you derive from operating the Outlet,

including all amounts that you receive at or away from the Premises, including through Delivery Services, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions, but (1) excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority; and (2) reduced by the amount of any documented refunds, credits, coupons, manager-authorized and/or customer loyalty program discounts, allowances, and charge-backs the Outlet in good faith gives to customers.

D. **LATE FEES AND INTEREST.**

If you fail to pay (or make available for withdrawal from your EDTA) any amounts you owe us for any reason, those amounts will bear interest accruing as of their original due date at one and one half percent (1.5%) per month or the highest commercial contract interest rate the law allows, whichever is less. We may debit your EDTA (as defined in Section 3.F) automatically for such interest. You acknowledge that this Section 3.D is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the Outlet.

E. **APPLICATION OF PAYMENTS.**

Despite any designation you make, we may apply any of your payments to any of your past due indebtedness to us. We may set off any amounts you or your owners owe us or our affiliates against any amounts we or our affiliates owe you or your owners. You may not withhold payment of any amounts you owe us due to our alleged nonperformance of any of our obligations under this Agreement.

F. **PAYMENT METHOD AND TIMING.**

Before the Outlet opens, you agree to sign and deliver to us the documents we require to authorize us to debit your business checking account automatically for the Royalty, Fund Contributions (as defined in Section 11.B), and other amounts due under this Agreement and for certain specified purchases you make from us and/or our affiliates (the "Electronic Depository Transfer Account" or "EDTA"). We will debit the EDTA for these amounts on or after their due dates. You agree to ensure that funds are available in the EDTA to cover our withdrawals. If there are insufficient funds in the EDTA to cover any such amount owed (or, if you are paying by check and a check is returned for insufficient funds), we will charge you a processing fee of One Hundred Dollars ($100) to compensate us for our additional administrative expenses we incur in connection with your failure to maintain sufficient funds in the EDTA.

If you fail to report the Outlet's Net Sales, we may debit your EDTA for one hundred twenty percent (120%) of the last Royalty and Fund Contribution that we debited. If the amounts that we debit from your EDTA are less than the amounts you actually owe us (once we have determined the Outlet's true and correct Net Sales), we will debit your EDTA for the balance on the day we specify. If the amounts that we debit from your EDTA are greater than the amounts you actually owe us, we will credit the excess, without interest, against the amounts we otherwise would debit from your EDTA during the following week(s).

We may require you to pay any amounts due under this Agreement or otherwise by means other than automatic debit (*e.g.*, by check) whenever we deem appropriate, and you agree to

comply with our payment instructions. We have the right, at our sole option upon notice to you, to change from time to time the timing and terms for payment of the Royalty, Fund Contributions and other amounts payable to us under this Agreement.

4. **TRAINING AND ASSISTANCE.**

A. **INITIAL TRAINING.**

(1) If the Outlet is your first Tide Cleaners Outlet, then after signing this Agreement and before the Outlet opens, you (or your Managing Owner) must attend a New Franchise Orientation Program (the "NFOP") at our principal business address.

(2) Before the Outlet opens for business, we will train two (2) of your designated attendees (if this is your first Tide Cleaners Outlet, this will include you or your Managing Owner) on the material aspects of operating a Tide Cleaners Outlet. We include the costs of the initial training program for your two (2) designated attendees in the Start-up Assistance and Training Fee. We will provide the initial training program at a designated training facility of our choice and/or at an operating Tide Cleaners Outlet. Our initial training program currently spans approximately five (5) weeks (excluding the NFOP and the pre-opening period during which one (1) or more of our representatives will assist in the Outlet's opening, as further discussed below in Section 4.B). The initial training program consists of self-directed, computer-based training courses that your attendees will complete using our web portal at their own locations and/or at the training facility, classroom instruction that we conduct at our corporate offices or a designated training facility of our choice, and on-the-job training at an existing Tide Cleaners Outlet or other location we designate. Your designated attendees must successfully complete the self-directed, computer-based training, including any associated knowledge checks or assessments of proficiency that we then require, in order to attend the classroom and on-the-job portions of the initial training program. We may modify any aspect of the initial training program at any time.

(3) If your designated attendees do not feel sufficiently trained in the operation of a Tide Cleaners Outlet, or if we, in our sole judgment, believe that you are not sufficiently trained in the operation of a Tide Cleaners Outlet, then we may provide additional training at the end of the initial training program at our then applicable charges for your attendee(s) and our training personnel (collectively, the "Additional Training Fee"). We and you will jointly determine the duration of this additional training. However, if your designated attendees satisfactorily complete our initial training program (excluding the opening phase discussed below in Section 4.B) and you (or your Managing Owner) have not expressly informed us at the end of the program that you or they do not feel sufficiently trained in the operation of a Tide Cleaners Outlet, then your attendees will be deemed to have been trained sufficiently to operate a Tide Cleaners Outlet.

(4) Additional people beyond your two (2) designated attendees may attend initial training if you pay our then current training charge(s) for each additional attendee. You also agree to pay for all travel and living expenses that you (or your Managing Owner),

your designated attendees, owners and other employees incur and for their wages and workers' compensation insurance while they attend any training program.

(5) You (or your Managing Owner) and designated attendees must complete the initial training program to our satisfaction before you open the Outlet for business. If we determine that you (or your Managing Owner) or one of your designated attendees cannot complete initial training to our satisfaction, we may terminate this Agreement.

B. **OPENING ASSISTANCE.**

(1) When the Outlet is ready to open for business, we will, send up to two (2) of our representatives to the Outlet for a period of approximately ten (10) to twelve (12) calendar days to assist with its opening. The number of representatives we send, and the duration of their assistance, will depend on our opinion of your ability, experience, and needs. You and your employees at the Outlet also must successfully complete this final phase of the initial training program.

(2) If you request, and we agree to provide, additional or special guidance, assistance, or training during this opening phase, you agree to pay our then applicable Additional Training Fee and other charges, including our personnel's travel and living expenses.

C. **ONGOING TRAINING.**

(1) We may require you (or your Managing Owner) and/or other previously trained and experienced employees to attend and satisfactorily complete various training courses that we periodically choose to provide at the times and locations that we designate including our quarterly webcasts via webinar. We may charge reasonable registration or similar fees for these courses. We will not require attendance for more than a total of ten (10) days during a calendar year. You agree to pay all travel and living expenses which you and your employees incur during all training courses and programs.

(2) Besides attending these courses, you agree to send at least two (2) representatives (which can be you (if you are an individual) or your Managing Owner (if you are an Entity) and one of your manager-level employees) to attend annual and/or regional conventions and meetings at a location we designate. Attendance will not be required at a convention for more than three (3) days during any calendar year. We may charge reasonable registration fees for these conventions. You agree to pay all costs incurred by your representatives to attend the conventions.

(3) You agree to assist us in training other Tide Cleaners Outlet franchise owners. We will reimburse your out-of-pocket expenses for providing this assistance as we may direct.

(4) You understand and agree that any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue and modify at any time and from time to time.

(5) If we conduct an assessment and your Outlet does not meet our operating standards and requirements, then in addition to your agreement to remedy all of the deficiencies found, we will have the right to conduct additional assessments and to conduct additional training for you at your Outlet, and you agree to pay our then-current training fee (presently, Five Hundred Dollars ($500) per day per trainer) for such training (plus reasonable travel expenses).

D. **GENERAL GUIDANCE.**

We will advise you, at any time and from time to time, regarding the Outlet's operation based on your reports or our assessments and will guide you with respect to: (1) standards, specifications, and operating procedures and methods that Tide Cleaners Outlets use; (2) purchasing required and authorized Operating Assets, Proprietary Products, and other items; (3) advertising and marketing materials and programs; (4) supervisory employee training methods and procedures (although you are solely responsible for the terms and conditions of employment of all Outlet employees); and (5) administrative, bookkeeping, accounting, and inventory control procedures.

We will guide you in our Business Reference Manual(s) (collectively, the "Business Reference Manual"); in bulletins, broadcast communications or other written materials; by electronic media; by telephone consultation; and/or at our office or the Outlet. If you request, and we agree to provide, additional or special guidance, assistance, or training, you agree to pay our then applicable charges, including our personnel's per diem charges and travel and living expenses.

E. **BUSINESS REFERENCE MANUAL.**

We agree to provide you with access to one (1) copy of our Business Reference Manual before the starting date of the initial training program for the duration of the Term and at no additional charge to you. The Business Reference Manual could include audio/video recordings, electronic media, and/or written materials, and contains mandatory and suggested specifications, standards, operating procedures, and rules ("System Standards") that we periodically specify for operating a Tide Cleaners Outlet and information on your other obligations under this Agreement. We may modify the Business Reference Manual periodically to reflect changes in System Standards.

We and you agree that any materials or guidance that we provide with respect to employment-related policies or procedures, whether in the Business Reference Manual or otherwise, are solely for your optional use. Any such materials or guidance do not form part of the System Standards. You will determine to what extent, if any, these materials or guidance should apply to your employees and Outlet operations. We and you recognize that we neither dictate nor control labor or employment matters for franchisees and their employees and we are not responsible for the safety and security of Tide Cleaners Outlet employees or customers. You are solely responsible for determining the terms and conditions of employment for your employees and for all decisions concerning the hiring, firing and discipline of your employees, and for all other aspects of the Outlet's labor relations and employment practices.

At our option, we may post some or all of the Business Reference Manual on a restricted website or intranet to which you will have access. If we do so, you agree to monitor and access the website or intranet for any updates to the Business Reference Manual or System Standards. We or our designee will periodically notify you electronically about updates, changes, or deletions to the content posted on the restricted website or intranet. Any passwords or other digital identifications necessary to access the Business Reference Manual on a website or intranet will be deemed to be part of Confidential Information (as defined in Section 7).

You agree to keep your copy of the Business Reference Manual current and communicate all updates to your employees in a timely manner. You agree to keep all parts of the Business Reference Manual in a secure location and restrict access to any passwords we provide to you or you develop for accessing the Business Reference Manual. If there is a dispute over its contents, our master copy of the Business Reference Manual controls. You agree that the Business Reference Manual's contents are confidential and that you will not disclose the Business Reference Manual to any person other than Outlet employees who need to know its contents. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Business Reference Manual without our prior written consent.

F. DELEGATION OF PERFORMANCE.

You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement.

5. MARKS.

A. OWNERSHIP AND GOODWILL OF MARKS.

Our affiliate and/or designated third-party licensors have assigned ownership or granted licensing rights in the Marks to us to use in connection with the franchising, development, and operation of Tide Cleaners Outlets. We hereby grant you a sublicense to use the Marks in operating the Outlet in accordance with the terms and conditions of this Agreement. Your right to use the Marks is derived only from this Agreement and is limited to your operating the Outlet according to this Agreement and all System Standards we prescribe during its Term. Your unauthorized use of the Marks is a breach of this Agreement and infringes our, our affiliate's and/or licensor's rights in the Marks. You acknowledge and agree that your use of the Marks and any goodwill established by that use are exclusively for our and their benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the Outlet under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional proprietary trade and service marks we authorize you to use. You may not at any time during or after this Agreement's Term contest or assist any other person in contesting the validity, or our and our affiliate's ownership, of the Marks.

B. **LIMITATIONS ON YOUR USE OF MARKS.**

You agree to use the Marks as the Outlet's sole identification, except that you agree to identify yourself as its independent owner in the manner we prescribe. You may not use any Mark in any of the following ways: (1) as part of any corporate or legal business name; (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you); (3) in selling any unauthorized services or products; (4) as part of any domain name, homepage, electronic address, or otherwise in connection with a website; or (5) in any other manner that we have not expressly authorized in writing.

You may not use any Mark in advertising the transfer, sale, or other disposition of the Outlet or an ownership interest in you without our prior written consent, which we will not unreasonably withhold. You agree to display the Marks prominently as we prescribe at the Outlet and on forms, advertising, supplies, and other materials we designate. You agree to give the notices of trade and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

C. **NOTIFICATION OF INFRINGEMENTS AND CLAIMS.**

You agree to notify us immediately in writing of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark (or any identical or confusingly similar trademark) or claim of unfair competition relating to any Mark. You agree not to communicate with any person other than us and our licensor, their respective attorneys, and your attorneys regarding any infringement, challenge or claim. We and our licensor may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. You agree to sign any documents and take any other reasonable action that, in the opinion of our (or our licensor's) attorneys, are necessary or advisable to protect and maintain our (and our licensor's) interests in any litigation or U.S. Patent and Trademark Office or other proceeding or otherwise to protect and maintain our (and our licensor's) interests in the Marks. We will reimburse you for your costs of taking any action that we have asked you to take.

D. **DISCONTINUANCE OF USE OF MARKS.**

If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for any of your expenses in complying with these directions (such as the costs of changing the Outlet's signs), for any loss of revenue due to any modified or discontinued Mark, or for any of your expenses of promoting a modified or substitute trademark or service mark.

Our rights in this Section 5.D apply to any and all of the Marks (and any portion of any Mark) that we authorize you to use in this Agreement. We may exercise these rights at any time and for any reason, business or otherwise, that we think best. You acknowledge both our right to take this action and your obligation to comply with our directions.

E. **REIMBURSEMENT FOR DAMAGES FROM USE OF MARKS.**

We agree to reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark that we or our affiliates own, and for all costs and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark that a third party owns, under this Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding. At our option, we may defend and control the defense of any proceeding arising from your use of any Mark under this Agreement.

6. **PATENTS.**

A. **OWNERSHIP AND LICENSE OF PATENTS.**

We, our affiliates, and/or designated third parties own, license, or sublicense patents directed to and covering aspects of the Proprietary Products and the Proprietary Processes for use in connection with the development and operation of Tide Cleaners Outlets (collectively, the "Patents"). We grant to you under the Patents a license on a non-exclusive and non-transferable basis (subject to the provisions of Section 14 below concerning transfer) to practice the Proprietary Processes and use and sell the Proprietary Products therein described and claimed within your Territory in order to permit you to operate the Outlet according to this Agreement and all System Standards.

B. **LIMITATIONS ON YOUR USE OF PROPRIETARY PRODUCTS AND PROPRIETARY PROCESSES.**

(1) You have no right to further sublicense the Patents. Your license to use the Patents remains in effect only during the Term of this Agreement. However, should one (1) or more individual Patents lapse or expire, the license with respect to each individual patent that lapses or expires will terminate upon the lapse or expiration of that specific patent.

(2) You have no rights in any Patents owned by us, our affiliates, or designated third parties beyond those described in this Agreement or that we include in the Business Reference Manual or other communications to you regarding System Standards. We, our affiliates and/or designated third parties have no obligation to obtain a patent on any pending patent application that may be included in the Patents, or to maintain any Patent in force.

(3) Your unauthorized use of the Patents is a breach of this Agreement and infringes our, our affiliates' and designated third parties' rights in the Patents. All provisions of this Agreement relating to the Patents apply to any additional patents we or they may sublicense to you.

(4) You agree to comply with our instructions on marking any licensed Patents, or similar registrations, on any Proprietary Products in order to preserve all rights and remedies available to us, our affiliates, and designated third parties under law.

C. **NOTIFICATION OF INFRINGEMENTS AND CLAIMS.**

You agree to notify us immediately in writing of any apparent infringement of any Patent, or challenge to your use of any of the Proprietary Products or Proprietary Processes, and not to communicate with any person other than us and our affiliates and designated third parties, their respective attorneys, and your attorneys regarding any infringement, challenge, or claim. We, or our affiliates and designated third parties, may take the actions we deem appropriate (including no action) and exclusively control any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Patent or the use of any of the Proprietary Products or Proprietary Processes. You agree to sign any documents and take any other reasonable action that, in the opinion of our attorneys (and the attorneys of our affiliates and designated third parties), are necessary or advisable to protect and maintain our (and our affiliates' and designated third parties') interests in any litigation, U.S. Patent and Trademark Office action or other proceeding or otherwise to protect and maintain our, our affiliates' and/or designated third parties' interests in the Patents or in the Proprietary Products or Proprietary Processes. We will reimburse you for your costs of taking any action that we have asked you to take. We, or our affiliates or designated third parties, will retain all damages recovered for any infringements of the Patents.

D. **DISCONTINUANCE OF USE OF PROPRIETARY PRODUCTS AND PROPRIETARY PROCESSES.**

If it becomes advisable at any time for us and/or you to modify or discontinue using any of the Proprietary Products or Proprietary Processes under the Patents licensed herein, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for any of your expenses in complying with these directions (such as the costs of modifying, updating, or changing any of these items) or for any loss of revenue due to any modification or discontinuation in their use. Our rights in this Section 6.D apply to all of the Proprietary Products and Proprietary Processes that we authorize you to use under the Patents in connection with the Franchise System. We may exercise these rights at any time and for any reason, business or otherwise, that we think best. You acknowledge both our right to take this action and your obligation to comply with our directions.

E. **DISCLAIMERS ON PRACTICE OF PATENTS.**

Neither we nor our affiliates warrant the validity of any of the licensed Patents. Neither we nor they warrant (whether expressly or impliedly) that the practice of the licensed Patents is not currently limited, or will not be limited in the future, by the intellectual property rights of third parties. At our option, we may defend and control the defense of any proceeding arising from your use of any Proprietary Product or Proprietary Process under the licensed Patents, but we are not obligated to provide indemnification.

7. **CONFIDENTIAL INFORMATION.**

We possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law, relating to developing and operating Tide Cleaners Outlets ("Confidential Information"), including:

(1) site selection criteria;

(2) formulas and related information regarding Proprietary Products, Proprietary Processes, Patents, and related know-how;

(3) training and operations materials and manuals;

(4) contracts, agreements, documents, correspondence, and other materials relating to the Franchise System or your operation of the Outlet;

(5) methods, formats, specifications, standards, systems, procedures, products, forms, document terms, sales and marketing techniques, knowledge, and experience used in developing and operating Tide Cleaners Outlets;

(6) marketing and advertising programs for Tide Cleaners Outlets;

(7) knowledge of specifications for and suppliers of Operating Assets, Proprietary Products, Proprietary Processes, and other products, services, supplies and equipment;

(8) any computer software or similar technology which is proprietary to us or the Franchise System, including digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;

(9) knowledge of the operating results and financial performance of Tide Cleaners Outlets other than the Outlet;

(10) graphic designs and related intellectual property; and

(11) other non-public information relating to the TDC franchise opportunity that was disclosed to you on a confidential basis, or under a confidentiality agreement with us, our affiliates, or a designated third party, prior to the Effective Date of this Agreement.

You acknowledge and agree that you will not acquire any interest in Confidential Information, other than the right to use it as we specify in operating the Outlet during this Agreement's Term, and that Confidential Information is proprietary, includes our and our affiliates' trade secrets, and is disclosed to you only on the condition that you agree, and you in fact do agree, that you:

(a) will not disclose or use Confidential Information in any other business or capacity;

(b) will keep each item deemed to be part of Confidential Information absolutely confidential, both during this Agreement's Term and then thereafter for as long as the item is not generally known in the dry cleaning and laundered garment industry or consumer products industry;

(c) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form;

(d) will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including restricting its disclosure only to those Outlet personnel and others having a need to know such Confidential Information and using non-disclosure and non-competition agreements with those having access to Confidential Information. We have the right to regulate the form of agreements that you use and to be a third party beneficiary of those agreements with independent enforcement rights; and

(e) will not sell, trade or otherwise profit in any way from Confidential Information, except during the Term in accordance with this Agreement.

Confidential Information does not include information, knowledge, or know-how that: (i) you can demonstrate lawfully came to your attention before we provided it to you directly or indirectly; or (ii) at the time we disclosed it to you, already had lawfully become generally known in the dry cleaning and laundry industry or consumer products industry through publication or communication by others (without violating an obligation to us or our affiliates); or (iii) after we disclose it to you, lawfully becomes generally known through publication or communication by others (without violating an obligation to us or our affiliates). However, if we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled.

All ideas, concepts, inventions, techniques, information, or materials relating to a Tide Cleaners Outlet ("Innovations"), whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property and part of the Franchise System. These Innovations include improvements to the Proprietary Products and Proprietary Processes that you, we, or designated third parties make during the Term and any and all Customer Data (as defined in Section 8) or other information relating to customers of the Outlet that you may obtain or develop for any reason. By this paragraph, you assign ownership of any Innovations, and all related rights to that Innovation, to us and agree to take whatever action (including signing assignment, foreign or domestic registrations, applications, or notifications, or other documents) we request to evidence our ownership or to help us obtain intellectual property rights in such Innovations. You may not use any Innovation in operating the Outlet or otherwise without our prior approval.

8. CUSTOMER DATA.

You must comply with any reasonable instructions by us regarding the organizational, physical, administrative and technical measures and security procedures to safeguard the confidentiality and security of the names, addresses, telephone numbers, e-mail addresses, dates of birth, demographic or related information, and credit card information of previous, current and prospective customers of the Outlet ("Customer Data") and, in any event, employ reasonable means to safeguard the confidentiality and security of Customer Data. You must comply with all applicable laws governing the use, protection, and disclosure of Customer Data. If there is a suspected or actual breach of security or unauthorized access involving Customer Data, you must

notify us immediately after becoming aware of such actual or suspected occurrence and specify the extent to which Customer Data was compromised or disclosed.

Subject to any applicable state or federal laws, you acknowledge and agree that we may access at any time and from time to time all Customer Data and records for the Outlet, including dates of transactions and assortments of garments dry cleaned at the Outlet, located on the Computer System. You further acknowledge and agree that we are the sole owners of Customer Data and that you may not distribute or sell, in any form or manner, Customer Data to any third party without our prior written consent. We and our affiliates may use Customer Data in our and their business activities, but during the Term we and our affiliates will not use the Customer Data that we or they learn from you or from accessing the Computer System to compete directly with the Outlet. Upon termination of this Agreement, we and our affiliates reserve the right to make any and all disclosures and use Customer Data in any manner that we or they deem necessary or appropriate.

9. EXCLUSIVE RELATIONSHIP.

You acknowledge that we have granted you the Franchise in consideration of and reliance upon your agreement to deal exclusively with us with respect to the products and services that Tide Cleaners Outlets offer. You therefore agree that, during the Term, neither you, nor any of your owners, nor any of your or your owners' spouses will:

(a) have any direct or indirect controlling or non-controlling interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business, wherever located or operating (except that equity ownership of less than two percent (2%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);

(b) perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating;

(c) divert or attempt to divert any actual or potential business or customer of the Outlet or any other Tide Cleaners Outlet to a Competitive Business; and/or

(d) engage in any other activity which might injure the goodwill of the Marks and Franchise System.

The term "Competitive Business" means: (i) any dry cleaning facility, laundry facility, or other business that includes among its services the cleaning of clothing, wearing apparel, household items, textile or fabrics and derives, or reasonably expects to derive, more than five percent (5%) of its revenue from selling dry cleaning, laundry, or related or derivative products or services; or (ii) any business granting franchises or licenses to others to operate the type of business specified in subparagraph (i) above (other than a Tide Cleaners Outlet operated under a franchise agreement with us).

You agree to obtain similar covenants from the personnel we specify, including officers, directors, managers and other employees attending our training program or having access to Confidential Information. We have the right to regulate the form of agreement that you use and to be a third party beneficiary of that agreement with independent enforcement rights.

10. **SYSTEM STANDARDS.**

A. **CONDITION AND APPEARANCE OF THE OUTLET.**

You agree that:

(1) you will maintain the condition, environment (including temperature control vital to the Franchise System), appearance, Operating Assets and Premises of the Outlet, and any permitted delivery vehicles, in accordance with System Standards and consistent with the image of a Tide Cleaners Outlet as an efficiently operated business offering high quality products and services and observing the highest standards of cleanliness, sanitation, efficient, prompt, courteous service and pleasant ambiance. Accordingly, you will take, without limitation, the following actions during the term of this Agreement: (a) thorough cleaning, repainting and redecorating of the interior and exterior of the Premises at intervals we prescribe; (b) interior and exterior repair of the Premises; and (c) repair or replacement of damaged, worn out or obsolete Operating Assets;

(2) you will place or display at the Premises (interior and exterior) and on any permitted delivery vehicles only those signs (including neon), emblems, designs, artwork, lettering, logos, and display and advertising materials that we may at any time, and from time to time, approve;

(3) if at any time in our reasonable judgment, the general state of repair, appearance or cleanliness of the Premises of the Outlet or its fixtures, furnishings, equipment or signs does not meet our standards, we have the right to notify you and specify the action(s) you must take to correct the deficiency. If you do not initiate appropriate action(s) to correct such deficiencies within ten (10) days after you receive our notice, and then continue, in good faith and with due diligence, a bona fide program to complete any required maintenance or refurbishing, then we have the right, in addition to all other remedies, to enter the Premises or the Outlet and perform any required maintenance or refurbishing on your behalf, and you agree to reimburse us on demand for any expenses we incur in that connection; and

(4) on notice from us, you agree to remodel, expand, redecorate, re-equip and/or refurnish the Premises and the Outlet to reflect changes in the operations of Tide Cleaners Outlets that we prescribe and require of new franchisees.

B. **OUTLET SERVICES, PRODUCTS, SPECIFICATIONS, STANDARDS AND PROCEDURES.**

You agree that: (1) the Outlet will offer for sale all products and services that we specify from time to time, and will only use Proprietary Products and Proprietary Processes and other cleaning methods or supplies that we have periodically specified or approved; (2) the Outlet will

offer and sell approved products and services only in the manner we have prescribed; (3) you will not offer for sale or sell at the Outlet, the Premises or any other location or through Delivery Services any products or services we have not approved; (4) all products will be offered and sold only at retail prices and from the Premises, and you will not offer or sell any products at wholesale prices; (5) you will discontinue selling and offering for sale any products or services that we at any time decide (in our sole judgment) to disapprove in writing; and (6) that we have a right to receive information about the Outlet's operations directly from any designated or approved supplier with whom you contract, deal, or otherwise arrange to receive products or services related to the Outlet's operation, including but not limited to inventory and purchasing records concerning the Outlet's materials usage, and that you expressly acknowledge our right hereunder by signing the attached **Exhibit C** in conjunction with this Agreement.

C. APPROVED PRODUCTS, DISTRIBUTORS AND SUPPLIERS.

We have developed or may develop and periodically modify standards and specifications for types, models and brands of required Operating Assets, Proprietary Products, other products, agents, solvents, detergents, materials, signage, uniforms, and supplies. We reserve the right at any time and from time to time to approve specifications or suppliers and distributors of the above products that meet our reasonable standards and requirements. If we do so, you agree to purchase only such products meeting those specifications, and if we require it, only from distributors and other suppliers we have approved, which might include or be limited to us or our affiliates.

We may designate a single distributor or supplier (collectively "supplier") for any product, service, equipment, supply or material and may approve a supplier or distributor only as to certain products, services, equipment, supplies or materials. The designated supplier may be us, one of our affiliates, or a designated third party. Unless we specify otherwise, you agree to purchase from us, our affiliate, or our designated suppliers all cleaning products, agents, equipment, technologies, detergents, video recordings, DVDs and/or other electronic media, and other consumer products used at, used by, or available for sale at the Outlet if we or they manufacture, distribute, or can otherwise provide such products.

We and our affiliates may receive payments from suppliers on account of such suppliers' dealings with you and other franchise owners, and may use any amounts so received without restriction and for any purpose we and our affiliates deem appropriate. We or our affiliates may concentrate purchases with one or more suppliers or distributors to obtain lower prices or the best advertising support or services for any other reason. Our approval of a supplier or distributor may be conditioned on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier or distributor from time to time.

If you would like to purchase any items we prescribe from any unapproved supplier or distributor, you must submit to us a written request for approval of the proposed supplier or distributor. We may approve, or deny approval of, your request at our sole option, using our or our affiliate's corporate evaluation process, and will notify you of our approval or disapproval within thirty (30) days of our receipt of your written request. We have the right to inspect the proposed supplier's or distributor's facilities, and to require product samples from the proposed

supplier or distributor to be delivered, at our option, either directly to us or to any independent, certified laboratory that we designate for testing. Either you or the proposed supplier or distributor must pay us a fee (not to exceed the reasonable cost of the inspection and the actual cost of the test) to make the evaluation. We reserve the right to periodically re-inspect the facilities and products of any approved supplier or distributor and to revoke our approval if the supplier or distributor does not continue to meet any of our criteria. We also reserve the right to charge manufacturers or suppliers a royalty fee for the right to manufacture products for use in Tide Cleaners Outlets. If we approve any supplier or distributor you recommend from which you purchase or lease any items or other products or services, you agree that we are authorized to allow other Tide Cleaners Outlets to purchase or lease any items or other products or services from these suppliers or distributors, without limitation, and without compensation to you. Notwithstanding the foregoing, we may limit the number of approved suppliers and/or distributors with whom you may deal, designate sources that you must use, and/or refuse any of your requests for any reason, including that we have already designated any exclusive source (which might be us or our affiliate) for a particular item or service or if we believe that doing so is in the best interests of the Tide Cleaners Outlet franchise network.

We and our affiliates have developed or acquired the right to use specially formulated and prepared Proprietary Products for use in the operation of Tide Cleaners Outlets. You must use only the Proprietary Products and we will not approve any other products as substitutes or replacements for the Proprietary Products. Currently, you must purchase certain Proprietary Products we designate from us or our affiliate or a designated third party.

D. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.

You must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Outlet and must operate the Outlet in full compliance with all applicable laws, ordinances and regulations, including government regulations relating to occupational hazards, health, environment, worker's compensation and unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes. All advertising and promotion by you must be completely factual and must conform to the highest standards of ethical advertising. The Outlet must in all dealings with its customers, suppliers, us and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to our business and the goodwill associated with the Marks, the Franchise System, and other Tide Cleaners Outlets. You must notify us in writing within five (5) days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect your operation or financial condition or that of the Outlet and of any notice of violation of any law, ordinance, or regulation relating to the Outlet.

E. MANAGEMENT OF THE OUTLET/CONFLICTING INTERESTS.

Except as provided below, you (or your Managing Owner) must act as the general manager of the Outlet with responsibility for direct, on-Premises supervision of the Outlet. You must keep us informed at all times of the identity of any supervisory employee(s) acting as assistant manager(s) of the Outlet. You (or your Managing Owner) must devote full time and efforts to the

management and supervision of the Outlet. However, if the Outlet is one of multiple Tide Cleaners Outlets that you (or your affiliates) own, or if we otherwise allow (in our sole judgment) upon your written request, then you may operate the Outlet under the direct on-Premises supervision of a general manager we have approved and who has completed our required initial training programs (including any replacement general manager during the Term).

F. **INSURANCE.**

During the Term, you must maintain in force at your sole expense comprehensive public liability, general liability, product liability and motor vehicle liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in connection with the Outlet's operation, all containing the minimum liability coverage we periodically specify. Such insurance coverage may specifically include auto insurance on a TDC-branded vehicle that you may acquire for Delivery Services, promotional events, or other business activities in connection with the Outlet. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverages (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. These insurance policies must name us and any affiliates we designate as additional named insureds and provide for thirty (30) days' prior written notice to us of a policy's material modification, cancellation or expiration. You routinely must furnish us copies of your certificates of insurance or other evidence of your maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may (but need not) obtain such insurance for you and the Outlet on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining such insurance.

G. **PRICING.**

We reserve the right, at any time and from time to time, to establish, and you agree to comply with, all maximum, minimum, or other pricing requirements on prices that you may charge for products or services to the fullest extent allowed by applicable law.

H. **DELIVERY SERVICES.**

As long as you or your affiliates operate a Plant Store Outlet that has been open for at least six (6) months, you may offer and provide remote pick-up, delivery, or similar services (collectively, "Delivery Services") in connection with the Outlet. You must (a) comply with our System Standards and other standards that we periodically specify relating to Delivery Services; and (b) provide Delivery Services directly to end user customers only through your employees, and you may not use independent contractors to provide those services. You may provide Delivery Services only within the Territory for your Outlet (unless we specify a smaller area in writing). You acknowledge and agree that we may, at any time and from time to time, and for any or no reason, change the definition of the delivery area and, in particular, reduce its size. If we ever decide to do so, you agree immediately to provide Delivery Services only within the newly-defined delivery area (if any). If you fail to do so, then in addition to our other rights and remedies, we

may immediately terminate your right to provide any Delivery Services anywhere. You further acknowledge and agree that the delivery area is not exclusive and that we may engage, and/or allow other franchisees and third parties to engage, in any activities we desire within the delivery area without any restrictions whatsoever, except as expressly set forth in Section 1.E. We also have the right to review requests for delivery outside the defined delivery area and may, on a temporary basis, give our approval for those delivery services or revoke our approval (which will be written). We will not be liable for any reduction in your sales as a result of these activities.

I. COMPLIANCE WITH SYSTEM STANDARDS.

You acknowledge and agree that operating and maintaining the Outlet according to System Standards are essential to preserve the goodwill of the Marks and all Tide Cleaners Outlets. Therefore, you agree at all times to operate and maintain the Outlet according to all of our System Standards, however communicated to you in writing or another tangible form (for example, as presented in the Business Reference Manual or via the Franchise System intranet or website) and as we periodically modify and supplement them, even if you believe that a System Standard, as originally issued or subsequently modified, is not in the Franchise System's or the Outlet's best interests. Although we retain the right to establish and periodically modify System Standards that you have agreed to maintain, you retain the right to and responsibility for the day-to-day management and operation of the Outlet and implementing and maintaining System Standards at the Outlet.

As examples, and without limitation, System Standards may regulate any one or more of the following, in addition to the items described in Sections 10.A through 10.H above:

(1) purchase, storage, preparation, handling, and packaging procedures and techniques for Proprietary Products and other products and supplies; and inventory requirements for Proprietary Products and other products and supplies so that the Outlet may operate at full capacity;

(2) terms and conditions of the sale and delivery of, and terms and methods of payment for, Proprietary Products and other products and services that you obtain from us and affiliated and unaffiliated suppliers, including your obligation to purchase and use, to the maximum extent possible, only products marketed under trademarks that we or our affiliates own (whether or not you acquire such branded products from us, our affiliates, a designated third party supplier, or a third party supplier you choose) as we may prescribe; and our and our affiliates' right not to sell you any Proprietary Products or other products, or to provide you with services, or to do so only on a "cash-on-delivery" or other basis, if you are in default under any agreement with us;

(3) Delivery Services (as provided in Section 10.H), including your obligation to deliver products and services to customers in your delivery area only with your own employed delivery drivers in compliance with our procedures and not through third-party delivery services or systems; driver qualifications; and your obligation to total and account for (in the manner we specify) Delivery Services charges not included in the price of the Outlet's products and services;

(4) sales, marketing, advertising, customer relations, and promotional programs, including any materials and media used in these programs;

(5) use and display of the Marks at the Outlet and on delivery vehicles, price boards, plastic garment coverings, laundry bags, labels, forms, paper and plastic products, and other supplies or services used at or by the Outlet;

(6) issuing and honoring gift certificates, gift cards and other payment mechanisms;

(7) manner of identifying the Outlet's personnel and employee training, dress, and appearance. However, you have sole responsibility and authority for your labor relations, including, among other things, employee selection, promotion, termination, hours worked, rates of pay, benefits, work assigned, and working conditions. Your employees are under your day-to-day control at the Outlet. You must communicate clearly with your employees in your employment agreements, human resource manuals, written and electronic correspondence, paychecks, and other materials that you (and only you) are their employer and that we, as the franchisor of Tide Cleaners Outlets, are not their employer and do not engage in any employer-type activities (including those described above) for which only franchisees are responsible. Any information we provide concerning employment-related policies and procedures, or relating to the terms and conditions of employment for Tide Cleaners Outlet employees, is for your optional use;

(8) days and hours of operation, including restrictions and policies governing operation or temporary closing of the Outlet during periods of inclement weather;

(9) participation in market research and testing and product and service development programs as well as participation in, and dues assessed for, advisory councils;

(10) accepting credit and debit cards, other payment systems, and check verification services;

(11) bookkeeping, accounting, data processing, and recordkeeping systems and forms; formats, content, and frequency of reports to us of sales, revenue, financial performance, and condition; and giving us copies of tax returns and other operating and financial information concerning the Outlet;

(12) the provision of efficient, courteous, competent, prompt, and high-quality service to the public;

(13) customer service programs, mystery shopper programs, and customer complaints and resolution programs (including reimbursing dissatisfied customers for their reasonable costs of patronage at the Outlet and participating in other customer-satisfaction programs in the manner we periodically specify); and

(14) any other aspects of operating and maintaining the Outlet that we determine to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks and Tide Cleaners Outlets.

J. MODIFICATION OF SYSTEM STANDARDS.

We periodically may modify System Standards, which may accommodate regional or local variations, and these modifications may obligate you to invest additional capital in the Outlet and/or incur higher operating costs. You agree to implement any changes in System Standards within the time period we request, whether they involve refurbishing or remodeling the Premises or any other aspect of the Outlet, buying new Operating Assets, adding new products and services, or otherwise modifying the nature of your operations, as if they were part of this Agreement as of the Effective Date.

11. MARKETING.

A. NEW STORE MARKETING.

At least ninety (90) days before the earlier of (i) the scheduled opening date, or (ii) the actual opening date if you plan to open the Outlet earlier than scheduled, you must pay us a lump-sum, non-refundable amount we specify, which currently is Twenty-Five Thousand Dollars ($25,000), that we will expend on your behalf for advertising and promotion of the Outlet during a new store opening period that we designate (the "New Store Marketing Expense"). The new store opening period typically covers from one (1) month before through three (3) months after the Opening Date (or up to about four (4) total months), subject to changes we may allow based on the particular market area or other unique circumstances of the Outlet, including our approval of an advanced written request that you may submit to us requesting such a change. You agree to comply with our then current guidelines and payment terms in connection with this grand opening advertising program.

B. ADVERTISING AND DEVELOPMENT FUND.

Recognizing the value of advertising and marketing to the goodwill and public image of Tide Cleaners Outlets, we have established a centralized Advertising and Development Fund (the "Fund") for the advertising, marketing, and public relations programs and materials we deem appropriate. You agree to contribute to the Fund the amount(s) that we specify from time to time (the "Contribution"), which currently equals two percent (2%) of the Outlet's Net Sales for the previous week, payable at the same time and in the same manner as the Royalty or in such other manner as we periodically specify. Tide Cleaners Outlets that we or our affiliates own will contribute to the Fund on the same basis as franchisees.

We have the right to collect for deposit into the Fund any advertising, marketing, or similar allowances paid to us by suppliers who deal with Tide Cleaners Outlets and with whom we have agreed that we will so deposit these allowances. (These payments are different from those which are not designated by suppliers to be used exclusively for advertising or similar purposes and which we and our affiliates therefore may use for any purposes we and they deem appropriate, as provided in Section 10.C above).

We will direct all programs that the Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining an electronic commerce website

and/or related strategies; taxes on Fund contributions; administering regional, multi-regional and/or national marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities.

The Fund periodically will give you samples of advertising, marketing, and promotional formats and materials at no cost. We will sell you multiple copies of these materials at our direct cost of producing them, plus any related shipping, handling, and storage charges.

We will account for the Fund separately from our other funds and not use the Fund for any of our general operating expenses. However, we may use the Fund to pay the reasonable salaries and benefits of personnel who manage and administer the Fund, the Fund's other administrative costs, travel expenses of personnel while they are on Fund business, meeting costs, overhead relating to Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Fund and its programs, including conducting market research, public relations, preparing advertising, promotion, and marketing materials, and collecting and accounting for Contributions.

The Fund will not be our asset. Although the Fund is not a trust, we will hold all Contributions for the benefit of the contributors and use Contributions only for the purposes described in this Section 11.B. We do not owe any fiduciary obligation to you for administering the Fund or any other reason. The Fund may spend in any fiscal year more or less than the total Contributions in that year paid by all Tide Cleaners Outlet franchisees and Tide Cleaners Outlets that we own, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. If the Fund spends more than the total amounts available in a given year (regardless of when those amounts accrued), the Fund may repay the difference plus reasonable interest to us (or another entity that covered the deficit) using Contributions received by the Fund in the following or later year. We will use all interest earned on Contributions to pay costs before using the Fund's other assets.

We will prepare an annual, unaudited statement of Fund collections and expenses and give you the statement upon written request. We may (but are not required to) have the Fund audited annually, at the Fund's expense, by an independent certified public accountant. We may incorporate the Fund or operate it through a separate entity whenever we deem appropriate, in which case the successor entity will have all of the rights and duties specified in this Section 11.B.

We intend the Fund to maximize recognition of the Marks and patronage of Tide Cleaners Outlets. Although we will try to use the Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, in a manner that will benefit all Tide Cleaners Outlets, we need not ensure that Fund expenditures in or affecting any geographic area are proportionate or equivalent to contributions made by Tide Cleaners Outlets operating in that geographic area, or that any individual Tide Cleaners Outlet benefits directly (or in proportion to its contribution) from the development of advertising and marketing materials and/or the placement of advertising and marketing.

We have the right, but no obligation, to use collection agents and institute legal proceedings to collect contributions at the Fund's expense. We also may forgive, waive, settle, and compromise any claims by or against the Fund. Except as expressly provided in this Section 11.B, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Fund.

We may at any time defer or reduce contributions of a Tide Cleaners Outlet franchise owner and, upon thirty (30) days' prior written notice to you, reduce or suspend contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Fund. If we terminate the Fund, we will distribute all unspent monies to our franchise owners, and to us and our affiliates, in proportion to their and our respective contributions during the preceding twelve (12) month period.

C. **YOUR LOCAL MARKETING.**

You agree to list and advertise the Outlet in at least one (1) recommended telephone directory within the Outlet's market area (in the business classifications we prescribe from time to time) and to use an approved form of telephone directory advertisement. If other Tide Cleaners Outlets are located within the directory's distribution area, we may require you to participate in a collective telephone directory advertisement with those other Tide Cleaners Outlets and to pay your share of that collective advertisement.

In addition to your new store opening obligations in Section 11.A above and your Fund Contribution obligations in Section 11.B above, you agree to spend at least two percent (2%) of the Outlet's Net Sales to advertise and promote your Outlet (this may include the costs of phone listings) (the "Local Advertising Expenditures"), provided that your Local Advertising Expenditures may be offset (whether partially or fully, as applicable) by the amount of the applicable Co-op Dues (as defined in Section 11.D), if any, that you must pay pursuant to Section 11.D. Within thirty (30) days after the end of each month, you agree to send us, in the manner we prescribe, an accounting of your expenditures for local advertising and promotion during the preceding month. Effective on thirty (30) days' advance written notice to you, we may require you to pay all or a portion of your Local Advertising Expenditures to us and we will use these funds to advertise and promote your Outlet.

Your local advertising and promotion must follow our guidelines. All advertising and promotional materials that you develop for your Outlet must contain notices of our website's domain name in the manner we designate. You may not develop, maintain, or authorize any website that mentions or describes you or the Outlet or displays any of the Marks. You agree that your advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time.

If you are not using approved marketing materials from our marketing platform, then before you use them, you agree to send us or our designated agency, for our or its approval, physical samples of all advertising, promotional, and marketing materials which we have not prepared or previously approved. If you do not receive written approval within thirty (30) days after we or our designated agency receives the materials, they are deemed to be disapproved. You

may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved.

D. **COOPERATIVE ADVERTISING PROGRAMS.**

We may designate an Advertising Coverage Area ("ACA") — local or regional — in which Tide Cleaners Outlets are located in order to establish a cooperative advertising program ("Cooperative Program") for that ACA. An ACA is the area covered by the particular advertising medium recognized in the industry or as we may otherwise prescribe based on a Designated Marketing Area ("DMA") or other method. Franchise owners in the ACA will be required to participate in a Cooperative Program if one is established in that ACA. The members of the Cooperative Program in an ACA will be all of the Tide Cleaners Outlets located in that ACA, including those operated by us and our affiliates. Each Tide Cleaners Outlet participating in a Cooperative Program will have one (1) vote.

If a Cooperative Program is established for your ACA, you will be required to contribute, on a monthly basis, at least one percent (1%) of your Outlet's Net Sales for the prior month (the "Co-op Dues") to that ACA's Cooperative Program. Your actual Co-op Dues, and any increases in the amount of the Co-op Dues or changes in the applicable rules of contribution, will be determined by a vote of sixty-seven percent (67%) or more of all Tide Cleaners Outlets participating in the ACA's Cooperative Program, including any Tide Cleaners Outlets operated by us or our affiliates, subject to our approval. Any Co-op Dues you contribute will count toward the Local Advertising Expenditures you are required to spend under Section 11.C to promote the Outlet, but in no event will your amounts contributed to a Cooperative Program affect your new store opening financial and advertising obligations required under Section 11.A or your required Contributions to the Fund.

If your ACA's Cooperative Program votes to increase the Co-op Dues above two percent (2%) of your Outlet's Net Sales, and you fail or refuse to contribute the increased Co-op Dues to the ACA's Cooperative Program, the Cooperative Program may suspend your voting rights and other privileges relating to the Cooperative Program until you begin contributing the increased Co-op Dues and pay all past due Co-op Dues.

12. **RECORDS, REPORTS, AND FINANCIAL STATEMENTS.**

You agree to establish and maintain at your own expense a bookkeeping, accounting, and recordkeeping system conforming to the requirements and formats we specify from time to time. We may require you to use a Computer System to maintain certain sales data, Customer Data, and other information and to report such information to us via a website or other means. You agree to give us in the manner and format that we prescribe from time to time:

(a) on or before Wednesday of each week, a report on the Outlet's Net Sales during the week ending on the preceding Saturday, should we so request, in lieu of extracting such data from the Computer System;

(b) within fifteen (15) days after the end of each calendar month, the operating statements, financial statements, statistical reports, purchase records, and other information

we request regarding you and the Outlet covering the previous calendar month and the fiscal year to date;

(c) by April 15th of each year, annual profit and loss and source and use of funds statements and a balance sheet for the Outlet as of the end of the prior calendar year;

(d) within ten (10) days after our request, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information we periodically require relating to the Outlet and the Franchise.

You agree to verify and sign each report and financial statement in the manner we periodically specify. We may disclose data derived from these reports, although we will not without your consent (unless required by law) disclose your identity in any materials that we circulate publicly. Moreover, we may, as often as we deem appropriate (including on a daily basis), access the Computer System and retrieve all information relating to the Outlet's operation, which may include all Customer Data or financial information available on the Computer System.

You agree to preserve and maintain all records in a secure location at the Outlet for at least three (3) years after the end of the fiscal year to which such records relate, or for such time as required by applicable law (including sales checks, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers). We may require you to have audited financial statements prepared annually during this Agreement's Term if we reasonably deem it necessary for purposes of verifying your compliance with this Agreement.

13. ASSESSMENTS, AUDITS, AND NOTIFICATION.

A. OUR RIGHT TO CONDUCT AN ASSESSMENT OF THE OUTLET.

To determine whether you and the Outlet are complying with this Agreement and all System Standards, we and our designated agents or representatives may at all times and without prior notice to you: (1) inspect the Outlet; (2) photograph the Outlet and observe and record the Outlet's operation for consecutive or intermittent periods we deem necessary; (3) remove samples of any products and supplies; (4) interview the Outlet's personnel and customers; (5) inspect and copy any books, records, and documents relating to the Outlet's operation; and (6) contact suppliers of products and services to the Outlet to obtain relevant information about the Outlet's operations, inventory and materials usage. You agree to cooperate with us fully. If we exercise any of these rights, we will not interfere unreasonably with the Outlet's operation. Without limiting our other rights and remedies under this Agreement, you agree promptly to correct at your own expense all failures to comply with this Agreement (including any System Standards) that our agents or representatives note within the time period we specify following your receipt of our notice. We then may conduct one or more follow-up assessments to confirm that you have corrected these deficiencies and otherwise are complying with this Agreement and all System Standards. We may charge you an assessment fee to compensate us for our costs and expenses during any such follow-up assessment or any assessment that you request.

B. **OUR RIGHT TO AUDIT.**

To determine whether you and the Outlet are complying with this Agreement, we may at any time during your business hours, and without prior notice to you, examine your and the Outlet's business, bookkeeping, and accounting records, sales and income tax records and returns, and other records. You agree to cooperate fully with our representatives and independent accountants in any examination. If any examination discloses an understatement of the Outlet's Net Sales, you agree to pay us, within fifteen (15) days after receiving the examination report, the Royalty and Fund Contributions due on the amount of the understatement, plus our interest in the amount of one and one-half percent (1.5%) per month (or prorated, as applicable) on the understated amounts from the date originally due until the date of payment. Furthermore, if an audit or other similar examination (collectively, for purposes of this paragraph, an "examination") is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals a Royalty or Fund Contribution understatement exceeding two percent (2%) of the amount that you actually reported to us for the period examined, you agree to reimburse us for the costs of the examination, including the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

C. **OUR RIGHT TO LENDER NOTIFICATION AND COMMUNICATION.**

You must send us current information regarding the name, address, and telephone number of any financial institution or other financier that provided or is providing the financing enabling you to purchase or operate the Outlet (each, a "Lender"), the name and telephone number of your contact at the Lender, and the updated terms of financing. You must also notify us in writing within five (5) days following (a) any change in the Lender's information, (b) the financing terms extended to you for the Outlet, or (c) any default by you under any agreement between you and the Lender. You further agree that we have the right to communicate with your Lender regarding any changes to the financing terms of the Outlet, any default by you under an agreement with the Lender, or any change in your financial condition, provided that we reasonably notify you of any such communications.

14. **TRANSFER.**

A. **BY US.**

You acknowledge that we maintain a staff to manage and operate the Franchise System and that staff members can change as employees come and go. You represent that you have not signed this Agreement in reliance on any particular shareholder, director, officer, or employee remaining with us in that capacity. We may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. After our assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or other obligations under this Agreement. That assignment will constitute a release and novation with respect to this Agreement, and the new owner-assignee will be liable to you as if it had been an original party to this Agreement.

B. **BY YOU.**

You understand and acknowledge that the rights and duties this Agreement creates are personal to you (or, if you are an Entity, to your owners) and that we have granted you the Franchise in reliance upon our perceptions of your (or your owners') individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, none of the following may be transferred without our prior written approval: (i) this Agreement (or any interest in this Agreement); (ii) the Outlet (or any right to receive all or a portion of the Outlet's profits or losses or capital appreciation related to the Outlet); (iii) substantially all of the assets of the Outlet; (iv) any ownership interest in you (regardless of its size); or (v) any ownership interest in any of your owners (if such owners are legal entities). A transfer of the Outlet's ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Any transfer without our approval is a breach of this Agreement and has no effect. We will not unreasonably withhold, condition, or delay our approval of a proposed transfer that meets all of the requirements of Section 14 of this Agreement (including, without limitation, the conditions for our approval of transfer contained in Section 14.C below).

In this Agreement, the term "transfer" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition, and including the following events:

(a) transfer of ownership of capital stock, a partnership or membership interest, or another form of ownership interest;

(b) merger or consolidation or issuance of additional securities or other forms of ownership interest;

(c) any sale of a security convertible to an ownership interest;

(d) transfer of an interest in you, this Agreement, the Outlet or substantially all of its assets, or your owners in a divorce, insolvency, or entity dissolution proceeding or otherwise by operation of law;

(e) if you, your owners, or an owner of one of your owners dies, a transfer of an interest in you, this Agreement, the Outlet or substantially all of its assets, or your owner by will, declaration of or transfer in trust, or under the laws of intestate succession; or

(f) pledge of this Agreement (to someone other than us) or of an ownership interest in you or your owners as security, foreclosure upon the Outlet, or your transfer, surrender, or loss of the Outlet's possession, control, or management. You may grant a security interest (including a purchase money security interest) in the Outlet's assets (not including this Agreement) to a lender that finances your acquisition, development, and/or operation of the Outlet without having to obtain our prior written approval, provided that you give us ten (10) days' prior written notice.

C. **CONDITIONS FOR APPROVAL OF TRANSFER.**

If you (and your owners) are fully complying with this Agreement, then, subject to the other provisions of this Section 14, we will approve a transfer that meets all of the requirements in this Section 14.C, which approval we will not unreasonably withhold, condition, or delay.

If you are an entity, your owners may transfer a non-controlling ownership interest (as described in Section 19.K below) in you or your owners (determined as of the date on which the proposed transfer will occur) if: (1) the proposed transferee and its direct and indirect owners (if the transferee is an Entity) are of good character and otherwise meet our then applicable standards for Tide Cleaners Outlet franchise owners (including no ownership interest in or performance of services for a Competitive Business); and (2) you give us prior written notice of the transfer.

For any proposed transfer of this Agreement (or any interest in this Agreement), the Outlet (or any right to receive all or a portion of the Outlet's profits or losses or capital appreciation related to the Outlet), substantially all of the assets of the Outlet, or a controlling ownership interest (as described in Section 19.K below) in you or a transfer which is one of a series of transfers (regardless of the time period over which these transfers take place) which in the aggregate transfer a controlling ownership interest in you, all of the following conditions must be met before or concurrently with the effective date of the transfer:

(1) the transferee has sufficient business experience, aptitude, and financial resources to operate the Outlet;

(2) you have paid all Royalties, Fund Contributions and Co-op Dues, and other amounts owed to us, our affiliates, and third party vendors; have submitted all required reports and statements; and have not violated any provision of this Agreement, the Lease, or any other agreement with us or our affiliates during both the sixty (60) day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer;

(3) neither the transferee nor its owners (if the transferee is an Entity) or affiliates have an ownership interest (direct or indirect) in or perform services for a Competitive Business;

(4) the transferee (or its managing owner) satisfactorily completes our training program;

(5) your landlord allows you to transfer the Lease or sublease the Premises to the transferee;

(6) the transferee shall (if the transfer is of this Agreement), or you shall (if the transfer is of a controlling ownership interest in you), sign our then current form of franchise agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement, including the Royalty, Fund Contribution, Co-op Dues and Local Advertising Expenditures; provided, however, that the term of the new franchise agreement signed will equal ten (10) years as

long as the transferee may maintain possession of the Premises during that ten (10) year period;

(7) you or the transferee pays us a transfer fee equal to the amount we then charge for the transfer of a Tide Cleaners Outlet under our then current form of franchise agreement. The transfer fee is Seven Thousand Five Hundred Dollars ($7,500) as of the Effective Date, which may change over the Term. (The transferee will also be obligated to pay our then current fees for initial training and/or additional training programs that we may require its personnel to complete, as applicable, in accordance with the preceding subparagraph (4));

(8) you (and your transferring owners) sign a general release, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their respective shareholders, officers, directors, employees, and agents;

(9) we have determined that the purchase price and payment terms will not adversely affect the transferee's operation of the Outlet;

(10) if you or your owners finance any part of the purchase price, you and/or your owners agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in the Outlet are subordinate to the transferee's obligation to pay Royalties, Fund Contributions, and other amounts due to us, our affiliates, and third party vendors and otherwise to comply with this Agreement;

(11) (a) you have corrected any existing deficiencies of the Outlet of which we have notified you on a punchlist or in other communications, and/or (b) the transferee agrees (if the transfer is of this Agreement) to upgrade, remodel, and refurbish the Outlet in accordance with our then current requirements and specifications for Tide Cleaners Outlets within the time period we specify following the effective date of the transfer (we will advise the transferee before the effective date of the transfer of the specific actions that it must take and the time period within which such actions must be taken);

(12) you and your transferring owners (and your and your owners' spouses) will not, for two (2) years beginning on the transfer's effective date, engage in any of the activities proscribed in Section 17.D below; and

(13) you and your transferring owners will not directly or indirectly at any time or in any manner (except with respect to other Tide Cleaners Outlets you own and operate) identify yourself or themselves or any business as a current or former Tide Cleaners Outlet or as one of our franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of a Tide Cleaners Outlet in any manner or for any purpose; or utilize for any purpose any trade name, trade or service mark, or other commercial symbol that suggests or indicates a connection or association with us.

We may review all information regarding the Outlet that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us or that we have made regarding the Outlet.

D. **TRANSFER TO A WHOLLY-OWNED CORPORATION OR LIMITED LIABILITY COMPANY.**

Notwithstanding Section 14.C above, if you are fully complying with this Agreement, you may transfer this Agreement to a corporation or limited liability company which conducts no business other than the Outlet and, if applicable, other Tide Cleaners Outlets in which you maintain management control, and of which you own and control one hundred percent (100%) of the equity and voting power of all issued and outstanding ownership interests, provided that all of the Outlet's assets are owned, and the Outlet's business is conducted, only by that single corporation or limited liability company. The corporation or limited liability company must expressly assume all of your obligations under this Agreement. Transfers of ownership interests in the corporation or limited liability company are subject to Section 14.C. You agree to remain personally liable under this Agreement as if the transfer to the corporation or limited liability company did not occur.

E. **YOUR DEATH OR DISABILITY.**

(1) **Transfer Upon Death or Disability.** Upon your or your Managing Owner's death or disability, your or the Managing Owner's executor, administrator, conservator, guardian, or other personal representative must transfer your interest in this Agreement, or the Managing Owner's ownership interest in you, to a third party (which may be your or the Managing Owner's heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed nine (9) months from the date of death or disability, and is subject to all of the terms and conditions in this Section 14. A failure to transfer your interest in this Agreement or the Managing Owner's ownership interest in you within this time period is a breach of this Agreement.

The term "disability" means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent you or the Managing Owner from supervising the Outlet's management and operation.

(2) **Operation Upon Death or Disability.** Upon your or the Managing Owner's death or disability, your or the Managing Owner's executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, not to exceed thirty (30) days from the date of death or disability, appoint a manager for the Outlet whom we approve. The manager must complete a training program that we specify at your expense. A new Managing Owner acceptable to us also must be appointed for the Outlet, and that new Managing Owner must complete our then applicable initial training program (and other training we may specify) within six months (6) months after the date of death or disability.

If, in our judgment, the Outlet is not being managed properly at any time after your or the Managing Owner's death or disability, we may, but need not, assume the Outlet's management (or appoint a third party to assume its management). All funds from the Outlet's operation while it is under our (or the third party's) management will be kept in a separate account, and all expenses will be charged to this account. We may charge you (in addition to the Royalty, Fund Contributions, and other amounts due under this Agreement) Five Hundred Dollars ($500) per day, plus our (or the third party's) direct out-of-pocket

costs and expenses, if we (or a third party) assume the Outlet's management under this Section 14.E(2). We (or a third party) have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations the Outlet incurs, or to any of your creditors for any products, other assets, or services the Outlet purchases, while we (or a third party) manage it.

If we assume the Outlet's management (or appoint a third party to assume its management), we will operate the Outlet for up to ninety (90) days. We will periodically evaluate whether or not you, the Managing Owner, or an alternative approved manager is capable of resuming the Outlet's operation and will periodically discuss the Outlet's status with you or, if applicable, your heirs or personal representative.

F. **EFFECT OF CONSENT TO TRANSFER.**

Our consent to a transfer of this Agreement and the Outlet, or any interest in you or your owners, is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of the Outlet's or transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand the transferee's full compliance with this Agreement.

G. **OUR RIGHT OF FIRST REFUSAL.**

If you (or any of your owners) at any time determine to sell or transfer for consideration a controlling interest in this Agreement and the Outlet, or a controlling ownership interest in you (except to or among your current owners, which is not subject to this Section 14.G), in a transaction that otherwise would be subject to Sections 14.B and 14.C above, you (or your owners) agree to obtain from a responsible and fully disclosed buyer, and send us, a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating exclusively to an interest in you or in this Agreement and the Outlet. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a dollar amount and the proposed buyer must submit with its offer an earnest money deposit equal to five percent (5%) or more of the offering price.

The right of first refusal process will not be triggered by a proposed transfer that would not be allowed under Sections 14.B and 14.C above and therefore may not proceed. We may require you (or your owners) to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

We may, by written notice delivered to you or your selling owner(s) within thirty (30) days after we receive both an exact copy of the offer and all other information we request, elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided that:

(1) we may substitute cash for any form of payment proposed in the offer (such as ownership interests in a privately-held entity);

(2) our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, we or our designee may provide promissory notes with the same terms as those offered by the proposed buyer);

(3) we will have an additional forty-five (45) days to prepare for closing after notifying you of our election to purchase; and

(4) we must receive, and you and your owners agree to make, all customary representations, warranties and indemnities given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable, including representations and warranties regarding: (a) ownership and condition of and title to ownership interests and/or assets; (b) liens and encumbrances relating to ownership interests and/or assets; and (c) validity of contracts and the liabilities, contingent or otherwise, of the entity whose assets or ownership interests are being purchased, and indemnities for all actions, events and conditions that existed or occurred in connection with the Outlet or your business prior to the closing date.

If we exercise our right of first refusal, you and your selling owner(s) agree that, for two (2) years beginning on the closing date, you and they will be bound by the non-competition covenant contained in Section 17.D below. We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section 14.G.

If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we otherwise approve the transfer in accordance with, and you (and your owners) and the transferee comply with the conditions in, Sections 14.B and 14.C above. This means that, even if we do not exercise our right of first refusal (whether or not it is properly triggered as provided above), if the proposed transfer otherwise would not be allowed under Sections 14.B and 14.C above, you (or your owners) may not move forward with the transfer at all.

If you do not complete the sale to the proposed buyer within sixty (60) days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the sale (about which you agree to tell us promptly), we or our designee will have an additional right of first refusal during the thirty (30)-day period following either the expiration of the sixty (60)-day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our or our designee's option.

15. EXPIRATION OF THIS AGREEMENT.

A. YOUR RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE.

If you meet certain conditions and would like to acquire a successor franchise, then you will have the option to acquire a successor franchise term of ten (10) years. The qualifications and conditions for acquiring a successor franchise term are described below.

When this Agreement expires:

(1) if you (and each of your owners) have substantially complied with this Agreement during its Term; and

(2) if you (and each of your owners) are, both on the date you give us written notice of your election to acquire a successor franchise (as provided in Section 15.B) and on the date on which the term of the successor franchise would commence, in full compliance with this Agreement and all System Standards; and

(3) provided that (a) you maintain possession of and agree (regardless of cost) to remodel and/or expand the Outlet, add or replace improvements and Operating Assets, and otherwise modify the Outlet as we require to comply with System Standards then applicable for new Tide Cleaners Outlets, or (b) at your option, you secure a substitute premises that we approve, and you develop the approved premises according to System Standards then applicable for Tide Cleaners Outlets; and

(4) if we are then offering new franchise opportunities for Tide Cleaners Outlets; and

(5) we have determined, in our sole judgment, that a Business Model Change (as defined in Section 15.D) has not occurred,

then you have the option to acquire a successor franchise term of ten (10) years commencing immediately upon the expiration of this Agreement. You agree to sign our then current form of franchise agreement we use to grant franchises for Tide Cleaners Outlets (modified as necessary to reflect the fact that it is for a successor franchise), which may contain provisions that differ materially from any and all of those contained in this Agreement. You agree to pay us a successor franchise fee for the successor franchise term equal to the amount we charge for a successor franchise under our then current form of franchise agreement. The successor franchise fee is Seven Thousand Five Hundred Dollars ($7,500) as of the Effective Date, which may change over the Term.

If you (and each of your owners) are not, both on the date you give us written notice of your election to acquire a successor franchise and on the date on which the term of the successor franchise commences, in full compliance with this Agreement and all System Standards, you acknowledge that we need not grant you a successor franchise, whether or not we had, or chose to exercise, the right to terminate this Agreement during its Term under Section 16.A.

B. **GRANT OF A SUCCESSOR FRANCHISE.**

You agree to give us written notice of your election to acquire a successor franchise no more than two hundred twenty (220) days and no less than one hundred eighty (180) days before this Agreement expires. We agree to give you written notice ("Our Notice"), not more than ninety (90) days after we receive your notice, of our decision:

(1) to grant you a successor franchise;

(2) to grant you a successor franchise on the condition that you correct existing deficiencies of the Outlet or in your operation of the Outlet;

(3) not to grant you a successor franchise based on our determination that you and your owners have not substantially complied with this Agreement during the Term or were not in full compliance with this Agreement and all System Standards on the date you gave us written notice of your election to acquire a successor franchise; or

(4) not to grant you a successor franchise, in which case, provided that the qualifications and conditions for acquiring a successor franchise term listed in paragraphs (1) through (4) of Section 15.A are satisfied, the terms of Section 15.D will apply.

If applicable, Our Notice will:

(a) describe the remodeling, expansion, improvements, and/or modifications required to bring the Outlet into compliance with then applicable System Standards for new Tide Cleaners Outlets; and

(b) state the actions you must take to correct operating deficiencies and the time period in which you must correct these deficiencies.

If we elect not to grant you a successor franchise, Our Notice will describe the reasons for our decision. If we elect to grant you a successor franchise, your right to acquire a successor franchise is subject to your full compliance with all of the terms and conditions of this Agreement through the date of its expiration, in addition to your compliance with the obligations described in Our Notice.

If Our Notice states that you must cure certain deficiencies of the Outlet or its operation as a condition to our granting you a successor franchise, we will give you written notice of our decision not to grant a successor franchise, based upon your failure to cure those deficiencies, not less than ninety (90) days before this Agreement expires; provided, however, that we need not give you this ninety (90) days' notice if we decide not to grant you a successor franchise due to your breach of this Agreement during the ninety (90) day period before it expires. If we fail to give you:

(i) notice of deficiencies in the Outlet, or in your operation of the Outlet, within ninety (90) days after we receive your timely election to acquire a successor franchise (if we elect to grant you a successor franchise under subparagraphs (2) and (b) above); or

(ii) notice of our decision not to grant a successor franchise at least ninety (90) days before this Agreement expires, if this notice is required,

we may extend this Agreement's Term for the time period necessary to give you either reasonable time to correct deficiencies or the ninety (90) days' notice of our refusal to grant a successor franchise. If you fail to notify us of your election to acquire a successor franchise within the prescribed time period, we need not grant you a successor franchise.

C. **AGREEMENTS/RELEASES.**

If you satisfy all of the other conditions for a successor franchise, you and your owners agree to execute the form of franchise agreement and any ancillary agreements we then customarily use in granting franchises for Tide Cleaners Outlets (modified as necessary to reflect the fact that it is for a successor franchise), which may contain provisions that differ materially from any and all of those contained in this Agreement. You and your owners further agree to sign general releases, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their respective shareholders, officers, directors, employees, agents, successors, and assigns. We will consider your or your owners' failure to sign these agreements and releases and to deliver them to us for acceptance and execution within thirty (30) days after their delivery to you to be an election not to acquire a successor franchise.

D. **ALTERNATIVES TO YOUR RIGHT TO A SUCCESSOR FRANCHISE.**

In addition to the other conditions for the grant of a successor franchise contained in Section 15.A, you will not be eligible to obtain a successor franchise if we determine, in our sole judgment, that changed business circumstances since the date of this Agreement have negatively impacted or are likely to negatively impact the performance of the Tide Cleaners Outlet franchise network (a "Business Model Change"). If you satisfy the other conditions for the grant of a successor franchise under Section 15.A and are not eligible to acquire a successor franchise solely because of a Business Model Change, then you shall have the right to exercise one of the following alternatives, as applicable:

(1) continue operating the business at the former Outlet's Premises as an independent dry cleaning enterprise, subject only to the post-termination obligations contained in Sections 17.A, 17.B, and 17.C below; or

(2) request that we purchase the Outlet from you (which request we may deny in our sole discretion) under the terms and conditions of Section 17.E below, subject only to the post-termination obligations contained in Sections 17.A, 17.B, and 17.C below; or

(3) if we are then offering licenses to Tide Cleaners Outlet franchisees to convert their franchised locations into licensed locations using the Marks (or other trade names or trademarks then available to be licensed by us or our affiliates), become our (or our affiliate's) licensee by executing the form of license agreement we are then offering to former Tide Cleaners Outlet franchisees.

16. **TERMINATION OF AGREEMENT.**

A. **BY US.**

We may terminate this Agreement, effective upon delivery of written notice of termination to you, if:

(1) you (or any of your owners) have made or make any material misrepresentation or omission in acquiring the Franchise or operating the Outlet;

(2) you do not open the Outlet for business either (i) by the scheduled opening date or (ii) such opening deadline as may be prescribed in the Development Rights Agreement associated with this Agreement;

(3) you (or your Managing Owner) and your designated attendees do not satisfactorily complete the initial training program;

(4) you abandon or fail actively to operate the Outlet for three (3) or more consecutive business days, unless you temporarily close the Outlet during periods of inclement weather that reasonably render the Outlet's operation impractical or dangerous, or you otherwise close the Outlet for a purpose we approve of or because of casualty or government order;

(5) you (or your owners) make or attempt to make any transfer in violation of Section 14;

(6) you (or any of your owners) are or have been convicted of, or plead or have pleaded either guilty or no contest to, a felony, or to another crime or lesser offense that may adversely affect your reputation, the reputation of the Outlet or the goodwill associated with the Marks;

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

(8) you (or any of your owners) engage in any dishonest or unethical conduct or in any acts or omissions which, in our opinion, adversely affects the Outlet's reputation or the goodwill associated with the Marks;

(9) you lose the right to occupy the Premises and fail (a) to begin immediately to look for a substitute site, or (b) to locate a substitute site, and to begin operating the Outlet from that substitute site, within one hundred eighty (180) days after we approve the location of the substitute site;

(10) any other franchise agreement or other agreement between us (or any of our affiliates) and you (or any of your owners or affiliates), other than a development rights agreement, is terminated before its term expires, regardless of the reason;

(11) you (or any of your owners) knowingly make any unauthorized use or disclosure of any part of the Business Reference Manual or any other Confidential Information;

(12) you violate any health, safety, or sanitation law, ordinance, or regulation, or operate the Outlet in an unsafe manner, and do not begin to cure the violation immediately, and do not correct the violation within seventy-two (72) hours, after you receive notice from us or any other party;

(13) you fail to pay us (or our affiliates) any amounts due and do not correct the failure within ten (10) days after we deliver written notice of that failure to you;

(14) you fail to pay when due any federal or state income, service, sales, or other taxes due on the Outlet's operation, unless you are in good faith contesting your liability for these taxes;

(15) you understate the Outlet's Net Sales three (3) times or more during this Agreement's Term or by more than five percent (5%) on any one occasion;

(16) you (or any of your owners) (a) fail on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you; or (b) fail on two (2) or more separate occasions within any six (6) consecutive month period to comply with the same obligation under this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you;

(17) you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property; the Outlet is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee, or liquidator of you or the Outlet is not vacated within thirty (30) days following the order's entry;

(18) your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation; or

(19) you, any of your owners, or any of your personnel use any equipment, services, processes or products at the Outlet other than Proprietary Products, Proprietary Processes or that otherwise violate System Standards and/or that you acquire through suppliers that we have not approved or that we have disapproved; or

(20) you (or any of your owners) fail to comply with any other provision of this Agreement or any System Standard and do not correct the failure within thirty (30) days after we deliver written notice of the failure to you.

B. **ASSUMPTION OF MANAGEMENT.**

We have the right (but not the obligation), under the circumstances described below, to enter the Premises and assume the Outlet's management (or to appoint a third party to assume its management) for an initial period of time not to exceed ninety (90) days, which ninety (90)-day period may be subsequently renewed for a total cumulative period of one (1) year following our assumption of management responsibilities if you do not sufficiently cure the default(s) in the Outlet's operation or management to our satisfaction. If we (or a third party) assume the Outlet's management under subparagraphs (1) and (2) below in this Section 16.B, you agree to pay us (in addition to the Royalty, Fund Contributions, and other amounts due under this Agreement) Five Hundred Dollars ($500) per day, plus our (or the third party's) direct out-of-pocket costs and

expenses, for up to ninety (90) days after we assume management (and during any subsequent ninety (90)-day renewal period, or portion thereof).

If we (or a third party) assume the Outlet's management, you acknowledge that we (or the third party) will have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations the Outlet incurs, or to any of your creditors for any supplies, products, or other assets or services the Outlet purchases, while we (or the third party) manage it. If we (or a third party) assume the Outlet's management, we or they will periodically discuss the Outlet's operational status with you (or your owners, as applicable).

We (or a third party) may assume the Outlet's management under the following circumstances: (1) if you abandon or fail actively to operate the Outlet; (2) if you fail to comply with any provision of this Agreement or any System Standard and do not cure the failure within the time period we specify in our notice to you; or (3) if this Agreement expires or is terminated and we are deciding whether to exercise our option to purchase the Outlet under Section 17.E below.

If we exercise our rights under subparagraphs (1) or (2) above, that will not affect our right to terminate this Agreement under Section 16.A above.

17. OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT.

A. PAYMENT OF AMOUNTS OWED TO US.

You agree to pay us within fifteen (15) days after this Agreement expires or is terminated, or on any later date that we determine the amounts due to us, the Royalties, Fund Contributions, interest, and all other amounts owed to us (and our affiliates) which then are unpaid.

B. MARKS; PROPRIETARY PRODUCTS; PROPRIETARY PROCESSES.

When this Agreement expires or is terminated:

(1) you may not directly or indirectly at any time or in any manner (except with other Tide Cleaners Outlets you own and operate) identify yourself or any business as a current or former Tide Cleaners Outlet or as one of our current or former franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of a Tide Cleaners Outlet in any manner or for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with us;

(2) you agree to take the action required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(3) you agree to deliver to us within thirty (30) days all signs, sign-faces, sign-cabinets, marketing materials, forms, and other materials containing any Mark or otherwise identifying or relating to a Tide Cleaners Outlet that we request and allow us, without

liability to you or third parties for trespass or any other claim, to enter the Premises and remove these items from the Outlet;

(4) if we do not have or do not exercise an option to purchase the Outlet under Section 17.E, you agree promptly and at your own expense to make the alterations we specify in our Business Reference Manual (or otherwise) to distinguish the Outlet clearly from its former appearance and from other Tide Cleaners Outlets in order to prevent public confusion;

(5) you agree to notify the telephone company and all telephone directory publishers of the termination or expiration of your right to use any telephone, facsimile, or other numbers and telephone directory listings associated with any Mark; to authorize the transfer of these numbers and directory listings to us or at our direction; and/or to instruct the telephone company to forward all calls made to your numbers to numbers we specify. If you fail to do so, we may take whatever action and sign whatever documents we deem appropriate on your behalf to effect these events;

(6) you agree that all licenses we granted to you to use our (or our affiliates' or designated third parties') Patents shall terminate immediately, and you agree to immediately cease using the Proprietary Products and Proprietary Processes. You agree to allow us, without liability to you or third parties for trespass or any other claim, to enter the Premises to verify that you have ceased use such use. Notwithstanding the foregoing, the limitation on your non-use of our Proprietary Products and Proprietary Processes with respect to a particular licensed Patent shall not extend beyond the expiration of such a Patent; and

(7) you agree to give us, within thirty (30) days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations.

C. **CONFIDENTIAL INFORMATION.**

You agree that, when this Agreement expires or is terminated, you will immediately cease using any of our Confidential Information (including computer software or similar technology and digital passwords and identifications that we have licensed to you or that otherwise are proprietary to us or the Franchise System) or Customer Data in any business or otherwise and return to us all copies of the Business Reference Manual and any other confidential materials to which we have provided you access.

D. **COVENANT NOT TO COMPETE.**

Upon:

(1) our termination of this Agreement according to its terms and conditions;

(2) your termination of this Agreement without cause; and/or

(3) expiration of this Agreement (if we offer, but you elect not to acquire, a successor franchise, or if we do not offer you a successor franchise due to your failure to satisfy the conditions for a successor franchise set forth in Section 15), except as otherwise set forth in Section 15.D,

you and your owners agree that, for two (2) years beginning on the effective date of termination or expiration or the date on which all persons restricted by this Section 17.D begin to comply with this Section 17.D, whichever is later, neither you nor any of your owners will have any direct or indirect interest (*e.g.*, through a spouse) as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, representative, or agent in any Competitive Business located or operating:

(a) at the Premises;

(b) within a twenty five (25) mile radius of the Premises; and

(c) within twenty five (25) miles of any other Tide Cleaners Outlet in operation or under construction on the later of the effective date of the termination or expiration of this Agreement, or the date on which all persons restricted by this Section 17.D begin to comply with this Section 17.D.

These restrictions also apply after transfers, as provided in Section 14.C(12) above. If any person restricted by this Section 17.D refuses voluntarily to comply with these obligations, the two (2)-year compliance period for that person will commence with the entry of a court order enforcing this provision. You and your owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Section 17.D will not deprive you of your personal goodwill or ability to earn a living.

E. **OUR RIGHT TO PURCHASE THE OUTLET.**

Upon termination of this Agreement, or upon expiration of this Agreement without renewal, we shall have the right and option, but not the obligation, to purchase the Outlet, including the Premises (if the Premises are owned by you) and all Operating Assets, equipment, and any other assets then having value from, or used in the operation of, the Outlet at a purchase price equal to its then current fair market value, which shall exclude (or otherwise be reduced by) any value attributable to goodwill in the Marks or the Tide Cleaners Outlet brand. If we elect to exercise this option, we will deliver written notice to you of our election within thirty (30) days after the date of termination or expiration of this Agreement. We will have the right to inspect the Outlet at any time during this thirty (30)-day period. If we elect to purchase the Outlet, we will be entitled to, and you must provide, all customary warranties and representations relating to any assets or other items related to the Outlet, including representations and warranties as to the maintenance, function and condition of the equipment and your good title to the equipment (including that you own the equipment free and clear of any liens and encumbrances).

If you and we cannot agree on the then fair market value of the Outlet (less any goodwill in the Marks or the brand), then we and you acknowledge and agree that the purchase price of the Outlet shall be appraised and finally determined by an appraisal process conducted by one (1)

independent appraiser that you and we mutually agree to and appoint within fifteen (15) days after we deliver notice of our election to exercise our purchase option pursuant to this Section. If we and you cannot agree on a mutually acceptable appraiser within fifteen (15) days after we deliver our notice, then we will provide you with a list of three (3) independent appraisers and you must select one (1) of those choices to act as the designated appraiser that will determine the purchase price. We and you will share equally the appraiser's fees and expenses. Within ten (10) days after the appraiser is selected, we and you each must submit to the appraiser our and your respective calculations of the purchase price, prepared in accordance with the terms and conditions of this Section 17.E and with such detail and supporting information as the appraiser requires. Within twenty (20) days after the deadline for submitting such purchase price calculations, the appraiser must decide whether our proposed purchase price or your proposed purchase price most accurately reflects the fair market value of the Outlet, determined in accordance with this Section 17.E. The appraiser has no authority to compromise between the two (2) proposed purchase prices, but instead is authorized to choose only one or the other. The appraiser's choice shall be the purchase price and shall be final and binding on us and you.

F. CONTINUING OBLIGATIONS.

All of our and your (and your owners') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire.

18. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

A. INDEPENDENT CONTRACTORS.

You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that you and we are and will be independent contractors, and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. We are not the employer or joint employer of the Outlet's employees. You are solely responsible for the management and operation of the Outlet and the supervision of the Outlet's employees. You agree to identify yourself conspicuously in all dealings with customers, suppliers, public officials, Outlet personnel, and others as the Outlet's owner under a franchise we have granted and to place notices of independent ownership on the forms, business cards, stationery, advertising, and other materials we require from time to time.

We will not exercise direct or indirect control over the working conditions of Outlet personnel, except to the extent that such indirect control is related to our legitimate interest in protecting the quality of our services or brand. We do not share or codetermine the terms and conditions of employment of the Outlet's employees and do not affect matters relating to the employment relationship between you and your Outlet's employees, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints and working conditions. To that end, you agree to notify Outlet employees that you are their employer and that we, as the franchisor of Tide Cleaners outlets, are not their employer and do not engage in any employer-type activities for which only

franchisees are responsible, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions.

You acknowledge and agree that:

(a) you are the only party that employs your staff (even though we may provide you with advice, guidance, and training);

(b) we are not the employer of any of your staff, and we will not play any role in decisions regarding their engagement (including but not limited to matters such as recruitment, hiring, compensation, scheduling, employee relations, labor matters, review, discipline, and/or dismissal);

(c) any guidance that we provide and requirements under which you will operate are intended to promote and protect the value of the brand and the Marks;

(d) when forming and in operating your business, you had to adopt standards to operate that business, and that instead of developing and implementing your own standards (or those of another party), you chose to adopt and implement our standards for your business (including but not limited to our System and the requirements under this Agreement); and

(e) you have made (and will remain responsible at all times for) all of the organizational and basic decisions about establishing and forming your entity, operating your business (including but not limited to adopting our standards as your standards), and hiring employees and employment matters employment (including but not limited to matters such as recruitment, hiring, compensation, scheduling, employee relations, labor matters, review, discipline, and/or dismissal) engaging professional advisors, and all other facets of your operation.

B. **NO LIABILITY FOR ACTS OF OTHER PARTY.**

We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchise owner. We will not be obligated for any damages to any person or property directly or indirectly arising out of the Outlet's operation or the business you conduct under this Agreement.

C. **TAXES.**

We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, or other taxes, whether levied upon you or the Outlet, due to the business you conduct (except for our income taxes). You are responsible for paying these taxes and must reimburse us for any taxes that we must pay to any state taxing authority on account of either your operation or payments that you make to us.

D. **INDEMNIFICATION AND DEFENSE OF CLAIMS.**

(1) You agree to indemnify and hold harmless us, our affiliates, and our and their respective owners, directors, officers, employees, agents, representatives, successors and assignees (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, all Losses (as defined below) directly or indirectly arising out of or relating to: (a) the Outlet's operation; (b) the business you conduct under this Agreement; (c) your breach of this Agreement; (d) your noncompliance or alleged noncompliance with any law, ordinance, rule or regulation, including those concerning the Outlet's construction, design or operation, and including any allegation that we or another Indemnified Party is a joint employer or otherwise responsible for your acts or omissions relating to your employees; or (e) claims alleging either intentional or negligent conduct, acts or omissions by you (or your contractors or any of your or their employees, agents or representatives), or by us or our affiliates (or our or their contractors or any of our or their employees, agents or representatives), subject to Section 18.D(3). "Losses" means any and all losses, expenses, obligations, liabilities, damages (actual, consequential, or otherwise), and reasonable defense costs that an Indemnified Party incurs, including accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced.

(2) You agree to defend the Indemnified Parties against any and all claims asserted or inquiries made (formally or informally), or legal actions, investigations, or other proceedings brought, by a third party and directly or indirectly arising out of or relating to any matter described in Section 18.D(1)(a) through (e) above (collectively, "Proceedings"), including those alleging the Indemnified Party's negligence, gross negligence, willful misconduct and/or willful wrongful omissions. Each Indemnified Party may at your expense defend and otherwise respond to and address any claim asserted or inquiry made, or Proceeding brought, that is subject to this Section 18.D (instead of having you defend it as required above), and agree to settlements or take any other remedial, corrective, or other actions, for all of which defense and response costs and other Losses you are solely responsible, subject to Section 18.D(3). An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim against you, and you agree that a failure to pursue a recovery or mitigate a Loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section 18.D. Your obligations in this Section 18.D will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

(3) Despite Section 18.D(1), you have no obligation to indemnify or hold harmless an Indemnified Party for, and we will reimburse you for, any Losses (including costs of defending any Proceeding under Section 18.D(2)) to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party's willful misconduct or gross negligence, so long as the claim to which those Losses relate is not asserted on the basis of theories of vicarious liability (including agency, apparent agency, or employment), joint

employer liability or our failure to compel you to comply with this Agreement, which are claims for which we are entitled to indemnification under this Section. However, nothing in this Section 18.D(3) limits your obligation to defend us and the other Indemnified Parties under Section 18.D(2).

19. ENFORCEMENT.

A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.

Except as expressly provided to the contrary in this Agreement (including in Section 19.E), each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of our refusal to enter into a successor franchise agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits that is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

B. WAIVER OF OBLIGATIONS.

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of ten (10) days prior written notice.

We and you will not waive or impair any right, power, or option this Agreement reserves (including our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its Term expires) because of any custom or practice that varies from this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including any System Standard; our waiver of or failure to exercise any right,

power, or option, whether of the same, similar, or different nature, with other Tide Cleaners Outlets; the existence of franchise agreements for other Tide Cleaners Outlets that contain provisions different from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to either us or you will be a waiver, compromise, settlement, or accord and satisfaction. We and you, upon receipt, are authorized to remove any legend or endorsement, which then will have no effect.

Neither we nor you will be liable for loss or damage or be in breach of this Agreement if our or your failure to perform our or your obligations results from: (1) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government; (2) fire, flood, accident, hurricane or other calamity or act of God; (3) strikes, embargoes, war, civil disturbance, acts of terrorism or similar events, or riot; or (4) any other similar event or cause. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed at the time of the occurrence or payment of Royalties, Fund Contributions, or Co-op Dues due afterward.

C. **COSTS AND ATTORNEYS' FEES.**

If we incur costs and expenses due to your failure to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, you agree, whether or not we initiate a formal legal proceeding, to reimburse us for all of the costs and expenses that we incur, including reasonable accounting, attorneys', arbitrators', and related fees.

D. **RIGHTS OF PARTIES ARE CUMULATIVE.**

Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

E. **ARBITRATION.**

We and you agree that all controversies, disputes, or claims between us and our affiliates, and our and their respective owners, shareholders, officers, directors, agents, and/or employees, and you (and/or your owners, guarantors, affiliates, and yours or their respective owners, shareholders, officers, directors, agents and/or employees) arising out of or related to:

(1) this Agreement or any other agreement between you and us or our affiliates;

(2) our (or any of our affiliates') relationship with you;

(3) the scope and validity of this Agreement or any other agreement between you and us (or any of our affiliates) or any provision of such agreements (including the validity and scope of the arbitration obligations under this Section 19.E, which you and we acknowledge is to be determined by an arbitrator and not a court); or

(4) any aspect of the Franchise System or any System Standard;

must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association (the "AAA"). The arbitration proceedings will be conducted by a panel of three (3) arbitrators (the "Panel") and, except as this Section 19.E otherwise provides, according to the then current commercial arbitration rules of the AAA. We and you shall each appoint one (1) arbitrator to serve on the Panel. The two (2) separately appointed arbitrators shall attempt to agree upon the third arbitrator for the Panel, who will act as the Panel's chairman. If the two (2) appointed arbitrators fail to agree on the third arbitrator within thirty (30) days after the second arbitrator is appointed to the Panel, then the third arbitrator shall be appointed by the AAA, and shall serve as the Panel's chairman. All proceedings will be conducted at a suitable location chosen by the Panel in the Cincinnati, Ohio metropolitan area. The Panel will have no authority to select a different hearing locale other than as described in the prior sentence. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.) and not by any state arbitration law.

The Panel has the right to award or include in its award any relief which it deems proper, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the Panel may not declare any Mark generic or otherwise invalid or, except as expressly provided in Section 19.H, award any punitive or exemplary damages against either party (we and you hereby waiving to the fullest extent permitted by law, except as expressly provided in Section 19.H, any right to or claim for any punitive or exemplary damages against the other). The award of the Panel shall be conclusive and binding upon all parties hereto and judgment upon the Panel's award may be entered in any court of competent jurisdiction.

We and you agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is forever barred. The Panel may not consider any settlement discussions or offers that might have been made by either you or us. We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished our right to seek the recovery of those costs in accordance with Section 19.C.

We and you agree that arbitration will be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between us and our affiliates, and our and their respective shareholders, officers, directors, agents, and/or employees, and you (and/or your owners, guarantors, affiliates, and your and their respective owners, officers, directors, agents and/or employees) may not be consolidated with any other arbitration proceeding between us and any other person. Notwithstanding the foregoing or anything to the contrary in this Section 19.E or Section 19.A, if any court or arbitrator or Panel determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section 19.E, then the parties agree that this arbitration clause shall not apply to that

dispute and that such dispute will be resolved in a judicial proceeding in accordance with this Section 19 (excluding this Section 19.E).

Despite our and your agreement to arbitrate, we and you each have the right to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that we and you must contemporaneously submit our dispute for arbitration on the merits as provided in this Section 19.E.

The provisions of this Section 19.E are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

F. **GOVERNING LAW.**

ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF THE STATE OF OHIO, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY OHIO LAW REGULATING THE SALE OF FRANCHISES OR BUSINESS OPPORTUNITIES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION.

G. **CONSENT TO JURISDICTION.**

SUBJECT TO SECTION 19.E ABOVE AND THE PROVISIONS BELOW, YOU AND YOUR OWNERS AGREE THAT ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN YOU AND US MUST BE COMMENCED IN THE STATE OR FEDERAL COURT OF GENERAL JURISDICTION IN CINCINNATI, OHIO, AND YOU (AND EACH OWNER) IRREVOCABLY SUBMIT TO THE JURISDICTION OF THOSE COURTS AND WAIVE ANY OBJECTION YOU (OR THE OWNER) MIGHT HAVE TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS. NONETHELESS, YOU AND YOUR OWNERS AGREE THAT WE MAY ENFORCE THIS AGREEMENT AND ANY ARBITRATION ORDERS AND AWARDS IN THE COURTS OF THE STATE OR STATES IN WHICH YOU ARE DOMICILED OR THE OUTLET IS LOCATED.

H. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.**

EXCEPT FOR PUNITIVE, EXEMPLARY AND OTHER FORMS OF MULTIPLE DAMAGES AVAILABLE TO ANY PARTY UNDER FEDERAL LAW OR OWED TO THIRD PARTIES WHICH ARE SUBJECT TO INDEMNIFICATION UNDER SECTION 18.D, AND EXCEPT FOR PUNITIVE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, WE AND YOU (AND YOUR OWNERS) WAIVE TO

THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US AND YOU, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

SUBJECT TO OUR AND YOUR ARBITRATION OBLIGATIONS, WE AND YOU (AND YOUR OWNERS) IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF US.

I. **BINDING EFFECT.**

This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Business Reference Manual and System Standards, this Agreement may not be modified except by a written agreement signed by both our and your duly-authorized officers.

J. **LIMITATIONS OF CLAIMS.**

Except for claims arising from your non-payment or underpayment of amounts you owe us, any and all claims arising out of or relating to this Agreement or our (or any of our affiliates') relationship with you will be barred unless a legal proceeding (in the required or permitted forum) is commenced within eighteen (18) months from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claims.

K. **CONSTRUCTION.**

This Agreement, together with the preambles and exhibits to it, constitutes the entire agreement between us and you, and there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Agreement, the franchise relationship, or the Outlet (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). This Agreement may be modified only by written agreement signed by both you and us, except that we may modify the Business Reference Manual at any time (as provided in Sections 4.D, 10 and 19.I) and amend and restate **Exhibit B** to reflect the Territory pursuant to Section 1.E if the exact location of the Premises is unknown as of the Effective Date. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representation that we made in our most recent disclosure document (including its exhibits and amendments) that we delivered to you or your representative.

Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement, and are not binding on us.

Except as expressly provided in this Agreement, nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in this Agreement to "we," "us," and "our," with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliates with whom you deal. The term "affiliate" means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. References to "control" mean the power to direct or cause the direction of management and policies.

If two (2) or more persons are at any time the owners of the Franchise and the Outlet, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. References to "owner" mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee of this Agreement and the Outlet or an ownership interest in you), including any person who has a direct or indirect interest in you (or a transferee), this Agreement, the Franchise, or the Outlet and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets.

References to a "controlling ownership interest" in you or one of your owners (if an Entity) mean the percent of the voting shares or other voting rights that results from dividing one hundred percent (100%) of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in you or one of your owners, the determination of whether a controlling ownership interest is involved must be made as of both immediately before and immediately after the proposed transfer to see if a "controlling ownership interest" will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer). References to a "non-controlling ownership interest" mean an ownership interest that is not a controlling ownership interest (as evaluated both before and after any proposed transfer and as otherwise described above).

References to a "person" mean any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

The words "include," "including," and words of similar import, whenever used in this Agreement, mean "including, by way of example, but without limitation," and the terms following such words shall not be interpreted as representing an exclusive or exhaustive list of the appropriate subject matter.

Unless otherwise specified, all references to a number of days shall mean calendar days and not business days.

The term "Outlet" includes all of the assets of the Tide Cleaners Outlet you operate under this Agreement, including its revenue and the Lease.

This Agreement may be executed in multiple copies, each of which will be deemed an original.

20. NOTICES AND PAYMENTS.

All written notices, reports, and payments permitted or required to be delivered by this Agreement or the Business Reference Manual will be deemed to be delivered:

(a) at the time delivered by hand;

(b) at the time delivered via computer transmission and, in the case of the Royalty, Fund Contributions, and other amounts due, at the time we actually receive payment via the EDTA;

(c) one (1) business day after transmission by facsimile or other electronic system if the sender has confirmation of successful transmission;

(d) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or

(e) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid.

Any notice to us must be sent to the address specified on the first page of this Agreement, although we may change this address for notice by giving you notice of the new address. Any notice that we send to you may be sent only to the one (1) person identified on **Exhibit A**, even if you have multiple owners, at the e-mail or postal address specified on **Exhibit A**. You may change the person and/or address for notice only by giving us thirty (30) days' prior notice by any of the means specified in subparagraphs (a) through (e) above. Changes that we periodically make to our Business Reference Manual and/or other similar operational instructions that we periodically change shall not be deemed "notices" for the purpose of this Section 20.

You may send notices to us by e-mail but only if you send them to us at "franchising@tidedrycleaners.com" (unless and until we specify a different address).

Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days before then) will be deemed delinquent.

21. COMPLIANCE WITH ANTI-TERRORISM LAWS.

You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (as defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your owners otherwise are not in

violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your owners, or any blocking of your or your owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement, as provided in Section 16.A(19) above.

22. **ELECTRONIC MAIL.**

You acknowledge and agree that exchanging information with us by e-mail is efficient and desirable for day-to-day communications and that we and you may utilize e-mail for such communications. You authorize the transmission of e-mail by us and our employees, vendors, and affiliates ("Official Senders") to you during the Term of this Agreement.

You further agree that: (a) Official Senders are authorized to send e-mails to those of your employees as you may occasionally authorize for the purpose of communicating with us; (b) you will cause your officers, directors, and employees to give their consent to Official Senders' transmission of e-mails to them; (c) you will require such persons not to opt out or otherwise ask to no longer receive e-mails from Official Senders during the time that such person works for or is affiliated with you; and (d) you will not opt out or otherwise ask to no longer receive e-mails from Official Senders during the Term of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

AGILE PURSUITS FRANCHISING, INC., an Ohio corporation

By:_____

Print Name:_____

Title:_____

DATED*:_____

(*Effective Date of this Agreement)

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____

[Print Name of Franchisee Entity]

By:_____

[Signature of person signing on behalf of entity]

Title of Signatory:_____

DATED:_____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

_____

[Signature of individual franchisee]

Print Name:_____

DATED:_____

_____

[Signature of individual franchisee]

Print Name:_____

DATED:_____

EXHIBIT A

TO THE PLANT STORE FRANCHISE AGREEMENT

OWNERS

Effective Date: This Exhibit A is current and complete

as of _____, 20__

You and Your Owners

1. **Form of Owner**. (Choose (a) or (b))

(a) **Individual Proprietorship**. List individual(s):

_____

_____

_____

(b) **Corporation, Limited Liability Company, or Partnership**. (CIRCLE ONE) You were incorporated or formed on _____, under the laws of the State of _____. You have not conducted business under any name other than your corporate, limited liability company, or partnership name and _____ _____. The following is a list of your directors, if applicable, and officers as of the effective date shown above:

Name of Each Director/Officer	Position(s) Held

2. **Owners**. The following list includes the full name of each person who is one of your owners (as defined in the Franchise Agreement), or an owner of one of your owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

	Owner's Name	**Percentage/Description of Interest**
(a)	_____	_____
(b)	_____	_____
(c)	_____	_____
(d)	_____	_____

3. **Name and Address of Person to Receive Notice for Franchise Owner**.

(a) Name: _____

(b) Postal Address: _____

_____

(c) E-mail Address: _____

4. **Identification of Managing Owner**. Your Managing Owner as of the Effective Date is _____ (must be one of the individuals listed in paragraph 2 above). You may not change the Managing Owner without prior written approval.

[Signature Page Follows]

AGILE PURSUITS FRANCHISING, INC., an Ohio corporation

By:_____

Print Name:_____

Title:_____

DATED:_____

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____

[Print Name of Franchisee Entity]

By:_____

[Signature of person signing on behalf of entity]

Title of Signatory:_____

DATED:_____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

_____

[Signature of individual franchisee]

Print Name:_____

DATED:_____

_____

[Signature of individual franchisee]

Print Name:_____

DATED:_____

EXHIBIT B

TO THE PLANT STORE FRANCHISE AGREEMENT

PREMISES, TERRITORY AND INITIAL FRANCHISE FEE

1. The **Premises** of the Outlet:

_____

_____

_____

_____

2. The **Territory** for the Outlet shall be:

_____

_____

_____

_____

(The Territory is depicted on the map attached to this **Exhibit B**. However, if there is an inconsistency between the language in this **Exhibit B** and the attached map, the language in this **Exhibit B** shall control. All street boundaries will be deemed to end at the street center line unless otherwise specified.)

3. The **initial franchise fee** you have paid or will pay is:

_____ Dollars ($_____).

Initials:

_____ _____

Franchisee APFI

MAP OF TERRITORY

AGILE PURSUITS FRANCHISING, INC., an Ohio corporation

By:_____

Print Name:_____

Title:_____

DATED:_____

)

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____

[Print Name of Franchisee Entity]

By:_____

[Signature of person signing on behalf of entity]

Title of Signatory:_____

DATED:_____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

_____

[Signature of individual franchisee]

Print Name:_____

DATED:_____

_____

[Signature of individual franchisee]

Print Name:_____

DATED:_____

EXHIBIT C

TO THE PLANT STORE FRANCHISE AGREEMENT

FRANCHISEE CONSENT TO VENDOR INFORMATION SHARING

This Franchisee Consent to Vendor Information Sharing ("Consent") is provided on _____, 20__ by _____ ("Franchisee") as the Franchisee under that certain Plant Store Franchise Agreement dated _____ between Franchisee and AGILE PURSUITS FRANCHISING, INC. ("Franchisor") for the operation of a franchised outlet located at _____ (the "Outlet"). Franchisee understands, agrees and hereby acknowledges that Franchisor has the right to receive various information, reports and records regarding Franchisee's operation of the Outlet, including such data from suppliers to the Outlet. Accordingly, consistent with Franchisor's rights and Franchisee's obligations pursuant to Sections 10.B(6) and 13.A(6) of the Plant Store Franchise Agreement, Franchisor is hereby granted permission to contact any or all suppliers that provide goods or services to the Outlet concerning the Outlet's operations. Franchisee further authorizes any supplier that Franchisor may contact in connection with this Consent to share all relevant information about the Outlet's operations, including but not limited to purchasing records and history, product usage statistics, and all related details about Franchisee's relationship with the supplier covering the time period during which Franchisee operated the Outlet pursuant to the Plant Store Franchise Agreement. By signing below, Franchisee (i) hereby authorizes Franchisor to submit this executed Consent to any of the Outlet's suppliers as evidence of Franchisee's permission for the supplier to release to Franchisor information about the Outlet, (ii) consents to each supplier's full cooperation and information sharing with Franchisor upon Franchisor's request, and (iii) directs any such supplier to disclose all relevant information concerning the Outlet's operation to the Franchisor.

FRANCHISEE
(IF FRANCHISEE IS A LEGAL ENTITY)

_____
[Print Name of Franchisee Entity]

By:_____
[Signature of person signing on behalf of entity]

Title of Signatory:_____

DATED:_____

(IF FRANCHISEE IS AN INDIVIDUAL AND NOT A LEGAL ENTITY)

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS ("Guaranty") is given this _____ day of _____, 20__

By (list each guarantor):

_____

_____

_____

_____

_____.

In consideration of, and as an inducement to, the execution of that certain Plant Store Franchise Agreement (the "Agreement") on this date by AGILE PURSUITS FRANCHISING, INC. ("us," "we," or "our"), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that _____ ("Franchisee") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), including (i) monetary obligations, (ii) obligations to take or refrain from taking specific actions and to engage or refrain from engaging in specific activities, including, but not limited to, the non-competition, confidentiality, and transfer requirements, and (iii) the enforcement and other provisions in Sections 19, 20, and 21 of the Agreement, including the arbitration provision.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Franchisee or its owners, and for so long as we have any cause of action against Franchisee or its owners; and (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Franchisee, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation that any of the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty, for the express purpose that none

of the undersigned shall be deemed a "creditor" of Franchisee under any applicable bankruptcy law with respect to Franchisee's obligations to us; (ii) all rights to require us to proceed against Franchisee for any payment required under the Agreement, proceed against or exhaust any security from Franchisee, take any action to assist any of the undersigned in seeking reimbursement or subrogation in connection with this Guaranty, or pursue, enforce or exhaust any remedy, including any legal or equitable relief, against Franchisee; (iii) any benefit of, any right to participate in, any security now or hereafter held by us; and (iv) acceptance and notice of acceptance by us of his, her or its undertakings under this Guaranty, all presentments, demands, and notices of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protests, notices of dishonor, and notices of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices and legal or equitable defenses to which he, she or it may be entitled. We shall have no present or future duty or obligation to the undersigned under this Guaranty, and each of the undersigned waives any right to claim or assert any such duty or obligation, to discover or disclose to the undersigned any information, financial or otherwise, concerning Franchisee, any other guarantor, or any collateral securing any obligations of Franchisee to us. Without affecting the obligations of the undersigned under this Guaranty, we may, without notice to the undersigned, extend, modify, supplement, waive strict compliance with, or release all or any provisions of the Agreement or any indebtedness or obligation of Franchisee, or settle, adjust, release, or compromise any claims against Franchisee or any other guarantor, make advances for the purpose of performing any obligations of Franchisee under the Agreement, assign the Agreement or the right to receive any sum payable under the Agreement, and the undersigned each hereby jointly and severally waive notice of same. The undersigned expressly acknowledge that the obligations hereunder survive the expiration or termination of the Agreement.

In addition, the undersigned each waive any defense arising by reason of any of the following: (a) any disability or any counterclaim or right of set-off or other defense of Franchisee, (b) any lack of authority of Franchisee with respect to the Agreement, (c) the cessation from any cause whatsoever of the liability of Franchisee, (d) any circumstance whereby the Agreement shall be void or voidable as against Franchisee or any of Franchisee's creditors, including a trustee in bankruptcy of Franchisee, by reason of any fact or circumstance, (e) any event or circumstance that might otherwise constitute a legal or equitable discharge of the undersigned's obligations hereunder, except that the undersigned do not waive any defense arising from the due performance by Franchisee of the terms and conditions of the Agreement, (f) any right or claim of right to cause a marshaling of the assets of Franchisee or any other guarantor, and (g) any act or omission of Franchisee.

If we are required to enforce this Guaranty in a judicial or arbitration proceeding, and prevail in such proceeding, we shall be entitled to reimbursement of our costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

Subject to the arbitration obligations and the provisions below, each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between us and the undersigned, must be commenced in the state or federal court of general jurisdiction in Cincinnati, Ohio, and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that we may enforce this Guaranty and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled. EACH OF THE UNDERSIGNED IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, ARISING UNDER OR RELATING TO THIS GUARANTY OR ITS ENFORCEMENT.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

Signatures Of Each Guarantor	**Percentage Of Ownership In Franchisee**
_____	_____%
_____	_____%
_____	_____%
_____	_____%
_____	_____%

EXHIBIT D

DROP STORE FRANCHISE AGREEMENT

AGILE PURSUITS FRANCHISING, INC.

TIDE CLEANERS

DROP STORE FRANCHISE AGREEMENT

_____

FRANCHISE OWNER

_____

DATE OF AGREEMENT

_____

OUTLET ADDRESS

_____

_____

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GUARANTY AND ASSUMPTION OF OBLIGATIONS

AGILE PURSUITS FRANCHISING, INC.
TIDE CLEANERS
DROP STORE FRANCHISE AGREEMENT

THIS DROP STORE FRANCHISE AGREEMENT (the "Agreement") is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 ("we," "us," or "our"), and _____, a _____ having its principal business address at _____ ("you," or "your") as of the date signed by us and set forth opposite our signature on this Agreement (the "Effective Date").

1. **PREAMBLES, ACKNOWLEDGMENTS, AND GRANT OF FRANCHISE.**

A. **PREAMBLES.**

(1) We and our affiliates have, over a considerable time period and with considerable effort, developed (and continue to develop and modify) a system and franchise opportunity for the operation of retail businesses offering premium dry cleaning, laundering, and related fabric and garment care services and products. We own and license, or are authorized to use and license, the Marks (as defined below) and related brand names, devices, and patented technologies for use in connection with retail dry cleaning locations. These retail dry cleaning locations operate under the "Tide" brand name and other Marks ("Tide Cleaners Outlets") and have distinctive business formats, methods, procedures, designs, layouts, standards, and specifications, all of which we may improve, further develop, or otherwise modify from time to time. Tide Cleaners Outlets offer and use products and services, including Proprietary Products and Proprietary Processes, that we, our affiliates, or designated third parties authorize and periodically specify for use in connection with the operation of Tide Cleaners Outlets.

(2) "Proprietary Products" means the proprietary agents, detergents, solvents, formulas, equipment, devices, and related products that we, our affiliates, and/or designated third parties own, have developed, or may develop and authorize for use or sale in connection with Tide Cleaners Outlets. (For purposes of this definition, Proprietary Products specifically include products marketed under trademarks that we or our affiliates own, which products currently are generally available and that you may purchase through third party wholesale or retail sources, subject to our then current Drop Store Standards (as defined in Section 4.E).) "Proprietary Processes" means the proprietary know-how, techniques, procedures, cleaning methods, technologies, and related processes that we, our affiliates and/or designated third parties own, have used, or may use to develop the products and services (including the Proprietary Products) offered by Tide Cleaners Outlets and that we or they authorize for use in connection with Tide Cleaners Outlets.

(3) We and our affiliates use, promote, and license certain trademarks, service marks, and other commercial symbols in operating Tide Cleaners Outlets, which have gained and will continue to gain public acceptance and goodwill, and may create, use, and

license other trademarks, service marks, and commercial symbols for Tide Cleaners Outlets, all of which we may further improve and modify (collectively, the "Marks").

(4) We grant to persons who meet our qualifications, and are willing to undertake the investment and effort, a franchise to own and operate Tide Cleaners Outlets offering the products and services we authorize and using our business formats, methods, procedures, signs, designs, layouts, standards, specifications, and Marks, all of which we may further improve and modify (the "Franchise System").

(5) As a franchise owner of a Drop Store (as defined below), you will comply with this Agreement and all Drop Store Standards in order to maintain the high and consistent quality that is critical to attracting and keeping customers for Tide Cleaners.

(6) You have applied for a franchise to own and operate a Tide Cleaners Outlet that operates using a modified business format that differs from a standard Tide Cleaners Outlet by featuring, primarily and without limitation, the provision and handling of garment cleaning and treatment services on customer orders away from the Premises (as defined in Section 1.D) at a Tide Cleaners Outlet that uses a traditional, full-service model of operation and is equipped to handle additional business volume at the location identified in **Exhibit B** (the "Plant") (as operated under this format, a "Drop Store"). All references in this Agreement to "Tide Cleaners Outlets" shall be deemed to include standard Tide Cleaners Outlets and/or Tide Cleaners Outlets operating as Drop Stores, as the case may be.

B. **ACKNOWLEDGMENTS.**

You acknowledge:

(1) That you have independently investigated the Tide Cleaners franchise opportunity and recognize that, like any other business, the nature of the business a Drop Store conducts may, and probably will, evolve and change over time;

(2) That an investment in a Drop Store involves business risks that could result in the loss of a significant portion or all of your investment;

(3) That your business abilities and efforts are vital to your success;

(4) That attracting customers for your Drop Store will require you to make consistent marketing and relationship building efforts in your community through various methods, which currently include media advertising, direct mail advertising, community events and display and use of in-store promotional materials;

(5) That retaining customers for your Drop Store will require you to have a high level of customer service and adhere strictly to the Franchise System and our Drop Store Standards and that you are committed to maintaining Drop Store Standards;

(6) That the method of operation for a Drop Store may incorporate and include, without limitation, the use of varied business procedures and processes different from

standard Tide Cleaners Outlets as we may, in our sole judgment, communicate, authorize or modify in the future for use at certain other Tide Cleaners Outlets or incorporate into the Franchise System for all applicable Tide Cleaners Outlets;

(7) That you have not received from us, and are not relying upon, any representations or guarantees, express or implied, as to the potential volume, sales, income, or profits of a Drop Store (other than what is included in our most recent franchise disclosure document delivered to you or your representative);

(8) That in all of their dealings with you, our officers, directors, employees, and agents act only in a representative, and not in an individual, capacity and that business dealings between you and them as a result of this Agreement are deemed to be only between you and us;

(9) That you have represented to us, to induce our entry into this Agreement, that all statements you have made and all materials you have given us are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the franchise;

(10) That you have read this Agreement and our franchise disclosure document and understand and accept that this Agreement's terms and covenants are reasonably necessary for us to maintain our high standards of quality and service, as well as the uniformity of those standards at each Tide Cleaners Outlet, and to protect and preserve the goodwill of the Marks;

(11) That we will restrict your sources of Proprietary Products and also have the right to restrict your sources of other goods and services;

(12) That we have not made any representation, warranty, or other claim regarding this Tide Cleaners franchise opportunity, other than those made in this Agreement and our franchise disclosure document, and that you have independently evaluated this opportunity, including by using your business professionals and advisors, and have relied solely upon those evaluations in deciding to enter into this Agreement;

(13) That you have been afforded an opportunity to ask any questions you have and to review any materials of interest to you concerning the Tide Cleaners franchise opportunity;

(14) That you have been afforded an opportunity, and have been encouraged by us, to have this Agreement and all other agreements and materials we have given or made available to you reviewed by an attorney and have either done so or waived your right to do so; and

(15) That you received our franchise disclosure document at least fourteen (14) days before the Effective Date, or the transaction to which this Agreement relates meets a United States federal and, if applicable, state-based exemption from laws and regulations governing the offer and sale of franchises in your jurisdiction.

C. CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP.

If you are at any time a corporation, limited liability company, or other business legal entity (collectively, an "Entity"), you agree and represent that:

(1) You will have the authority to execute, deliver, and perform your obligations under this Agreement and all related agreements and are duly organized or formed, validly existing and in good standing under the laws of the state of your incorporation or formation;

(2) Your organizational documents, operating agreement, or partnership agreement, as applicable, will recite that this Agreement restricts the issuance and transfer of any ownership interests in you, and all certificates and other documents representing ownership interests in you will bear a legend referring to this Agreement's restrictions;

(3) **Exhibit A** to this Agreement completely and accurately describes all of your owners and their interests in you as of the Effective Date;

(4) Each of your owners during this Agreement's Term (as defined in Section 1.D) will execute a guaranty in the form we prescribe undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. Subject to our rights and your obligations under Section 14, you and your owners agree to sign and deliver to us a revised Exhibit A to reflect any permitted changes in the information that **Exhibit A** now contains;

(5) You will appoint one (1) of your owners to be your "Managing Owner" that will be responsible for overseeing and supervising the operation of the Outlet (as defined in Section 1.D). The Managing Owner as of the Effective Date is identified in **Exhibit A**. You may not change the Managing Owner without our prior written consent; and

(6) The Outlet and other Tide Cleaners Outlets, if applicable, will be the only businesses you operate (although your owners may have other, non-Competitive Business (as defined in Section 9) interests).

D. GRANT OF FRANCHISE.

You have applied for a franchise to own and operate a Drop Store at the location identified in the attached **Exhibit B** (the "Premises"). Subject to this Agreement's terms, we grant you a franchise (the "Franchise") to operate a Drop Store at the Premises (the "Outlet"), and to use the Franchise System in its operation, for a term beginning on the Effective Date and expiring on the tenth (10th) anniversary of the date the Outlet opens for business under the Marks. You may use the Premises only for the Outlet. You agree at all times faithfully, honestly, and diligently to perform your obligations under this Agreement and to use your best efforts to promote the Outlet.

E. **TERRITORIAL RIGHTS.**

We describe the Outlet's territory (the "Territory") in **Exhibit B**. The Territory is determined in our sole judgment considering a range of factors that we deem relevant, which might include geographic area, population density, character of neighborhood, location, and number of competing businesses. You agree that our determination of the Territory, as described on **Exhibit B**, is final.

Provided that you are in full compliance with this Agreement, then beginning on the Effective Date and continuing throughout the Term, we and our affiliates will not operate or grant a franchise for the operation of another Tide Cleaners Outlet the physical premises of which are located within the Territory.

F. **RIGHTS WE RESERVE.**

Except as expressly limited by Section 1.E, we and our affiliates retain all rights with respect to Tide Cleaners Outlets, the Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire. Specifically, but without limitation, we reserve the following rights:

(1) the right to provide, offer and sell, and to grant others the right to provide, offer and sell (except as specifically set forth in Section 1.E), products or services that are similar or dissimilar to and/or competitive with those provided at Tide Cleaners Outlets (such as home delivery dry cleaning businesses or other fabric or textile cleaning services), whether identified by the Marks or other trademarks or service marks, regardless of the method of distribution, inside and outside the Territory and on any terms and conditions we deem appropriate;

(2) the right to establish and operate, and to grant to others the right to establish and operate, retail businesses offering premium dry cleaning, laundry, and related fabric care services and products, or any similar or dissimilar products and services, that are not primarily identified by the Marks, both inside and outside the Territory and on any terms and conditions we deem appropriate;

(3) the right to operate, and to grant others the right to operate, Tide Cleaners Outlets the physical premises of which are located anywhere outside the Territory under any terms and conditions we deem appropriate and regardless of proximity to the Outlet;

(4) the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at Tide Cleaners Outlets, and to franchise, license or create similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Territory); and

(5) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Tide Cleaners Outlets, or by another

business, even if such business operates, franchises and/or licenses Competitive Businesses in the Territory.

G. **REASONABLE BUSINESS JUDGMENT.**

We have the right to operate, develop and change the Franchise System and Drop Store Standards in any manner that is not specifically prohibited by this Agreement. Whenever we have reserved in this Agreement a right to take or to withhold an action, or to grant or decline to grant you a right to take or omit an action, we may, except as otherwise specifically provided in this Agreement, make our decision or exercise our rights based on information readily available to us and our judgment of what is in the best interests of us or our affiliates, the Tide Cleaners Outlet franchise network generally, or the Franchise System at the time our decision is made, without regard to whether we could have made other reasonable or even arguably preferable alternative decisions or whether our decision promotes our or our affiliates' financial or other individual interest. Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated or completed actions that require our approval.

H. **DEVELOPMENT RIGHTS AGREEMENT.**

Before signing this Agreement, you or your affiliate have also signed a development rights agreement with us under which we grant you or your affiliates the right to develop the Outlet and additional Tide Cleaners Outlets under the Franchise System within a defined geographic area (the "Development Rights Agreement").

2. **LEASE, RELOCATION OF PREMISES, DEVELOPMENT AND OPENING OF DROP STORE.**

A. **OWNERSHIP OR LEASE OF PREMISES; RELOCATION.**

Before signing this Agreement, and pursuant to the lease or purchase agreement conditions in the Development Rights Agreement, you signed a purchase agreement, or a lease or sublease for the Premises (the "Lease"). If the Lease expires or is terminated without your fault, or if the site for the Premises is destroyed, condemned, or otherwise rendered unusable, we will allow you to relocate the Outlet to a new site acceptable to us. Any relocation will be at your sole expense, and we may charge you for the reasonable costs we incur in connection with any relocation of the Outlet. If you desire or are required to relocate the Premises during the Term, you must start the relocation process within one hundred eighty (180) days after the date upon which you lose the Premises, and you must open and begin operating the business at a relocated Premises we approve within one hundred eighty (180) days thereafter.

B. **DROP STORE DEVELOPMENT.**

You are responsible for developing the Outlet in accordance with the terms and conditions contained in this Agreement. We or our designees may, at any time and from time to time (but in no way limiting or affecting your responsibility for developing the Outlet), provide certain support and assistance in the development and start-up of the Outlet. In connection with this assistance,

critical path management oversight and assistance, the initial training described in Section 4.A for your one (1) attendee, vendor support, and other periodic support in connection with the opening of the Outlet and start-up of operations, you must pay us a lump-sum, non-refundable start-up assistance and training fee (the "Start-up Assistance and Training Fee") of Ten Thousand Dollars ($10,000) at least ninety (90) days before the earlier of (i) the scheduled opening date, or (ii) the actual opening date if you desire to open the Outlet earlier than scheduled. You acknowledge and agree that we will not authorize you to open the Outlet pursuant to Section 2.E without receiving the Start-up Assistance and Training Fee. The Start-up Assistance and Training Fee is separate from the Project Management Fee (as defined below).

We will give you mandatory and suggested specifications and layouts for a Drop Store, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings, and color scheme. These plans might not reflect the requirements of any federal, state, or local law, code, or regulation, including those arising under the Americans with Disabilities Act (the "ADA") or similar rules governing public accommodations for persons with disabilities. It is your responsibility, though we may assist, to prepare a site survey and all required construction plans and specifications to suit the Premises and to make sure that these plans and specifications comply with the ADA and similar rules governing public accommodations for persons with disabilities, other applicable ordinances, building codes, permit requirements, and Lease requirements and restrictions.

While we or our designee may manage the construction of the Outlet, you agree to send us construction plans and specifications for review before you begin constructing the Outlet and all revised or "as built" plans and specifications during construction. You are responsible for selecting the architect and/or general contractor (collectively, the "Builder"), which Builder must be one of our pre-approved vendors or another vendor that you present and we approve in our sole judgment, to design and construct the Outlet. Because our review is limited to ensuring your compliance with our design requirements, it might not assess compliance with federal, state, or local laws and regulations, including the ADA, as compliance with these laws is your responsibility. We may inspect the Premises while you are developing the Outlet.

You agree to take, at your own expense, all actions relating to the development of the Outlet at the Premises, including the following:

(1) securing all financing required to develop and operate the Outlet;

(2) obtaining all required building, utility, sign, health, sanitation, business, and other permits and licenses;

(3) constructing all required improvements to the Premises and decorating the Outlet according to approved plans and specifications;

(4) obtaining all necessary civil engineering and other services necessary in connection with the design and construction of the Outlet in accordance with this Agreement and applicable plans, specifications, permits, licenses, and regulations;

(5) obtaining all customary contractors' sworn statements and partial and final waivers of lien for construction, remodeling, decorating, and installation services;

(6) purchasing or leasing, and installing, all required fixtures, furniture, machines, equipment (including required or recommended Computer System (as defined in Section 2.D)), furnishings, and signs (collectively, "Operating Assets") for the Outlet; and

(7) purchasing an opening inventory of authorized and approved Proprietary Products, agents, detergents, materials, supplies, and other products to operate the Outlet.

In connection with the foregoing, you agree to engage us, our affiliates or third parties we designate to assist with, and provide oversight concerning, the development and construction of the Outlet in compliance with this Agreement and other aspects of the Outlet's development. To reimburse us for any costs we incur in connection with our project management oversight related to the development of the Outlet, you must pay us a lump-sum, non-refundable project management fee (the "Project Management Fee") of Ten Thousand Dollars ($10,000), at least ninety (90) days before the earlier of (i) the scheduled opening date, or (ii) the actual opening date if you desire to open the Outlet earlier than scheduled. The costs we incur may include those related to in-depth site evaluation, real estate market analysis, demographics analysis, and amounts for program management related to coordinating negotiations, vendor management, floor plan layout, equipment layout and construction management. Notwithstanding the foregoing, you (and not we) are responsible for the performance of the Builder and subcontractors you must hire to develop and maintain the Outlet, and our project management of the site does not assess the site's compliance with federal, state, or local laws and regulations. You acknowledge and agree that we will not authorize you to open the Outlet pursuant to Section 2.E without receiving the Project Management Fee.

C. **OPERATING ASSETS.**

You agree to use in operating the Outlet only those Operating Assets that we periodically approve for Tide Cleaners Outlets as meeting our specifications and standards for quality, design, appearance, function, and performance. You may not install or otherwise operate at the Premises any unauthorized vending or lotto machines or other Operating Assets that we have not authorized. You agree to place or display at the Premises (interior and exterior), and on any permitted delivery vehicles, only the signs, emblems, lettering, logos, and display materials and products that we prescribe or otherwise approve from time to time. You agree to purchase or lease approved brands, types, or models of Operating Assets only from suppliers we designate or approve (which may include or be limited to us and/or our affiliates).

In connection with your operation of the Outlet, you agree to acquire (whether by purchase or lease) possession within thirty (30) days after you sign the Lease for the Premises a vehicle that we approve to be used throughout the Term for transportation of garments, products, and related items and other needs between the Outlet's Premises and the Plant (the "Vehicle"). The Vehicle is deemed a part of the Operating Assets for the Outlet, and you must brand the Vehicle with the Marks and acquire and maintain sufficient insurance coverage for the Vehicle, as we prescribe throughout the Term. We must approve your Vehicle as satisfying our then current Drop Store Standards or other specifications we then prescribe, including but not limited to make and model of the Vehicle, required insurance coverage, and exterior wrap design of the Vehicle acquired from an approved vendor, before we authorize you to open the Outlet under Section 2.E below.

D. **COMPUTER SYSTEM.**

You agree to obtain and use the computer hardware, maintenance and operation systems, point of sale systems, and/or operating software we specify from time to time (the "Computer System"). You must maintain the continuous operation of the Computer System. You also agree to maintain a functioning e-mail address. We may periodically modify specifications for and components of the Computer System. Our modification of specifications for the Computer System, and/or other technological developments or events, might require you to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service, maintenance and support for the Computer System. Although we cannot estimate the future costs of the Computer System or required service or support, and although these costs might not be fully amortizable over this Agreement's remaining Term, you agree to incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions and modifications) and required service or support. We have no obligation to reimburse you for any Computer System costs. Within sixty (60) days after you receive notice from us, you agree to obtain the Computer System components that we designate and to ensure that your Computer System, as modified, is functioning properly.

You agree that we or our affiliates may condition any license of proprietary software to you, or your use of technology that we, our affiliates, or third parties develop or maintain, on your signing a software license agreement or similar document, or otherwise agreeing to the terms (for example, by acknowledging your consent to and accepting the terms of a click-through license agreement), that we or our affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities with respect to, the software or technology. We and our affiliates may charge you upfront or ongoing fees for any proprietary software or technology that we or our affiliates license to you and for other maintenance and support services that we or our affiliates provide during this Agreement's Term. You agree not to modify, delete, or change any software or hardware configurations that we or our designated supplier(s) (which may include our affiliates) license or otherwise provide to you, without our advanced written consent.

Notwithstanding your obligation to buy, use, and maintain the Computer System according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer System; (2) the manner in which your Computer System interfaces with our and any third party's computer system; and (3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded. You acknowledge that we may have unlimited, independent access to customer or financial data generated by or through the Outlet's Computer System in accordance with this Agreement.

E. **OUTLET OPENING.**

You agree not to open the Outlet until:

(1) we notify you in writing that the Outlet meets our then current standards and specifications (although our acceptance is not a representation or warranty, express or implied, that the Outlet complies with any engineering, licensing, environmental, labor, health, building, fire, sanitation, occupational, landlord's, insurance, safety, tax,

governmental, or other statutes, rules, regulations, requirements, or recommendations nor a waiver of our right to require continuing compliance with our requirements, standards, or policies);

(2) your designated attendee satisfactorily completes training;

(3) you pay the initial franchise fee, the Start-up Assistance and Training Fee, Project Management Fee and other amounts then due to us;

(4) we approve your Vehicle as satisfying our then current Drop Store Standards or other specifications; and

(5) you provide us certificates for all required insurance policies.

Subject to your compliance with these conditions, you agree to open the Outlet for business no later than the opening date of the Outlet pursuant to the development schedule on Exhibit A of the Development Rights Agreement. The date upon which you begin operating the Outlet pursuant to this paragraph and this Agreement shall be deemed the "Opening Date."

F. **EXTENSION OF DEADLINES.**

We may grant you, according to our reasonable business judgment, extensions on the prescribed deadlines for site evaluation and approval, securing the Lease, and opening the Outlet as required in this Section. You must request from us an extension of the applicable deadline at least fourteen (14) calendar days before the occurrence of the deadline date. If we grant an extension on any deadline, we will determine the amount of the extension fee and the length of the extension at our sole option. We may consider a variety of factors in whether we grant an extension, including the diligence you have shown in developing the Outlet. You must pay us our then current lump-sum extension fee (Five Thousand Dollars ($5,000) per month as of the Effective Date, but may change during Term) for each extension at the time of your extension request to compensate us for our costs, expenses and lost opportunities related to the proposed extension. Unless we notify you otherwise on or before the deadline date, your extension request will be deemed granted and the extension fee fully earned and non-refundable by us. Extensions do not change any date(s) included in the development schedule on Exhibit A of the Development Rights Agreement, other than the particular date(s) then being adjusted by the extension.

3. **FEES.**

A. **INITIAL FRANCHISE FEE.**

You agree to pay us a non-recurring and non-refundable lump-sum initial franchise fee of Twenty Five Thousand Dollars ($25,000). The initial franchise fee compensates us for our costs of evaluating your credentials as a prospective franchisee and otherwise assisting you in the application process to acquire your Franchise. We will apply a portion of the development fee you paid under the Development Rights Agreement toward the amount of your initial franchise fee due to us under this Agreement. The initial franchise fee is due in full, and fully earned by us, when you sign this Agreement.

B. **CONTINUING SERVICE AND ROYALTY FEE.**

You agree to pay us, in the manner provided below (or as the Business Reference Manual otherwise prescribes), a weekly Continuing Service and Royalty Fee (the "Royalty") equal to six and one-half percent (6.5%) of the Outlet's Net Sales (as defined in Section 3.C). On or before Thursday of each week, you agree to send us, on a form we approve (or as we otherwise direct), a signed statement of the Outlet's Net Sales for the previous week ended. Each weekly statement of Net Sales must be accompanied by the Royalty due for that week, except where the conditions and procedures for electronic payment pursuant to Section 3.F below may apply. As used in this Agreement, a "week" means the seven (7) consecutive calendar-day period beginning on Monday and ending at the close of the Outlet's daily operations the following Sunday. In lieu of submitting a weekly statement of Net Sales, you agree that we may elect to extract your Net Sales data from the Computer System and debit the Royalty in accordance with Section 3.F on the basis of the Net Sales reflected therein.

C. **DEFINITION OF "NET SALES".**

As used in this Agreement, the term "Net Sales" means all revenue from all sales made from your point of sale system and all other revenue that you derive from operating the Outlet, including all amounts that you receive at or away from the Premises, including through Delivery Services, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions, but (1) excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority; and (2) reduced by the amount of any documented refunds, credits, coupons, manager-authorized and/or customer loyalty program discounts, allowances, and charge-backs the Outlet in good faith gives to customers.

D. **LATE FEES AND INTEREST.**

If you fail to pay (or make available for withdrawal from your EDTA) any amounts you owe us for any reason, those amounts will bear interest accruing as of their original due date at one and one half percent (1.5%) per month or the highest commercial contract interest rate the law allows, whichever is less. We may debit your EDTA (as defined in Section 3.F) automatically for such interest. You acknowledge that this Section 3.D is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the Outlet.

E. **APPLICATION OF PAYMENTS.**

Despite any designation you make, we may apply any of your payments to any of your past due indebtedness to us. We may set off any amounts you or your owners owe us or our affiliates against any amounts we or our affiliates owe you or your owners. You may not withhold payment of any amounts you owe us due to our alleged nonperformance of any of our obligations under this Agreement.

F. **PAYMENT METHOD AND TIMING.**

Before the Outlet opens, you agree to sign and deliver to us the documents we require to authorize us to debit your business checking account automatically for the Royalty, Fund

Contributions (as defined in Section 11.B), and other amounts due under this Agreement and for certain specified purchases you make from us and/or our affiliates (the "Electronic Depository Transfer Account" or "EDTA"). We will debit the EDTA for these amounts on or after their due dates. You agree to ensure that funds are available in the EDTA to cover our withdrawals. If there are insufficient funds in the EDTA to cover any such amount owed (or, if you are paying by check and a check is returned for insufficient funds), we will charge you a processing fee of One Hundred Dollars ($100) to compensate us for our additional administrative expenses we incur in connection with your failure to maintain sufficient funds in the EDTA.

If you fail to report the Outlet's Net Sales, we may debit your EDTA for one hundred twenty percent (120%) of the last Royalty and Fund Contribution that we debited. If the amounts that we debit from your EDTA are less than the amounts you actually owe us (once we have determined the Outlet's true and correct Net Sales), we will debit your EDTA for the balance on the day we specify. If the amounts that we debit from your EDTA are greater than the amounts you actually owe us, we will credit the excess, without interest, against the amounts we otherwise would debit from your EDTA during the following week(s).

We may require you to pay any amounts due under this Agreement or otherwise by means other than automatic debit (*e.g.*, by check) whenever we deem appropriate, and you agree to comply with our payment instructions. We have the right, at our sole option upon notice to you, to change from time to time the timing and terms for payment of the Royalty, Fund Contributions and other amounts payable to us under this Agreement.

4. TRAINING AND ASSISTANCE.

A. INITIAL TRAINING.

(1) Before the Outlet opens for business, we will train one (1) attendee you designate on the material aspects of operating a Drop Store. We include the costs of the initial training program for your one (1) designated attendee in the Start-up Assistance and Training Fee. We will provide the initial training program at a designated training facility of our choice and/or at an operating Tide Cleaners Outlet. Our initial training program currently spans approximately five (5) weeks (excluding the pre-opening period during which one (1) or more of our representatives will assist in the Outlet's opening, as further discussed below in Section 4.B). The initial training program consists of self-directed, computer-based training courses that your attendee will complete using our web portal at his or her own location and/or at the training facility, classroom instruction that we conduct at our corporate offices or a designated training facility of our choice, and on-the-job training at an existing Tide Cleaners Outlet or other location we designate. Your designated attendee must successfully complete the self-directed, computer-based training, including any associated knowledge checks or assessments of proficiency that we then require, in order to attend the classroom and on-the-job portions of the initial training program. We may modify any aspect of the initial training program at any time.

(2) If your designated attendee does not feel sufficiently trained in the operation of a Drop Store, or if we, in our sole judgment, believe that you are not sufficiently trained in the operation of a Tide Cleaners Outlet, then we may provide additional training at the

end of the initial training program at our then applicable charges for your attendee and our training personnel (collectively, the "Additional Training Fee"). We and you will jointly determine the duration of this additional training. However, if your designated attendee satisfactorily completes our initial training program (excluding the opening phase discussed below in Section 4.B) and you (or your Managing Owner) have not expressly informed us at the end of the program that he or she does not feel sufficiently trained in the operation of a Drop Store, then your attendee will be deemed to have been trained sufficiently to operate a Drop Store.

(3) Additional people beyond your one (1) designated attendee may attend initial training if you pay our then current training charge(s) for each additional attendee. You also agree to pay for all travel and living expenses that your designated attendee, owners and employees incur and for their wages and workers' compensation insurance while they attend any training program.

(4) Your designated attendee must complete the initial training program to our satisfaction before you open the Outlet for business. If we determine that your designated attendee cannot complete initial training to our satisfaction, we may terminate this Agreement.

B. **OPENING ASSISTANCE.**

(1) When the Outlet is ready to open for business, we will send one (1) of our representatives to the Outlet for a period of approximately five (5) to seven (7) calendar days to assist with its opening. The duration of the representative's assistance will depend on our opinion of your ability, experience, and needs. You and your employees at the Outlet also must successfully complete this final phase of the initial training program.

(2) If you request, and we agree to provide, additional or special guidance, assistance, or training during this opening phase, you agree to pay our then applicable Additional Training Fee and other charges, including our personnel's travel and living expenses.

C. **ONGOING TRAINING.**

(1) We may require you (or your Managing Owner) and/or other previously trained and experienced employees to attend and satisfactorily complete various training courses that we periodically choose to provide at the times and locations that we designate including our quarterly webcasts via webinar. We may charge reasonable registration or similar fees for these courses. We will not require attendance for more than a total of ten (10) days during a calendar year. You agree to pay all travel and living expenses which you and your employees incur during all training courses and programs.

(2) Besides attending these courses, you agree to send at least two (2) representatives (which can be you (if you are an individual) or your Managing Owner (if you are an Entity) and one of your manager-level employees) to attend annual and/or regional conventions and meetings at a location we designate. Attendance will not be required at a convention for more than three (3) days during any calendar year. We may

charge reasonable registration fees for these conventions. You agree to pay all costs incurred by your representatives to attend the conventions.

(3) You agree to assist us in training other Tide Cleaners Outlet franchise owners. We will reimburse your out-of-pocket expenses for providing this assistance as we may direct.

(4) You understand and agree that any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue and modify at any time and from time to time.

(5) If we conduct an assessment and your Outlet does not meet our operating standards and requirements, then in addition to your agreement to remedy all of the deficiencies found, we will have the right to conduct additional assessments and to conduct additional training for you at your Outlet, and you agree to pay our then-current training fee (presently, Five Hundred Dollars ($500) per day per trainer) for such training (plus reasonable travel expenses).

D. **GENERAL GUIDANCE.**

We will advise you, at any time and from time to time, regarding the Outlet's operation based on your reports or our assessments and will guide you with respect to: (1) standards, specifications, and operating procedures and methods that Drop Stores use; (2) purchasing required and authorized Operating Assets, Proprietary Products, and other items; (3) advertising and marketing materials and programs; (4) supervisory employee training methods and procedures (although you are solely responsible for the terms and conditions of employment of all Outlet employees); and (5) administrative, bookkeeping, accounting, and inventory control procedures.

We will guide you in our Business Reference Manual(s) (collectively, the "Business Reference Manual"); in bulletins, broadcast communications or other written materials; by electronic media; by telephone consultation; and/or at our office or the Outlet. If you request, and we agree to provide, additional or special guidance, assistance, or training, you agree to pay our then applicable charges, including our personnel's per diem charges and travel and living expenses.

E. **BUSINESS REFERENCE MANUAL.**

We agree to provide you with access to one (1) copy of our Business Reference Manual before the starting date of the initial training program for the duration of the Term and at no additional charge to you. The Business Reference Manual could include audio/video recordings, other electronic media, and/or written materials, and contains mandatory and suggested specifications, standards, operating procedures, and rules ("Drop Store Standards") that we periodically specify for operating a Drop Store and information on your other obligations under this Agreement. You acknowledge that the Business Reference Manual is not exclusively for use in connection with Drop Stores and also contains specifications, standards, operating procedures, and rules for the operation of standard Tide Cleaners Outlets. We may modify the Business Reference Manual periodically to reflect changes in Drop Store Standards. We also may develop an Business Reference Manual containing Drop Store Standards and other requirements and

revised procedures applicable only to operating Drop Stores (a "Drop Store Business Reference Manual"). To the extent we develop a Drop Store Business Reference Manual, we will provide you access to the Drop Store Business Reference Manual, and thereafter you must operate the Outlet during the Term according to the Drop Store Business Reference Manual.

We and you agree that any materials or guidance that we provide with respect to employment-related policies or procedures, whether in the Business Reference Manual or otherwise, are solely for your optional use. Any such materials or guidance do not form part of the Drop Store Standards. You will determine to what extent, if any, these materials or guidance should apply to your employees and Outlet operations. We and you recognize that we neither dictate nor control labor or employment matters for franchisees and their employees and we are not responsible for the safety and security of Tide Cleaners Outlet employees or customers. You are solely responsible for determining the terms and conditions of employment for your employees and for all decisions concerning the hiring, firing and discipline of your employees, and for all other aspects of the Outlet's labor relations and employment practices.

At our option, we may post some or all of the Business Reference Manual on a restricted website or intranet to which you will have access. If we do so, you agree to monitor and access the website or intranet for any updates to the Business Reference Manual or Drop Store Standards. We or our designee will periodically notify you electronically about updates, changes, or deletions to the content posted on the restricted website or intranet. Any passwords or other digital identifications necessary to access the Business Reference Manual on a website or intranet will be deemed to be part of Confidential Information (as defined in Section 7).

You agree to keep your copy of the Business Reference Manual current and communicate all updates to your employees in a timely manner. You agree to keep all parts of the Business Reference Manual in a secure location and restrict access to any passwords we provide to you or you develop for accessing the Business Reference Manual. If there is a dispute over its contents, our master copy of the Business Reference Manual controls. You agree that the Business Reference Manual's contents are confidential and that you will not disclose the Business Reference Manual to any person other than Outlet employees who need to know its contents. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Business Reference Manual without our prior written consent.

F. DELEGATION OF PERFORMANCE.

You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement.

5. MARKS.

A. OWNERSHIP AND GOODWILL OF MARKS.

Our affiliate and/or designated third-party licensors have assigned ownership or granted licensing rights in the Marks to us to use in connection with the franchising, development, and

operation of Tide Cleaners Outlets. We hereby grant you a sublicense to use the Marks in operating the Outlet in accordance with the terms and conditions of this Agreement. Your right to use the Marks is derived only from this Agreement and is limited to your operating the Outlet according to this Agreement and all Drop Store Standards we prescribe during its Term. Your unauthorized use of the Marks is a breach of this Agreement and infringes our, our affiliate's and/or licensor's rights in the Marks. You acknowledge and agree that your use of the Marks and any goodwill established by that use are exclusively for our and their benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the Outlet under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional proprietary trade and service marks we authorize you to use. You may not at any time during or after this Agreement's Term contest or assist any other person in contesting the validity, or our and our affiliate's ownership, of the Marks.

B. **LIMITATIONS ON YOUR USE OF MARKS.**

You agree to use the Marks as the Outlet's sole identification, except that you agree to identify yourself as its independent owner in the manner we prescribe. You may not use any Mark in any of the following ways: (1) as part of any corporate or legal business name; (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you); (3) in selling any unauthorized services or products; (4) as part of any domain name, homepage, electronic address, or otherwise in connection with a website; or (5) in any other manner that we have not expressly authorized in writing.

You may not use any Mark in advertising the transfer, sale, or other disposition of the Outlet or an ownership interest in you without our prior written consent, which we will not unreasonably withhold. You agree to display the Marks prominently as we prescribe at the Outlet and on forms, advertising, supplies, and other materials we designate. You agree to give the notices of trade and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

C. **NOTIFICATION OF INFRINGEMENTS AND CLAIMS.**

You agree to notify us immediately in writing of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark (or any identical or confusingly similar trademark) or claim of unfair competition relating to any Mark. You agree not to communicate with any person other than us and our licensor, their respective attorneys, and your attorneys regarding any infringement, challenge or claim. We and our licensor may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. You agree to sign any documents and take any other reasonable action that, in the opinion of our (or our licensor's) attorneys, are necessary or advisable to protect and maintain our (and our licensor's) interests in any litigation or U.S. Patent and Trademark Office or other proceeding or otherwise to protect and maintain our (and our licensor's) interests in the Marks. We will reimburse you for your costs of taking any action that we have asked you to take.

D. **DISCONTINUANCE OF USE OF MARKS.**

If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for any of your expenses in complying with these directions (such as the costs of changing the Outlet's signs), for any loss of revenue due to any modified or discontinued Mark, or for any of your expenses of promoting a modified or substitute trademark or service mark.

Our rights in this Section 5.D apply to any and all of the Marks (and any portion of any Mark) that we authorize you to use in this Agreement. We may exercise these rights at any time and for any reason, business or otherwise, that we think best. You acknowledge both our right to take this action and your obligation to comply with our directions.

E. **REIMBURSEMENT FOR DAMAGES FROM USE OF MARKS.**

We agree to reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark that we or our affiliates own, and for all costs and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark that a third party owns, under this Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding. At our option, we may defend and control the defense of any proceeding arising from your use of any Mark under this Agreement.

6. **PATENTS.**

A. **OWNERSHIP AND LICENSE OF PATENTS.**

We, our affiliates, and/or designated third parties own, license, or sublicense patents directed to and covering aspects of the Proprietary Products and the Proprietary Processes for use in connection with the development and operation of Tide Cleaners Outlets (collectively, the "Patents"). We grant to you under the Patents a license on a non-exclusive and non-transferable basis (subject to the provisions of Section 14 below concerning transfer) to practice the Proprietary Processes and use and sell the Proprietary Products therein described and claimed within your Territory in order to permit you to operate the Outlet according to this Agreement and all Drop Store Standards.

B. **LIMITATIONS ON YOUR USE OF PROPRIETARY PRODUCTS AND PROPRIETARY PROCESSES.**

(1) You have no right to further sublicense the Patents. Your license to use the Patents remains in effect only during the Term of this Agreement. However, should one (1) or more individual Patents lapse or expire, the license with respect to each individual patent that lapses or expires will terminate upon the lapse or expiration of that specific patent.

(2) You have no rights in any Patents owned by us, our affiliates, or designated third parties beyond those described in this Agreement or that we include in the Business

Reference Manual or other communications to you regarding Drop Store Standards. We, our affiliates and/or designated third parties have no obligation to obtain a patent on any pending patent application that may be included in the Patents, or to maintain any Patent in force.

(3) Your unauthorized use of the Patents is a breach of this Agreement and infringes our, our affiliates' and designated third parties' rights in the Patents. All provisions of this Agreement relating to the Patents apply to any additional patents we or they may sublicense to you.

(4) You agree to comply with our instructions on marking any licensed Patents, or similar registrations, on any Proprietary Products in order to preserve all rights and remedies available to us, our affiliates, and designated third parties under law.

C. **NOTIFICATION OF INFRINGEMENTS AND CLAIMS.**

You agree to notify us immediately in writing of any apparent infringement of any Patent, or challenge to your use of any of the Proprietary Products or Proprietary Processes, and not to communicate with any person other than us and our affiliates and designated third parties, their respective attorneys, and your attorneys regarding any infringement, challenge, or claim. We, or our affiliates and designated third parties, may take the actions we deem appropriate (including no action) and exclusively control any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Patent or the use of any of the Proprietary Products or Proprietary Processes. You agree to sign any documents and take any other reasonable action that, in the opinion of our attorneys (and the attorneys of our affiliates and designated third parties), are necessary or advisable to protect and maintain our (and our affiliates' and designated third parties') interests in any litigation, U.S. Patent and Trademark Office action or other proceeding or otherwise to protect and maintain our, our affiliates' and/or designated third parties' interests in the Patents or in the Proprietary Products or Proprietary Processes. We will reimburse you for your costs of taking any action that we have asked you to take. We, or our affiliates or designated third parties, will retain all damages recovered for any infringements of the Patents.

D. **DISCONTINUANCE OF USE OF PROPRIETARY PRODUCTS AND PROPRIETARY PROCESSES.**

If it becomes advisable at any time for us and/or you to modify or discontinue using any of the Proprietary Products or Proprietary Processes under the Patents licensed herein, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for any of your expenses in complying with these directions (such as the costs of modifying, updating, or changing any of these items) or for any loss of revenue due to any modification or discontinuation in their use. Our rights in this Section 6.D apply to all of the Proprietary Products and Proprietary Processes that we authorize you to use under the Patents in connection with the Franchise System. We may exercise these rights at any time and for any reason, business or otherwise, that we think best. You acknowledge both our right to take this action and your obligation to comply with our directions.

E. **DISCLAIMERS ON PRACTICE OF PATENTS.**

Neither we nor our affiliates warrant the validity of any of the licensed Patents. Neither we nor they warrant (whether expressly or impliedly) that the practice of the licensed Patents is not currently limited, or will not be limited in the future, by the intellectual property rights of third parties. At our option, we may defend and control the defense of any proceeding arising from your use of any Proprietary Product or Proprietary Process under the licensed Patents, but we are not obligated to provide indemnification.

7. **CONFIDENTIAL INFORMATION.**

We possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law, relating to developing and operating Drop Stores ("Confidential Information"), including:

(1) site selection criteria;

(2) formulas and related information regarding Proprietary Products, Proprietary Processes, Patents, and related know-how;

(3) training and operations materials and manuals;

(4) contracts, agreements, documents, correspondence, and other materials relating to the Franchise System or your operation of the Outlet;

(5) methods, formats, specifications, standards, systems, procedures, products, forms, document terms, sales and marketing techniques, knowledge, and experience used in developing and operating Drop Stores;

(6) marketing and advertising programs for Drop Stores;

(7) knowledge of specifications for and suppliers of Operating Assets, Proprietary Products, Proprietary Processes, and other products, services, supplies and equipment;

(8) any computer software or similar technology which is proprietary to us or the Franchise System, including digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;

(9) knowledge of the operating results and financial performance of Tide Cleaners Outlets other than the Outlet;

(10) graphic designs and related intellectual property; and

(11) other non-public information relating to the Tide Cleaners franchise opportunity that was disclosed to you on a confidential basis, or under a confidentiality

agreement with us, our affiliates, or a designated third party, prior to the Effective Date of this Agreement.

You acknowledge and agree that you will not acquire any interest in Confidential Information, other than the right to use it as we specify in operating the Outlet during this Agreement's Term, and that Confidential Information is proprietary, includes our and our affiliates' trade secrets, and is disclosed to you only on the condition that you agree, and you in fact do agree, that you:

(a) will not disclose or use Confidential Information in any other business or capacity;

(b) will keep each item deemed to be part of Confidential Information absolutely confidential, both during this Agreement's Term and then thereafter for as long as the item is not generally known in the dry cleaning and laundered garment industry or consumer products industry;

(c) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form;

(d) will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including restricting its disclosure only to those Outlet personnel and others having a need to know such Confidential Information and using non-disclosure and non-competition agreements with those having access to Confidential Information. We have the right to regulate the form of agreements that you use and to be a third party beneficiary of those agreements with independent enforcement rights; and

(e) will not sell, trade or otherwise profit in any way from Confidential Information, except during the Term in accordance with this Agreement.

Confidential Information does not include information, knowledge, or know-how that: (i) you can demonstrate lawfully came to your attention before we provided it to you directly or indirectly; or (ii) at the time we disclosed it to you, already had lawfully become generally known in the dry cleaning and laundry industry or consumer products industry through publication or communication by others (without violating an obligation to us or our affiliates); or (iii) after we disclose it to you, lawfully becomes generally known through publication or communication by others (without violating an obligation to us or our affiliates). However, if we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled.

All ideas, concepts, inventions, techniques, information, or materials relating to a Tide Cleaners Outlet ("Innovations"), whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property and part of the Franchise System. These Innovations include the Proprietary Products and Proprietary Processes that you, we, or designated third parties make during the Term and improvements to any and all Customer Data (as defined in Section 8) or other information relating to customers of the Outlet that you may obtain or develop for any

reason. By this paragraph, you assign ownership of any Innovations, and all related rights to that Innovation, to us and agree to take whatever action (including signing assignment, foreign or domestic registrations, applications, or notifications, or other documents) we request to evidence our ownership or to help us obtain intellectual property rights in such Innovations. You may not use any Innovation in operating the Outlet or otherwise without our prior approval.

8. CUSTOMER DATA.

You must comply with any reasonable instructions by us regarding the organizational, physical, administrative and technical measures and security procedures to safeguard the confidentiality and security of the names, addresses, telephone numbers, e-mail addresses, dates of birth, demographic or related information, and credit card information of previous, current and prospective customers of the Outlet ("Customer Data") and, in any event, employ reasonable means to safeguard the confidentiality and security of Customer Data. You must comply with all applicable laws governing the use, protection, and disclosure of Customer Data. If there is a suspected or actual breach of security or unauthorized access involving Customer Data, you must notify us immediately after becoming aware of such actual or suspected occurrence and specify the extent to which Customer Data was compromised or disclosed.

Subject to any applicable state or federal laws, you acknowledge and agree that we may access at any time and from time to time all Customer Data and records for the Outlet, including dates of transactions and assortments of garments dry cleaned at the Outlet, located on the Computer System. You further acknowledge and agree that we are the sole owners of Customer Data and that you may not distribute or sell, in any form or manner, Customer Data to any third party without our prior written consent. We and our affiliates may use Customer Data in our and their business activities, but during the Term we and our affiliates will not use the Customer Data that we or they learn from you or from accessing the Computer System to compete directly with the Outlet. Upon termination of this Agreement, we and our affiliates reserve the right to make any and all disclosures and use Customer Data in any manner that we or they deem necessary or appropriate.

9. EXCLUSIVE RELATIONSHIP.

You acknowledge that we have granted you the Franchise in consideration of and reliance upon your agreement to deal exclusively with us with respect to the products and services that Tide Cleaners Outlets offer. You therefore agree that, during the Term, neither you, nor any of your owners, nor any of your or your owners' spouses will:

(a) have any direct or indirect controlling or non-controlling interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business, wherever located or operating (except that equity ownership of less than two percent (2%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);

(b) perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating;

(c) divert or attempt to divert any actual or potential business or customer of the Outlet or any other Tide Cleaners Outlet to a Competitive Business; and/or

(d) engage in any other activity which might injure the goodwill of the Marks and Franchise System.

The term "Competitive Business" means: (i) any dry cleaning facility, laundry facility, or other business that includes among its services the cleaning of clothing, wearing apparel, household items, textile or fabrics and derives, or reasonably expects to derive, more than five percent (5%) of its revenue from selling dry cleaning, laundry, or related or derivative products or services; or (ii) any business granting franchises or licenses to others to operate the type of business specified in subparagraph (i) above (other than a Tide Cleaners Outlet operated under a franchise agreement or drop store franchise agreement with us).

You agree to obtain similar covenants from the personnel we specify, including officers, directors, managers and other employees attending our training program or having access to Confidential Information. We have the right to regulate the form of agreement that you use and to be a third party beneficiary of that agreement with independent enforcement rights.

10. DROP STORE STANDARDS.

A. CONDITION AND APPEARANCE OF THE OUTLET.

You agree that:

(1) you will maintain the condition, environment (including temperature control vital to the Franchise System), appearance, Operating Assets and Premises of the Outlet, and the Vehicle, in accordance with Drop Store Standards and consistent with the image of a Tide Cleaners Outlet as an efficiently operated business offering high quality products and services and observing the highest standards of cleanliness, sanitation, efficient, prompt, courteous service and pleasant ambiance. Accordingly, you will take, without limitation, the following actions during the term of this Agreement: (a) thorough cleaning, repainting and redecorating of the interior and exterior of the Premises at intervals we prescribe; (b) interior and exterior repair of the Premises; and (c) repair or replacement of damaged, worn out or obsolete Operating Assets;

(2) you will place or display at the Premises (interior and exterior) and on the Vehicle only those signs (including neon), emblems, designs, artwork, lettering, logos, and display and advertising materials that we may at any time, and from time to time, approve;

(3) if at any time in our reasonable judgment, the general state of repair, appearance or cleanliness of the Premises of the Outlet or its fixtures, furnishings, equipment or signs does not meet our standards, we have the right to notify you and specify the action(s) you must take to correct the deficiency. If you do not initiate appropriate action(s) to correct such deficiencies within ten (10) days after you receive our notice, and then continue, in good faith and with due diligence, a bona fide program to complete any required maintenance or refurbishing, then we have the right, in addition to all other remedies, to enter the Premises or the Outlet and perform any required maintenance or

refurbishing on your behalf, and you agree to reimburse us on demand for any expenses we incur in that connection;

(4) on notice from us, you agree to remodel, expand, redecorate, re-equip and/or refurnish the Premises and the Outlet to reflect changes in the operations of Tide Cleaners Outlets that we prescribe and require of new franchisees; and

(5) on notice from us, you agree to replace the Vehicle with a vehicle we approve.

B. **OUTLET SERVICES, PRODUCTS, SPECIFICATIONS, STANDARDS AND PROCEDURES.**

You agree that: (1) the Plant will service all garments and other items from and otherwise provide sufficient operational support for the Outlet; (2) we have the right to approve the terms of service and other provisions of the agreement between the Outlet and the Plant; (3) notwithstanding the fact that the Plant will service all garments from the Outlet, you are solely responsible for ensuring that all garments are cleaned in accordance with the Drop Store Standards and that all products and services provided from the Outlet will comply with the Drop Store Standards and other provisions of this Agreement; (4) the Outlet will offer for sale all products and services that we specify from time to time, and will only use Proprietary Products and Proprietary Processes and other cleaning methods or supplies that we have periodically specified or approved; (5) the Outlet will offer and sell approved products and services only in the manner we have prescribed; (6) you will not offer for sale or sell at the Outlet, the Premises or any other location or through Delivery Services any products or services we have not approved; (7) all products will be offered and sold only at retail prices and from the Premises, and you will not offer or sell any products at wholesale prices; (8) you will discontinue selling and offering for sale any products or services that we at any time decide (in our sole judgment) to disapprove in writing; and (9) that we have a right to receive information about the Outlet's operations directly from any designated or approved supplier with whom you contract, deal, or otherwise arrange to receive products or services related to the Outlet's operation, including but not limited to inventory and purchasing records concerning the Outlet's materials usage, and that you expressly acknowledge our right hereunder by signing the attached **Exhibit C** in conjunction with this Agreement.

C. **APPROVED PRODUCTS, DISTRIBUTORS AND SUPPLIERS.**

We have developed or may develop and periodically modify standards and specifications for types, models and brands of required Operating Assets, Proprietary Products, other products, agents, solvents, detergents, materials, signage, uniforms, and supplies. We reserve the right at any time and from time to time to approve specifications or suppliers and distributors of the above products that meet our reasonable standards and requirements. If we do so, you agree to purchase only such products meeting those specifications, and if we require it, only from distributors and other suppliers we have approved, which might include or be limited to us or our affiliates.

We may designate a single distributor or supplier (collectively "supplier") for any product, service, equipment, supply or material and may approve a supplier or distributor only as to certain products, services, equipment, supplies or materials. The designated supplier may be us, one of

our affiliates, or a designated third party. Unless we specify otherwise, you agree to purchase from us, our affiliate, or our designated suppliers all cleaning products, agents, equipment, technologies, detergents, equipment, video recordings, DVDs and/or other electronic media, and other consumer products used at, used by, or available for sale at the Outlet if we or they manufacture, distribute, or can otherwise provide such products.

We and our affiliates may receive payments from suppliers on account of such suppliers' dealings with you and other franchise owners, and may use any amounts so received without restriction and for any purpose we and our affiliates deem appropriate. We or our affiliates may concentrate purchases with one or more suppliers or distributors to obtain lower prices or the best advertising support or services for any other reason. Our approval of a supplier or distributor may be conditioned on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier or distributor from time to time.

If you would like to purchase any items we prescribe from any unapproved supplier or distributor, you must submit to us a written request for approval of the proposed supplier or distributor. We may approve, or deny approval of, your request at our sole option, using our or our affiliate's corporate evaluation process, and will notify you of our approval or disapproval within thirty (30) days of our receipt of your written request. We have the right to inspect the proposed supplier's or distributor's facilities, and to require product samples from the proposed supplier or distributor to be delivered, at our option, either directly to us or to any independent, certified laboratory that we designate for testing. Either you or the proposed supplier or distributor must pay us a fee (not to exceed the reasonable cost of the inspection and the actual cost of the test) to make the evaluation. We reserve the right to periodically re-inspect the facilities and products of any approved supplier or distributor and to revoke our approval if the supplier or distributor does not continue to meet any of our criteria. We also reserve the right to charge manufacturers or suppliers a royalty fee for the right to manufacture products for use in Tide Cleaners Outlets. If we approve any supplier or distributor you recommend from which you purchase or lease any items or other products or services, you agree that we are authorized to allow other Tide Cleaners Outlets to purchase or lease any items or other products or services from these suppliers or distributors, without limitation, and without compensation to you. Notwithstanding the foregoing, we may limit the number of approved suppliers and/or distributors with whom you may deal, designate sources that you must use, and/or refuse any of your requests for any reason, including that we have already designated any exclusive source (which might be us or our affiliate) for a particular item or service or if we believe that doing so is in the best interests of the Tide Cleaners Outlet franchise network.

We and our affiliates have developed or acquired the right to use specially formulated and prepared Proprietary Products for use in the operation of Tide Cleaners Outlets. You must use only the Proprietary Products and we will not approve any other products as substitutes or replacements for the Proprietary Products. Currently, you must purchase certain Proprietary Products we designate from us or our affiliate or a designated third party.

D. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.

You must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Outlet and must operate the Outlet in full compliance with all applicable laws, ordinances and regulations, including government regulations relating to occupational hazards, health, environment, worker's compensation and unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes. All advertising and promotion by you must be completely factual and must conform to the highest standards of ethical advertising. The Outlet must in all dealings with its customers, suppliers, us and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to our business and the goodwill associated with the Marks, the Franchise System, and other Tide Cleaners Outlets. You must notify us in writing within five (5) days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect your operation or financial condition or that of the Outlet and of any notice of violation of any law, ordinance, or regulation relating to the Outlet.

E. MANAGEMENT OF THE OUTLET/CONFLICTING INTERESTS.

Except as provided below, you (or your Managing Owner) must act as the general manager of the Outlet with responsibility for direct, on-Premises supervision of the Outlet. You must keep us informed at all times of the identity of any supervisory employee(s) acting as assistant manager(s) of the Outlet. You (or your Managing Owner) must devote full time and efforts to the management and supervision of the Outlet. However, if the Outlet is one of multiple Tide Cleaners Outlets that you (or your affiliates) own, or if we otherwise allow (in our sole judgment) upon your written request, then you may operate the Outlet under the direct on-Premises supervision of a general manager we have approved and who has completed our required initial training programs (including any replacement general manager during the Term).

F. INSURANCE.

During the Term, you must maintain in force at your sole expense comprehensive public liability, general liability, product liability and motor vehicle liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in connection with the Outlet's operation, all containing the minimum liability coverage we periodically specify. Such insurance coverage must specifically include auto insurance on the Vehicle that you use to transport garments to and from the Plant for cleaning and treatment services, and may include promotional events or other business activities in connection with the Outlet. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverages (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. These insurance policies must name us and any affiliates we designate as additional named insureds and provide for thirty (30) days' prior written notice to us of a policy's material modification, cancellation or expiration. You routinely must furnish us copies of your certificates of insurance or other evidence of your maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance

we specify, in addition to our other remedies, we may (but need not) obtain such insurance for you and the Outlet on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining such insurance.

G. **PRICING.**

We reserve the right, at any time and from time to time, to establish, and you agree to comply with, all maximum, minimum, or other pricing requirements on prices that you may charge for products or services to the fullest extent allowed by applicable law.

H. **DELIVERY SERVICES.**

As long as you or your affiliates operate a Plant Store Outlet that has been open for at least six (6) months, you may offer and provide remote pick-up, delivery, or similar services (collectively, "Delivery Services") in connection with the Outlet. You must (a) comply with our System Standards and other standards that we periodically specify relating to Delivery Services; and (b) provide Delivery Services directly to end user customers only through your employees, and you may not use independent contractors to provide those services. You may provide Delivery Services only within the Territory for your Outlet (unless we specify a smaller area in writing). You acknowledge and agree that we may, at any time and from time to time, and for any or no reason, change the definition of the delivery area and, in particular, reduce its size. If we ever decide to do so, you agree immediately to provide Delivery Services only within the newly-defined delivery area (if any). If you fail to do so, then in addition to our other rights and remedies, we may immediately terminate your right to provide any Delivery Services anywhere. You further acknowledge and agree that the delivery area is not exclusive and that we may engage, and/or allow other franchisees and third parties to engage, in any activities we desire within the delivery area without any restrictions whatsoever, except as expressly set forth in Section 1.E. We also have the right to review requests for delivery outside the defined delivery area and may, on a temporary basis, give our approval for those delivery services or revoke our approval (which will be written). We will not be liable for any reduction in your sales as a result of these activities.

I. **COMPLIANCE WITH DROP STORE STANDARDS.**

You acknowledge and agree that operating and maintaining the Outlet according to Drop Store Standards are essential to preserve the goodwill of the Marks and all Drop Stores. Therefore, you agree at all times to operate and maintain the Outlet according to all of our Drop Store Standards, however communicated to you in writing or another tangible form (for example, as presented in the Business Reference Manual or via the Franchise System intranet or website) and as we periodically modify and supplement them, even if you believe that a Drop Store Standards, as originally issued or subsequently modified, is not in the Franchise System's or the Outlet's best interests. Although we retain the right to establish and periodically modify Drop Store Standards that you have agreed to maintain, you retain the right to and responsibility for the day-to-day management and operation of the Outlet and implementing and maintaining Drop Store Standards at the Outlet.

As examples, and without limitation, Drop Store Standards may regulate any one or more of the following, in addition to the items described in Sections 10.A through 10.H above:

(1) purchase, storage, preparation, handling, and packaging procedures and techniques for Proprietary Products and other products and supplies; and inventory requirements for Proprietary Products and other products and supplies so that the Outlet may operate at full capacity;

(2) terms and conditions of the sale and delivery of, and terms and methods of payment for, Proprietary Products and other products and services that you obtain from us and affiliated and unaffiliated suppliers, including your obligation to purchase and use, to the maximum extent possible, only products marketed under trademarks that we or our affiliates own (whether or not you acquire such branded products from us, our affiliates, a designated third party supplier, or a third party supplier you choose) as we may prescribe; and our and our affiliates' right not to sell you any Proprietary Products or other products, or to provide you with services, or to do so only on a "cash-on-delivery" or other basis, if you are in default under any agreement with us;

(3) Delivery Services (as provided in Section 10.H), including your obligation to deliver products and services to customers in your delivery area only with your own employed delivery drivers in compliance with our procedures and not through third-party delivery services or systems; driver qualifications; and your obligation to total and account for (in the manner we specify) Delivery Services charges not included in the price of the Outlet's products and services;

(4) sales, marketing, advertising, customer relations, and promotional programs, including any materials and media used in these programs;

(5) specifications of the Vehicle you use to transport garments to and from the Plant for cleaning and treatment services, including make and model of the Vehicle, required insurance coverage, and exterior wrap design of the Vehicle acquired from an approved vendor;

(6) use and display of the Marks at the Outlet and on the Vehicle, price boards, plastic garment coverings, laundry bags, labels, forms, paper and plastic products, and other supplies or services used at or by the Outlet;

(7) issuing and honoring gift certificates, gift cards and other payment mechanisms;

(8) manner of identifying the Outlet's personnel and employee training, dress, and appearance. However, you have sole responsibility and authority for your labor relations, including, among other things, employee selection, promotion, termination, hours worked, rates of pay, benefits, work assigned, and working conditions. Your employees are under your day-to-day control at the Outlet. You must communicate clearly with your employees in your employment agreements, human resource manuals, written and electronic correspondence, paychecks, and other materials that you (and only you) are their employer and that we, as the franchisor of Tide Cleaners Outlets, are not their

employer and do not engage in any employer-type activities (including those described above) for which only franchisees are responsible. Any information we provide concerning employment-related policies and procedures, or relating to the terms and conditions of employment for Tide Cleaners Outlet employees, is for your optional use;

(9) days and hours of operation, including restrictions and policies governing operation or temporary closing of the Outlet during periods of inclement weather;

(10) participation in market research and testing and product and service development programs as well as participation in, and dues assessed for, advisory councils;

(11) accepting credit and debit cards, other payment systems, and check verification services;

(12) bookkeeping, accounting, data processing, and recordkeeping systems and forms; formats, content, and frequency of reports to us of sales, revenue, financial performance, and condition; and giving us copies of tax returns and other operating and financial information concerning the Outlet;

(13) the provision of efficient, courteous, competent, prompt, and high-quality service to the public;

(14) customer service programs, mystery shopper programs, and customer complaints and resolution programs (including reimbursing dissatisfied customers for their reasonable costs of patronage at the Outlet and participating in other customer-satisfaction programs in the manner we periodically specify); and

(15) any other aspects of operating and maintaining the Outlet that we determine to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks and Drop Stores.

J. MODIFICATION OF DROP STORE STANDARDS.

We periodically may modify Drop Store Standards, which may accommodate regional or local variations, and these modifications may obligate you to invest additional capital in the Outlet and/or incur higher operating costs. You agree to implement any changes in Drop Store Standards within the time period we request, whether they involve refurbishing or remodeling the Premises or any other aspect of the Outlet, buying new Operating Assets, adding new products and services, or otherwise modifying the nature of your operations, as if they were part of this Agreement as of the Effective Date.

11. MARKETING.

A. NEW STORE MARKETING.

At least ninety (90) days before the earlier of (i) the scheduled opening date, or (ii) the actual opening date if you plan to open the Outlet earlier than scheduled, you must pay us a lump-sum, non-refundable amount we specify, which currently is Twenty Thousand Dollars ($20,000),

that we will expend on your behalf for advertising and promotion of the Outlet during a new store opening period that we designate (the "New Store Marketing Expense"). The new store opening period typically covers from one (1) month before through three (3) months after the Opening Date (or up to about four (4) total months), subject to changes we may allow based on the particular market area or other unique circumstances of the Outlet, including our approval of an advanced written request that you may submit to us requesting such a change. You agree to comply with our then current guidelines and payment terms in connection with this grand opening advertising program.

B. **ADVERTISING AND DEVELOPMENT FUND.**

Recognizing the value of advertising and marketing to the goodwill and public image of Tide Cleaners Outlets, we have established a centralized Advertising and Development Fund (the "Fund") for the advertising, marketing, and public relations programs and materials we deem appropriate. You agree to contribute to the Fund the amount(s) that we specify from time to time (the "Contribution"), which currently equals two percent (2%) of the Outlet's Net Sales for the previous week, payable at the same time and in the same manner as the Royalty or in such other manner as we periodically specify. Tide Cleaners Outlets that we or our affiliates own will contribute to the Fund on the same basis as franchisees.

We have the right to collect for deposit into the Fund any advertising, marketing, or similar allowances paid to us by suppliers who deal with Tide Cleaners Outlets and with whom we have agreed that we will so deposit these allowances. (These payments are different from those which are not designated by suppliers to be used exclusively for advertising or similar purposes and which we and our affiliates therefore may use for any purposes we and they deem appropriate, as provided in Section 10.C above).

We will direct all programs that the Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining an electronic commerce website and/or related strategies; taxes on Fund contributions; administering regional, multi-regional and/or national marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities.

The Fund periodically will give you samples of advertising, marketing, and promotional formats and materials at no cost. We will sell you multiple copies of these materials at our direct cost of producing them, plus any related shipping, handling, and storage charges.

We will account for the Fund separately from our other funds and not use the Fund for any of our general operating expenses. However, we may use the Fund to pay the reasonable salaries and benefits of personnel who manage and administer the Fund, the Fund's other administrative costs, travel expenses of personnel while they are on Fund business, meeting costs, overhead relating to Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Fund and its programs, including conducting market research, public

relations, preparing advertising, promotion, and marketing materials, and collecting and accounting for Contributions.

The Fund will not be our asset. Although the Fund is not a trust, we will hold all Contributions for the benefit of the contributors and use Contributions only for the purposes described in this Section 11.B. We do not owe any fiduciary obligation to you for administering the Fund or any other reason. The Fund may spend in any fiscal year more or less than the total Contributions in that year paid by all Tide Cleaners Outlet franchisees and Tide Cleaners Outlets that we own, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. If the Fund spends more than the total amounts available in a given year (regardless of when those amounts accrued), the Fund may repay the difference plus reasonable interest to us (or another entity that covered the deficit) using Contributions received by the Fund in the following or later year. We will use all interest earned on Contributions to pay costs before using the Fund's other assets.

We will prepare an annual, unaudited statement of Fund collections and expenses and give you the statement upon written request. We may (but are not required to) have the Fund audited annually, at the Fund's expense, by an independent certified public accountant. We may incorporate the Fund or operate it through a separate entity whenever we deem appropriate, in which case the successor entity will have all of the rights and duties specified in this Section 11.B.

We intend the Fund to maximize recognition of the Marks and patronage of Tide Cleaners Outlets. Although we will try to use the Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, in a manner that will benefit all Tide Cleaners Outlets, we need not ensure that Fund expenditures in or affecting any geographic area are proportionate or equivalent to contributions made by Tide Cleaners Outlets operating in that geographic area, or that any individual Tide Cleaners Outlet benefits directly (or in proportion to its contribution) from the development of advertising and marketing materials and/or the placement of advertising and marketing, or that the placement of advertising and marketing benefits Tide Cleaners Outlets operating as Drop Stores in the same manner or in equal proportion to that of standard Tide Cleaners Outlets.

We have the right, but no obligation, to use collection agents and institute legal proceedings to collect contributions at the Fund's expense. We also may forgive, waive, settle, and compromise any claims by or against the Fund. Except as expressly provided in this Section 11.B, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Fund.

We may at any time defer or reduce contributions of a Tide Cleaners Outlet franchise owner and, upon thirty (30) days' prior written notice to you, reduce or suspend contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Fund. If we terminate the Fund, we will distribute all unspent monies to our franchise owners, and to us and our affiliates, in proportion to their and our respective contributions during the preceding twelve (12) month period.

C. YOUR LOCAL MARKETING.

You agree to list and advertise the Outlet in at least one (1) recommended telephone directory within the Outlet's market area (in the business classifications we prescribe from time to time) and to use an approved form of telephone directory advertisement. If other Tide Cleaners Outlets are located within the directory's distribution area, we may require you to participate in a collective telephone directory advertisement with those other Tide Cleaners Outlets and to pay your share of that collective advertisement.

In addition to your new store opening obligations in Section 11.A above and your Fund Contribution obligations in Section 11.B above, you agree to spend at least two percent (2%) of the Outlet's Net Sales to advertise and promote your Outlet (this may include the costs of phone listings) (the "Local Advertising Expenditures"), provided that your Local Advertising Expenditures may be offset (whether partially or fully, as applicable) by the amount of the applicable Co-op Dues (as defined in Section 11.D), if any, that you must pay pursuant to Section 11.D. Within thirty (30) days after the end of each month, you agree to send us, in the manner we prescribe, an accounting of your expenditures for local advertising and promotion during the preceding month. Effective on thirty (30) days' advance written notice to you, we may require you to pay all or a portion of your Local Advertising Expenditures to us and we will use these funds to advertise and promote your Outlet.

Your local advertising and promotion must follow our guidelines. All advertising and promotional materials that you develop for your Outlet must contain notices of our website's domain name in the manner we designate. You may not develop, maintain, or authorize any website that mentions or describes you or the Outlet or displays any of the Marks. You agree that your advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time.

If you are not using approved marketing materials from our marketing platform, then before you use them, you agree to send us or our designated agency, for our or its approval, physical samples of all advertising, promotional, and marketing materials which we have not prepared or previously approved. If you do not receive written approval within thirty (30) days after we or our designated agency receives the materials, they are deemed to be disapproved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved.

D. COOPERATIVE ADVERTISING PROGRAMS.

We may designate an Advertising Coverage Area ("ACA") — local or regional — in which Tide Cleaners Outlets are located in order to establish a cooperative advertising program ("Cooperative Program") for that ACA. An ACA is the area covered by the particular advertising medium recognized in the industry or as we may otherwise prescribe based on a Designated Marketing Area ("DMA") or other method. Franchise owners in the ACA will be required to participate in a Cooperative Program if one is established in that ACA. The members of the Cooperative Program in an ACA will be all of the Tide Cleaners Outlets located in that ACA,

including those operated by us and our affiliates. Each Tide Cleaners Outlet participating in a Cooperative Program will have one (1) vote.

If a Cooperative Program is established for your ACA, you will be required to contribute, on a monthly basis, at least one percent (1%) of your Outlet's Net Sales for the prior month (the "Co-op Dues") to that ACA's Cooperative Program. Your actual Co-op Dues, and any increases in the amount of the Co-op Dues or changes in the applicable rules of contribution, will be determined by a vote of sixty-seven percent (67%) or more of all Tide Cleaners Outlets participating in the ACA's Cooperative Program, including any Tide Cleaners Outlets operated by us or our affiliates, subject to our approval. Any Co-op Dues you contribute will count toward the Local Advertising Expenditures you are required to spend under Section 11.C to promote the Outlet, but in no event will your amounts contributed to a Cooperative Program affect your new store opening financial and advertising obligations required under Section 11.A or your required Contributions to the Fund.

If your ACA's Cooperative Program votes to increase the Co-op Dues above two percent (2%) of your Outlet's Net Sales, and you fail or refuse to contribute the increased Co-op Dues to the ACA's Cooperative Program, the Cooperative Program may suspend your voting rights and other privileges relating to the Cooperative Program until you begin contributing the increased Co-op Dues and pay all past due Co-op Dues.

12. RECORDS, REPORTS, AND FINANCIAL STATEMENTS.

You agree to establish and maintain at your own expense a bookkeeping, accounting, and recordkeeping system conforming to the requirements and formats we specify from time to time. We may require you to use a Computer System to maintain certain sales data, Customer Data, and other information and to report such information to us via a website or other means. You agree to give us in the manner and format that we prescribe from time to time:

(a) on or before Wednesday of each week, a report on the Outlet's Net Sales during the week ending on the preceding Sunday, should we so request, in lieu of extracting such data from the Computer System;

(b) within fifteen (15) days after the end of each calendar month, the operating statements, financial statements, statistical reports, purchase records, and other information we request regarding you and the Outlet covering the previous calendar month and the fiscal year to date;

(c) by April 15th of each year, annual profit and loss and source and use of funds statements and a balance sheet for the Outlet as of the end of the prior calendar year;

(d) within ten (10) days after our request, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information we periodically require relating to the Outlet and the Franchise.

You agree to verify and sign each report and financial statement in the manner we periodically specify. We may disclose data derived from these reports, although we will not without your consent (unless required by law) disclose your identity in any materials that we

circulate publicly. Moreover, we may, as often as we deem appropriate (including on a daily basis), access the Computer System and retrieve all information relating to the Outlet's operation, which may include all Customer Data or financial information available on the Computer System.

You agree to preserve and maintain all records in a secure location at the Outlet for at least three (3) years after the end of the fiscal year to which such records relate, or for such time as required by applicable law (including sales checks, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers). We may require you to have audited financial statements prepared annually during this Agreement's Term if we reasonably deem it necessary for purposes of verifying your compliance with this Agreement.

13. ASSESSMENTS, AUDITS, AND NOTIFICATION.

A. OUR RIGHT TO CONDUCT AN ASSESSMENT OF THE OUTLET.

To determine whether you and the Outlet are complying with this Agreement and all Drop Store Standards, we and our designated agents or representatives may at all times and without prior notice to you: (1) inspect the Outlet; (2) photograph the Outlet and observe and record the Outlet's operation for consecutive or intermittent periods we deem necessary; (3) remove samples of any products and supplies; (4) interview the Outlet's personnel and customers; (5) inspect and copy any books, records, and documents relating to the Outlet's operation; and (6) contact suppliers of products and services to the Outlet to obtain relevant information about the Outlet's operations, inventory and materials usage. You agree to cooperate with us fully. If we exercise any of these rights, we will not interfere unreasonably with the Outlet's operation. Without limiting our other rights and remedies under this Agreement, you agree promptly to correct at your own expense all failures to comply with this Agreement (including any Drop Store Standards) that our agents or representatives note within the time period we specify following your receipt of our notice. We then may conduct one or more follow-up assessments to confirm that you have corrected these deficiencies and otherwise are complying with this Agreement and all Drop Store Standards. We may charge you an assessment fee to compensate us for our costs and expenses during any such follow-up assessment or any assessment that you request.

B. OUR RIGHT TO AUDIT.

To determine whether you and the Outlet are complying with this Agreement, we may at any time during your business hours, and without prior notice to you, examine your and the Outlet's business, bookkeeping, and accounting records, sales and income tax records and returns, and other records. You agree to cooperate fully with our representatives and independent accountants in any examination. If any examination discloses an understatement of the Outlet's Net Sales, you agree to pay us, within fifteen (15) days after receiving the examination report, the Royalty and Fund Contributions due on the amount of the understatement, plus our interest in the amount of one and one-half percent (1.5%) per month (or prorated, as applicable) on the understated amounts from the date originally due until the date of payment. Furthermore, if an audit or other similar examination (collectively, for purposes of this paragraph, an "examination") is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals a Royalty or

Fund Contribution understatement exceeding two percent (2%) of the amount that you actually reported to us for the period examined, you agree to reimburse us for the costs of the examination, including the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

C. **OUR RIGHT TO LENDER NOTIFICATION AND COMMUNICATION.**

You must send us current information regarding the name, address, and telephone number of any financial institution or other financier that provided or is providing the financing enabling you to purchase or operate the Outlet (each, a "Lender"), the name and telephone number of your contact at the Lender, and the updated terms of financing. You must also notify us in writing within five (5) days following (a) any change in the Lender's information, (b) the financing terms extended to you for the Outlet, or (c) any default by you under any agreement between you and the Lender. You further agree that we have the right to communicate with your Lender regarding any changes to the financing terms of the Outlet, any default by you under an agreement with the Lender, or any change in your financial condition, provided that we reasonably notify you of any such communications.

14. **TRANSFER.**

A. **BY US.**

You acknowledge that we maintain a staff to manage and operate the Franchise System and that staff members can change as employees come and go. You represent that you have not signed this Agreement in reliance on any particular shareholder, director, officer, or employee remaining with us in that capacity. We may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. After our assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or other obligations under this Agreement. That assignment will constitute a release and novation with respect to this Agreement, and the new owner-assignee will be liable to you as if it had been an original party to this Agreement.

B. **BY YOU.**

You understand and acknowledge that the rights and duties this Agreement creates are personal to you (or, if you are an Entity, to your owners) and that we have granted you the Franchise in reliance upon our perceptions of your (or your owners') individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, none of the following may be transferred without our prior written approval: (i) this Agreement (or any interest in this Agreement); (ii) the Outlet (or any right to receive all or a portion of the Outlet's profits or losses or capital appreciation related to the Outlet); (iii) substantially all of the assets of the Outlet; (iv) any ownership interest in you (regardless of its size); or (v) any ownership interest in any of your owners (if such owners are legal entities). A transfer of the Outlet's ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Any transfer without our approval is a breach of this Agreement and has no effect. We will not unreasonably withhold, condition, or delay our approval of a proposed transfer that

meets all of the requirements of Section 14 of this Agreement (including, without limitation, the conditions for our approval of transfer contained in Section 14.C below).

In this Agreement, the term "transfer" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition, and including the following events:

(a) transfer of ownership of capital stock, a partnership or membership interest, or another form of ownership interest;

(b) merger or consolidation or issuance of additional securities or other forms of ownership interest;

(c) any sale of a security convertible to an ownership interest;

(d) transfer of an interest in you, this Agreement, the Outlet or substantially all of its assets, or your owners in a divorce, insolvency, or entity dissolution proceeding or otherwise by operation of law;

(e) if you, your owners, or an owner of one of your owners dies, a transfer of an interest in you, this Agreement, the Outlet or substantially all of its assets, or your owner by will, declaration of or transfer in trust, or under the laws of intestate succession; or

(f) pledge of this Agreement (to someone other than us) or of an ownership interest in you or your owners as security, foreclosure upon the Outlet, or your transfer, surrender, or loss of the Outlet's possession, control, or management. You may grant a security interest (including a purchase money security interest) in the Outlet's assets (not including this Agreement) to a lender that finances your acquisition, development, and/or operation of the Outlet without having to obtain our prior written approval, provided that you give us ten (10) days' prior written notice.

C. **CONDITIONS FOR APPROVAL OF TRANSFER.**

If you (and your owners) are fully complying with this Agreement, then, subject to the other provisions of this Section 14, we will approve a transfer that meets all of the requirements in this Section 14.C, which approval we will not unreasonably withhold, condition, or delay.

If you are an entity, your owners may transfer a non-controlling ownership interest (as described in Section 19.K below) in you or your owners (determined as of the date on which the proposed transfer will occur) if: (1) the proposed transferee and its direct and indirect owners (if the transferee is an Entity) are of good character and otherwise meet our then applicable standards for Tide Cleaners Outlet franchise owners (including no ownership interest in or performance of services for a Competitive Business); and (2) you give us prior written notice of the transfer.

For any proposed transfer of this Agreement (or any interest in this Agreement), the Outlet (or any right to receive all or a portion of the Outlet's profits or losses or capital appreciation related to the Outlet), substantially all of the assets of the Outlet, or a controlling ownership interest (as described in Section 19.K below) in you or a transfer which is one of a series of transfers (regardless of the time period over which these transfers take place) which in the aggregate transfer

a controlling ownership interest in you, all of the following conditions must be met before or concurrently with the effective date of the transfer:

(1) the transferee has sufficient business experience, aptitude, and financial resources to operate the Outlet;

(2) you have paid all Royalties, Fund Contributions and Co-op Dues, and other amounts owed to us, our affiliates, and third party vendors; have submitted all required reports and statements; and have not violated any provision of this Agreement, the Lease, or any other agreement with us or our affiliates during both the sixty (60) day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer;

(3) neither the transferee nor its owners (if the transferee is an Entity) or affiliates have an ownership interest (direct or indirect) in or perform services for a Competitive Business;

(4) the transferee (or its managing owner) satisfactorily completes our training program;

(5) your landlord allows you to transfer the Lease or sublease the Premises to the transferee;

(6) the transferee shall (if the transfer is of this Agreement), or you shall (if the transfer is of a controlling ownership interest in you), sign our then current form of drop store franchise agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement, including the Royalty, Fund Contribution, Co-op Dues and Local Advertising Expenditures; provided, however, that the term of the new drop store franchise agreement signed will equal ten (10) years as long as the transferee may maintain possession of the Premises during that ten (10) year period;

(7) you or the transferee pays us a transfer fee equal to the amount we then charge for the transfer of a Tide Cleaners Outlet under our then current form of drop store franchise agreement. The transfer fee is Seven Thousand Five Hundred Dollars ($7,500) as of the Effective Date, which may change over the Term. (The transferee will also be obligated to pay our then current fees for initial training and/or additional training programs that we may require its personnel to complete, as applicable, in accordance with the preceding subparagraph (4));

(8) you (and your transferring owners) sign a general release, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their respective shareholders, officers, directors, employees, and agents;

(9) we have determined that the purchase price and payment terms will not adversely affect the transferee's operation of the Outlet;

(10) if you or your owners finance any part of the purchase price, you and/or your owners agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in the Outlet are subordinate to the transferee's obligation to pay Royalties, Fund Contributions, and other amounts due to us, our affiliates, and third party vendors and otherwise to comply with this Agreement;

(11) (a) you have corrected any existing deficiencies of the Outlet of which we have notified you on a punchlist or in other communications, and/or (b) the transferee agrees (if the transfer is of this Agreement) to upgrade, remodel, and refurbish the Outlet in accordance with our then current requirements and specifications for Tide Cleaners Outlets within the time period we specify following the effective date of the transfer (we will advise the transferee before the effective date of the transfer of the specific actions that it must take and the time period within which such actions must be taken);

(12) you and your transferring owners (and your and your owners' spouses) will not, for two (2) years beginning on the transfer's effective date, engage in any of the activities proscribed in Section 17.D below; and

(13) you and your transferring owners will not directly or indirectly at any time or in any manner (except with respect to other Tide Cleaners Outlets you own and operate) identify yourself or themselves or any business as a current or former Tide Cleaners Outlet or as one of our franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of a Tide Cleaners Outlet in any manner or for any purpose; or utilize for any purpose any trade name, trade or service mark, or other commercial symbol that suggests or indicates a connection or association with us.

We may review all information regarding the Outlet that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us or that we have made regarding the Outlet.

D. **TRANSFER TO A WHOLLY-OWNED CORPORATION OR LIMITED LIABILITY COMPANY.**

Notwithstanding Section 14.C above, if you are fully complying with this Agreement, you may transfer this Agreement to a corporation or limited liability company which conducts no business other than the Outlet and, if applicable, other Tide Cleaners Outlets in which you maintain management control, and of which you own and control one hundred percent (100%) of the equity and voting power of all issued and outstanding ownership interests, provided that all of the Outlet's assets are owned, and the Outlet's business is conducted, only by that single corporation or limited liability company. The corporation or limited liability company must expressly assume all of your obligations under this Agreement. Transfers of ownership interests in the corporation or limited liability company are subject to Section 14.C. You agree to remain personally liable under this Agreement as if the transfer to the corporation or limited liability company did not occur.

E. **YOUR DEATH OR DISABILITY.**

(1) **Transfer Upon Death or Disability**. Upon your or your Managing Owner's death or disability, your or the Managing Owner's executor, administrator,

conservator, guardian, or other personal representative must transfer your interest in this Agreement, or the Managing Owner's ownership interest in you, to a third party (which may be your or the Managing Owner's heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed nine (9) months from the date of death or disability, and is subject to all of the terms and conditions in this Section 14. A failure to transfer your interest in this Agreement or the Managing Owner's ownership interest in you within this time period is a breach of this Agreement.

The term "disability" means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent you or the Managing Owner from supervising the Outlet's management and operation.

(2) **Operation Upon Death or Disability**. Upon your or the Managing Owner's death or disability, your or the Managing Owner's executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, not to exceed thirty (30) days from the date of death or disability, appoint a manager for the Outlet whom we approve. The manager must complete a training program that we specify at your expense. A new Managing Owner acceptable to us also must be appointed for the Outlet, and that new Managing Owner must complete our then applicable initial training program (and other training we may specify) within six months (6) months after the date of death or disability.

If, in our judgment, the Outlet is not being managed properly at any time after your or the Managing Owner's death or disability, we may, but need not, assume the Outlet's management (or appoint a third party to assume its management). All funds from the Outlet's operation while it is under our (or the third party's) management will be kept in a separate account, and all expenses will be charged to this account. We may charge you (in addition to the Royalty, Fund Contributions, and other amounts due under this Agreement) Five Hundred Dollars ($500) per day, plus our (or the third party's) direct out-of-pocket costs and expenses, if we (or a third party) assume the Outlet's management under this Section 14.E(2). We (or a third party) have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations the Outlet incurs, or to any of your creditors for any products, other assets, or services the Outlet purchases, while we (or a third party) manage it.

If we assume the Outlet's management (or appoint a third party to assume its management), we will operate the Outlet for up to ninety (90) days. We will periodically evaluate whether or not you, the Managing Owner, or an alternative approved manager is capable of resuming the Outlet's operation and will periodically discuss the Outlet's status with you or, if applicable, your heirs or personal representative.

F. EFFECT OF CONSENT TO TRANSFER.

Our consent to a transfer of this Agreement and the Outlet, or any interest in you or your owners, is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of the Outlet's or transferee's prospects of success, or a waiver of any

claims we have against you (or your owners) or of our right to demand the transferee's full compliance with this Agreement.

G. **OUR RIGHT OF FIRST REFUSAL.**

If you (or any of your owners) at any time determine to sell or transfer for consideration a controlling interest in this Agreement and the Outlet, or a controlling ownership interest in you (except to or among your current owners, which is not subject to this Section 14.G), in a transaction that otherwise would be subject to Sections 14.B and 14.C above, you (or your owners) agree to obtain from a responsible and fully disclosed buyer, and send us, a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating exclusively to an interest in you or in this Agreement and the Outlet. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a dollar amount and the proposed buyer must submit with its offer an earnest money deposit equal to five percent (5%) or more of the offering price.

The right of first refusal process will not be triggered by a proposed transfer that would not be allowed under Sections 14.B and 14.C above and therefore may not proceed. We may require you (or your owners) to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

We may, by written notice delivered to you or your selling owner(s) within thirty (30) days after we receive both an exact copy of the offer and all other information we request, elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided that:

(1) we may substitute cash for any form of payment proposed in the offer (such as ownership interests in a privately-held entity);

(2) our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, we or our designee may provide promissory notes with the same terms as those offered by the proposed buyer);

(3) we will have an additional forty-five (45) days to prepare for closing after notifying you of our election to purchase; and

(4) we must receive, and you and your owners agree to make, all customary representations, warranties and indemnities given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable, including representations and warranties regarding: (a) ownership and condition of and title to ownership interests and/or assets; (b) liens and encumbrances relating to ownership interests and/or assets; and (c) validity of contracts and the liabilities, contingent or otherwise, of the entity whose assets or ownership interests are being purchased, and indemnities for all actions, events and conditions that existed or occurred in connection with the Outlet or your business prior to the closing date.

If we exercise our right of first refusal, you and your selling owner(s) agree that, for two (2) years beginning on the closing date, you and they will be bound by the non-competition covenant contained in Section 17.D below. We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section 14.G.

If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we otherwise approve the transfer in accordance with, and you (and your owners) and the transferee comply with the conditions in, Sections 14.B and 14.C above. This means that, even if we do not exercise our right of first refusal (whether or not it is properly triggered as provided above), if the proposed transfer otherwise would not be allowed under Sections 14.B and 14.C above, you (or your owners) may not move forward with the transfer at all.

If you do not complete the sale to the proposed buyer within sixty (60) days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the sale (about which you agree to tell us promptly), we or our designee will have an additional right of first refusal during the thirty (30)-day period following either the expiration of the sixty (60)-day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our or our designee's option.

15. EXPIRATION OF THIS AGREEMENT.

A. YOUR RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE.

If you meet certain conditions and would like to acquire a successor franchise, then you will have the option to acquire a successor franchise term of ten (10) years. The qualifications and conditions for acquiring a successor franchise term are described below.

When this Agreement expires:

(1) if you (and each of your owners) have substantially complied with this Agreement during its Term; and

(2) if you (and each of your owners) are, both on the date you give us written notice of your election to acquire a successor franchise (as provided in Section 15.B) and on the date on which the term of the successor franchise would commence, in full compliance with this Agreement and all Drop Store Standards; and

(3) provided that, at your option: (a) you maintain possession of and agree (regardless of cost) to remodel and/or expand the Outlet, add or replace improvements and Operating Assets, and otherwise modify the Outlet as we require to comply with Drop Store Standards then applicable for new Drop Stores, (b) you secure a substitute premises that we approve, and you develop the approved premises according to Drop Store Standards then applicable for Drop Stores, or (c) if, in our sole judgment, you have the financial and operational capabilities, and the Outlet may accommodate the required fixtures, furniture, machines, equipment and other materials used in the operation of standard Tide Cleaners Outlets, you convert the Outlet to a standard Tide Cleaners Outlet that uses a traditional, full-service model of operation; and

(4) if we are then offering new franchise opportunities for Drop Stores; and

(5) we have determined, in our sole judgment, that a Business Model Change (as defined in Section 15.D) has not occurred,

then you have the option to acquire a successor franchise term of ten (10) years commencing immediately upon the expiration of this Agreement. You agree to sign our then current form of drop store franchise agreement we use to grant franchises for Drop Stores, or in the event that we require you to convert the Outlet to a standard Tide Cleaners Outlet, our then current form of franchise agreement we use to grant franchises for standard Tide Cleaners Outlets (in either case modified as necessary to reflect the fact that it is for a successor franchise), which may contain provisions that differ materially from any and all of those contained in this Agreement. You agree to pay us a successor franchise fee for the successor franchise term equal to the amount we charge for a successor franchise under our then current form of drop store franchise agreement or franchise agreement for standard Tide Cleaners Outlets. The successor franchise fee is Seven Thousand Five Hundred Dollars ($7,500) as of the Effective Date, which may change over the Term.

If you (and each of your owners) are not, both on the date you give us written notice of your election to acquire a successor franchise and on the date on which the term of the successor franchise commences, in full compliance with this Agreement and all Drop Store Standards, you acknowledge that we need not grant you a successor franchise, whether or not we had, or chose to exercise, the right to terminate this Agreement during its Term under Section 16.A.

B. **GRANT OF A SUCCESSOR FRANCHISE.**

You agree to give us written notice of your election to acquire a successor franchise no more than two hundred twenty (220) days and no less than one hundred eighty (180) days before this Agreement expires. We agree to give you written notice ("Our Notice"), not more than ninety (90) days after we receive your notice, of our decision:

(1) to grant you a successor franchise;

(2) to grant you a successor franchise on the condition that you correct existing deficiencies of the Outlet or in your operation of the Outlet;

(3) not to grant you a successor franchise based on our determination that you and your owners have not substantially complied with this Agreement during the Term or were not in full compliance with this Agreement and all Drop Store Standards on the date you gave us written notice of your election to acquire a successor franchise; or

(4) not to grant you a successor franchise, in which case, provided that the qualifications and conditions for acquiring a successor franchise term listed in paragraphs (1) through (4) of Section 15.A are satisfied, the terms of Section 15.D will apply.

If applicable, Our Notice will:

(a) describe the remodeling, expansion, improvements, and/or modifications required to bring the Outlet into compliance with then applicable Drop Store Standards for new Drop Stores;

(b) describe the remodeling, expansion, improvements, and/or modifications required to convert the Outlet into a standard Tide Cleaners Outlet, including applicable timelines for conversion; and

(c) state the actions you must take to correct operating deficiencies and the time period in which you must correct these deficiencies.

If we elect not to grant you a successor franchise, Our Notice will describe the reasons for our decision. If we elect to grant you a successor franchise, your right to acquire a successor franchise is subject to your full compliance with all of the terms and conditions of this Agreement through the date of its expiration, in addition to your compliance with the obligations described in Our Notice.

If Our Notice states that you must cure certain deficiencies of the Outlet or its operation as a condition to our granting you a successor franchise, we will give you written notice of our decision not to grant a successor franchise, based upon your failure to cure those deficiencies, not less than ninety (90) days before this Agreement expires; provided, however, that we need not give you this ninety (90) days' notice if we decide not to grant you a successor franchise due to your breach of this Agreement during the ninety (90) day period before it expires. If we fail to give you:

(i) notice of deficiencies in the Outlet, or in your operation of the Outlet, within ninety (90) days after we receive your timely election to acquire a successor franchise (if we elect to grant you a successor franchise under subparagraphs (2) and (c) above); or

(ii) notice of our decision not to grant a successor franchise at least ninety (90) days before this Agreement expires, if this notice is required,

we may extend this Agreement's Term for the time period necessary to give you either reasonable time to correct deficiencies or the ninety (90) days' notice of our refusal to grant a successor franchise. If you fail to notify us of your election to acquire a successor franchise within the prescribed time period, we need not grant you a successor franchise.

C. **AGREEMENTS/RELEASES.**

If you satisfy all of the other conditions for a successor franchise, you and your owners agree to execute the form of drop store franchise agreement and any ancillary agreements we then customarily use in granting franchises for Drop Stores, or in the event that you convert the Outlet to a standard Tide Cleaners Outlet, the form of franchise agreement and any ancillary agreements we then customarily use in granting franchises for standard Tide Cleaners Outlets (in either case modified as necessary to reflect the fact that it is for a successor franchise), which may contain

provisions that differ materially from any and all of those contained in this Agreement. You and your owners further agree to sign general releases, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their respective shareholders, officers, directors, employees, agents, successors, and assigns. We will consider your or your owners' failure to sign these agreements and releases and to deliver them to us for acceptance and execution within thirty (30) days after their delivery to you to be an election not to acquire a successor franchise.

D. **ALTERNATIVES TO YOUR RIGHT TO A SUCCESSOR FRANCHISE.**

In addition to the other conditions for the grant of a successor franchise contained in Section 15.A, you will not be eligible to obtain a successor franchise if we determine, in our sole judgment, that changed business circumstances since the date of this Agreement have negatively impacted or are likely to negatively impact the performance of the Tide Cleaners Outlet franchise network (a "Business Model Change"). If you satisfy the other conditions for the grant of a successor franchise under Section 15.A and are not eligible to acquire a successor franchise solely because of a Business Model Change, then you shall have the right to exercise one of the following alternatives, as applicable:

(1) continue operating the business at the former Outlet's Premises as an independent dry cleaning enterprise, subject only to the post-termination obligations contained in Sections 17.A, 17.B, and 17.C below; or

(2) request that we purchase the Outlet from you (which request we may deny in our sole discretion) under the terms and conditions of Section 17.E below, subject only to the post-termination obligations contained in Sections 17.A, 17.B, and 17.C below; or

(3) if we are then offering licenses to Tide Cleaners Outlet franchisees to convert their franchised locations into licensed locations using the Marks (or other trade names or trademarks then available to be licensed by us or our affiliates), become our (or our affiliate's) licensee by executing the form of license agreement we are then offering to former Tide Cleaners Outlet franchisees.

16. **TERMINATION OF AGREEMENT.**

A. **BY US.**

We may terminate this Agreement, effective upon delivery of written notice of termination to you, if:

(1) you (or any of your owners) have made or make any material misrepresentation or omission in acquiring the Franchise or operating the Outlet;

(2) you do not open the Outlet for business either (i) by the scheduled opening date or (ii) such opening deadline as may be prescribed in the Development Rights Agreement associated with this Agreement;

(3) your designated attendee does not satisfactorily complete the initial training program;

(4) you abandon or fail actively to operate the Outlet for three (3) or more consecutive business days, unless you temporarily close the Outlet during periods of inclement weather that reasonably render the Outlet's operation impractical or dangerous, or you otherwise close the Outlet for a purpose we approve of or because of casualty or government order;

(5) you (or your owners) make or attempt to make any transfer in violation of Section 14;

(6) you (or any of your owners) are or have been convicted of, or plead or have pleaded either guilty or no contest to, a felony, or to another crime or lesser offense that may adversely affect your reputation, the reputation of the Outlet or the goodwill associated with the Marks;

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

(8) you (or any of your owners) engage in any dishonest or unethical conduct or in any acts or omissions which, in our opinion, adversely affects the Outlet's reputation or the goodwill associated with the Marks;

(9) you lose the right to occupy the Premises and fail (a) to begin immediately to look for a substitute site, or (b) to locate a substitute site, and to begin operating the Outlet from that substitute site, within one hundred eighty (180) days after we approve the location of the substitute site;

(10) any other drop store franchise agreement, franchise agreement or other agreement between us (or any of our affiliates) and you (or any of your owners or affiliates), other than a development rights agreement, is terminated before its term expires, regardless of the reason;

(11) you (or any of your owners) knowingly make any unauthorized use or disclosure of any part of the Business Reference Manual or any other Confidential Information;

(12) you violate any health, safety, or sanitation law, ordinance, or regulation, or operate the Outlet in an unsafe manner, and do not begin to cure the violation immediately, and do not correct the violation within seventy-two (72) hours, after you receive notice from us or any other party;

(13) you fail to pay us (or our affiliates) any amounts due and do not correct the failure within ten (10) days after we deliver written notice of that failure to you;

(14) you fail to pay when due any federal or state income, service, sales, or other taxes due on the Outlet's operation, unless you are in good faith contesting your liability for these taxes;

(15) you understate the Outlet's Net Sales three (3) times or more during this Agreement's Term or by more than five percent (5%) on any one occasion;

(16) the Plant that services all garments and other items from and otherwise provides sufficient operational support for the Outlet ceases operations under a franchise agreement with us or otherwise, and within five (5) days from the date of the closure of the Plant, you cannot locate another standard Tide Cleaners Outlet that is equipped to handle additional business volume and that has the capabilities to otherwise service the Outlet;

(17) you (or any of your owners) (a) fail on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you; or (b) fail on two (2) or more separate occasions within any six (6) consecutive month period to comply with the same obligation under this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you;

(18) you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property; the Outlet is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee, or liquidator of you or the Outlet is not vacated within thirty (30) days following the order's entry;

(19) your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation; or

(20) you, any of your owners, or any of your personnel use any equipment, services, processes or products at the Outlet other than Proprietary Products, Proprietary Processes or that otherwise violate Drop Store Standards and/or that you acquire through suppliers that we have not approved or that we have disapproved; or

(21) you (or any of your owners) fail to comply with any other provision of this Agreement or any Drop Store Standard and do not correct the failure within thirty (30) days after we deliver written notice of the failure to you.

B. **ASSUMPTION OF MANAGEMENT.**

We have the right (but not the obligation), under the circumstances described below, to enter the Premises and assume the Outlet's management (or to appoint a third party to assume its management) for an initial period of time not to exceed ninety (90) days, which ninety (90)-day period may be subsequently renewed for a total cumulative period of one (1) year following our assumption of management responsibilities if you do not sufficiently cure the default(s) in the Outlet's operation or management to our satisfaction. If we (or a third party) assume the Outlet's management under subparagraphs (1) and (2) below in this Section 16.B, you agree to pay us (in

addition to the Royalty, Fund Contributions, and other amounts due under this Agreement) Five Hundred Dollars ($500) per day, plus our (or the third party's) direct out-of-pocket costs and expenses, for up to ninety (90) days after we assume management (and during any subsequent ninety (90)-day renewal period, or portion thereof).

If we (or a third party) assume the Outlet's management, you acknowledge that we (or the third party) will have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations the Outlet incurs, or to any of your creditors for any supplies, products, or other assets or services the Outlet purchases, while we (or the third party) manage it. If we (or a third party) assume the Outlet's management, we or they will periodically discuss the Outlet's operational status with you (or your owners, as applicable).

We (or a third party) may assume the Outlet's management under the following circumstances: (1) if you abandon or fail actively to operate the Outlet; (2) if you fail to comply with any provision of this Agreement or any Drop Store Standard and do not cure the failure within the time period we specify in our notice to you; or (3) if this Agreement expires or is terminated and we are deciding whether to exercise our option to purchase the Outlet under Section 17.E below.

If we exercise our rights under subparagraphs (1) or (2) above, that will not affect our right to terminate this Agreement under Section 16.A above.

17. OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT.

A. PAYMENT OF AMOUNTS OWED TO US.

You agree to pay us within fifteen (15) days after this Agreement expires or is terminated, or on any later date that we determine the amounts due to us, the Royalties, Fund Contributions, interest, and all other amounts owed to us (and our affiliates) which then are unpaid.

B. MARKS; PROPRIETARY PRODUCTS; PROPRIETARY PROCESSES.

When this Agreement expires or is terminated:

(1) you may not directly or indirectly at any time or in any manner (except with other Tide Cleaners Outlets you own and operate) identify yourself or any business as a current or former Tide Cleaners Outlet or as one of our current or former franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of a Tide Cleaners Outlet in any manner or for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with us;

(2) you agree to take the action required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(3) you agree to deliver to us within thirty (30) days all signs, sign-faces, sign-cabinets, marketing materials, forms, and other materials containing any Mark or otherwise

identifying or relating to a Tide Cleaners Outlet that we request and allow us, without liability to you or third parties for trespass or any other claim, to enter the Premises and remove these items from the Outlet;

(4) if we do not have or do not exercise an option to purchase the Outlet under Section 17.E, you agree promptly and at your own expense to make the alterations we specify in our Business Reference Manual (or otherwise) to distinguish the Outlet clearly from its former appearance and from other Tide Cleaners Outlets in order to prevent public confusion;

(5) you agree to notify the telephone company and all telephone directory publishers of the termination or expiration of your right to use any telephone, facsimile, or other numbers and telephone directory listings associated with any Mark; to authorize the transfer of these numbers and directory listings to us or at our direction; and/or to instruct the telephone company to forward all calls made to your numbers to numbers we specify. If you fail to do so, we may take whatever action and sign whatever documents we deem appropriate on your behalf to effect these events;

(6) you agree that all licenses we granted to you to use our (or our affiliates' or designated third parties') Patents shall terminate immediately, and you agree to immediately cease using the Proprietary Products and Proprietary Processes. You agree to allow us, without liability to you or third parties for trespass or any other claim, to enter the Premises to verify that you have ceased use such use. Notwithstanding the foregoing, the limitation on your non-use of our Proprietary Products and Proprietary Processes with respect to a particular licensed Patent shall not extend beyond the expiration of such a Patent; and

(7) you agree to give us, within thirty (30) days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations.

C. **CONFIDENTIAL INFORMATION.**

You agree that, when this Agreement expires or is terminated, you will immediately cease using any of our Confidential Information (including computer software or similar technology and digital passwords and identifications that we have licensed to you or that otherwise are proprietary to us or the Franchise System) or Customer Data in any business or otherwise and return to us all copies of the Business Reference Manual and any other confidential materials to which we have provided you access.

D. **COVENANT NOT TO COMPETE.**

Upon

(1) our termination of this Agreement according to its terms and conditions,

(2) your termination of this Agreement without cause, or

(3) expiration of this Agreement (if we offer, but you elect not to acquire, a successor franchise, or if we do not offer you a successor franchise due to your failure to satisfy the conditions for a successor franchise set forth in Section 15), except as otherwise set forth in Section 15.D,

you and your owners agree that, for two (2) years beginning on the effective date of termination or expiration or the date on which all persons restricted by this Section 17.D begin to comply with this Section 17.D, whichever is later, neither you nor any of your owners will have any direct or indirect interest (*e.g.*, through a spouse) as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, representative, or agent in any Competitive Business located or operating:

(a) at the Premises;

(b) within a twenty-five (25) mile radius of the Premises;

(c) within twenty-five (25) miles of any other Tide Cleaners Outlet in operation or under construction on the later of the effective date of the termination or expiration of this Agreement, or the date on which all persons restricted by this Section 17.D begin to comply with this Section 17.D.

These restrictions also apply after transfers, as provided in Section 14.C(12) above. If any person restricted by this Section 17.D refuses voluntarily to comply with these obligations, the two (2)-year compliance period for that person will commence with the entry of a court order enforcing this provision. You and your owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Section 17.D will not deprive you of your personal goodwill or ability to earn a living.

E. **OUR RIGHT TO PURCHASE THE OUTLET.**

Upon termination of this Agreement, or upon expiration of this Agreement without renewal, we shall have the right and option, but not the obligation, to purchase the Outlet, including the Premises (if the Premises are owned by you) and all Operating Assets, equipment, and any other assets then having value from, or used in the operation of, the Outlet at a purchase price equal to its then current fair market value, which shall exclude (or otherwise be reduced by) any value attributable to goodwill in the Marks or the Tide Cleaners Outlet brand. If we elect to exercise this option, we will deliver written notice to you of our election within thirty (30) days after the date of termination or expiration of this Agreement. We will have the right to inspect the Outlet at any time during this thirty (30)-day period. If we elect to purchase the Outlet, we will be entitled to, and you must provide, all customary warranties and representations relating to any assets or other items related to the Outlet, including representations and warranties as to the maintenance, function and condition of the equipment and your good title to the equipment (including that you own the equipment free and clear of any liens and encumbrances).

If you and we cannot agree on the then fair market value of the Outlet (less any goodwill in the Marks or the brand), then we and you acknowledge and agree that the purchase price of the Outlet shall be appraised and finally determined by an appraisal process conducted by one (1)

independent appraiser that you and we mutually agree to and appoint within fifteen (15) days after we deliver notice of our election to exercise our purchase option pursuant to this Section. If we and you cannot agree on a mutually acceptable appraiser within fifteen (15) days after we deliver our notice, then we will provide you with a list of three (3) independent appraisers and you must select one (1) of those choices to act as the designated appraiser that will determine the purchase price. We and you will share equally the appraiser's fees and expenses. Within ten (10) days after the appraiser is selected, we and you each must submit to the appraiser our and your respective calculations of the purchase price, prepared in accordance with the terms and conditions of this Section 17.E and with such detail and supporting information as the appraiser requires. Within twenty (20) days after the deadline for submitting such purchase price calculations, the appraiser must decide whether our proposed purchase price or your proposed purchase price most accurately reflects the fair market value of the Outlet, determined in accordance with this Section 17.E. The appraiser has no authority to compromise between the two (2) proposed purchase prices, but instead is authorized to choose only one or the other. The appraiser's choice shall be the purchase price and shall be final and binding on us and you.

F. CONTINUING OBLIGATIONS.

All of our and your (and your owners') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire.

18. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

A. INDEPENDENT CONTRACTORS.

You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that you and we are and will be independent contractors, and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. We are not the employer or joint employer of the Outlet's employees. You are solely responsible for the management and operation of the Outlet and the supervision of the Outlet's employees. You agree to identify yourself conspicuously in all dealings with customers, suppliers, public officials, Outlet personnel, and others as the Outlet's owner under a franchise we have granted and to place notices of independent ownership on the forms, business cards, stationery, advertising, and other materials we require from time to time.

We will not exercise direct or indirect control over the working conditions of Outlet personnel, except to the extent that such indirect control is related to our legitimate interest in protecting the quality of our services or brand. We do not share or codetermine the terms and conditions of employment of the Outlet's employees and do not affect matters relating to the employment relationship between you and your Outlet's employees, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints and working conditions. To that end, you agree to notify Outlet employees that you are their employer and that we, as the franchisor of Tide Cleaners outlets, are not their employer and do not engage in any employer-type activities for which only

franchisees are responsible, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions.

You acknowledge and agree that:

(a) you are the only party that employs your staff (even though we may provide you with advice, guidance, and training);

(b) we are not the employer of any of your staff, and we will not play any role in decisions regarding their engagement (including but not limited to matters such as recruitment, hiring, compensation, scheduling, employee relations, labor matters, review, discipline, and/or dismissal);

(c) any guidance that we provide and requirements under which you will operate are intended to promote and protect the value of the brand and the Marks;

(d) when forming and in operating your business, you had to adopt standards to operate that business, and that instead of developing and implementing your own standards (or those of another party), you chose to adopt and implement our standards for your business (including but not limited to our System and the requirements under this Agreement); and

(e) you have made (and will remain responsible at all times for) all of the organizational and basic decisions about establishing and forming your entity, operating your business (including but not limited to adopting our standards as your standards), and hiring employees and employment matters employment (including but not limited to matters such as recruitment, hiring, compensation, scheduling, employee relations, labor matters, review, discipline, and/or dismissal) engaging professional advisors, and all other facets of your operation.

B. **NO LIABILITY FOR ACTS OF OTHER PARTY.**

We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchise owner. We will not be obligated for any damages to any person or property directly or indirectly arising out of the Outlet's operation or the business you conduct under this Agreement.

C. **TAXES.**

We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, or other taxes, whether levied upon you or the Outlet, due to the business you conduct (except for our income taxes). You are responsible for paying these taxes and must reimburse us for any taxes that we must pay to any state taxing authority on account of either your operation or payments that you make to us.

D. **INDEMNIFICATION AND DEFENSE OF CLAIMS.**

(1) You agree to indemnify and hold harmless us, our affiliates, and our and their respective owners, directors, officers, employees, agents, representatives, successors and assignees (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, all Losses (as defined below) directly or indirectly arising out of or relating to: (a) the Outlet's operation; (b) the business you conduct under this Agreement; (c) your breach of this Agreement; (d) your noncompliance or alleged noncompliance with any law, ordinance, rule or regulation, including those concerning the Outlet's construction, design or operation, and including any allegation that we or another Indemnified Party is a joint employer or otherwise responsible for your acts or omissions relating to your employees; or (e) claims alleging either intentional or negligent conduct, acts or omissions by you (or your contractors or any of your or their employees, agents or representatives), or by us or our affiliates (or our or their contractors or any of our or their employees, agents or representatives), subject to Section 18.D(3). "Losses" means any and all losses, expenses, obligations, liabilities, damages (actual, consequential, or otherwise), and reasonable defense costs that an Indemnified Party incurs, including accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced.

(2) You agree to defend the Indemnified Parties against any and all claims asserted or inquiries made (formally or informally), or legal actions, investigations, or other proceedings brought, by a third party and directly or indirectly arising out of or relating to any matter described in Section 18.D(1)(a) through (e) above (collectively, "Proceedings"), including those alleging the Indemnified Party's negligence, gross negligence, willful misconduct and/or willful wrongful omissions. Each Indemnified Party may at your expense defend and otherwise respond to and address any claim asserted or inquiry made, or Proceeding brought, that is subject to this Section 18.D (instead of having you defend it as required above), and agree to settlements or take any other remedial, corrective, or other actions, for all of which defense and response costs and other Losses you are solely responsible, subject to Section 18.D(3). An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim against you, and you agree that a failure to pursue a recovery or mitigate a Loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section 18.D. Your obligations in this Section 18.D will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

(3) Despite Section 18.D(1), you have no obligation to indemnify or hold harmless an Indemnified Party for, and we will reimburse you for, any Losses (including costs of defending any Proceeding under Section 18.D(2)) to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party's willful misconduct or gross negligence, so long as the claim to which those Losses relate is not asserted on the basis of theories of vicarious liability (including agency, apparent agency, or employment), joint

employer liability or our failure to compel you to comply with this Agreement, which are claims for which we are entitled to indemnification under this Section. However, nothing in this Section 18.D(3) limits your obligation to defend us and the other Indemnified Parties under Section 18.D(2).

19. ENFORCEMENT.

A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.

Except as expressly provided to the contrary in this Agreement (including in Section 19.E), each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of our refusal to enter into a successor drop store franchise agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any Drop Store Standard is invalid, unenforceable, or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or Drop Store Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits that is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

B. WAIVER OF OBLIGATIONS.

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of ten (10) days prior written notice.

We and you will not waive or impair any right, power, or option this Agreement reserves (including our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its Term expires) because of any custom or practice that varies from this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including any Drop Store Standard; our waiver of or failure to exercise any right,

power, or option, whether of the same, similar, or different nature, with other Tide Cleaners Outlets; the existence of drop store franchise agreements for other Tide Cleaners Outlets that contain provisions different from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to either us or you will be a waiver, compromise, settlement, or accord and satisfaction. We and you, upon receipt, are authorized to remove any legend or endorsement, which then will have no effect.

Neither we nor you will be liable for loss or damage or be in breach of this Agreement if our or your failure to perform our or your obligations results from: (1) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government; (2) fire, flood, accident, hurricane or other calamity or act of God; (3) strikes, embargoes, war, civil disturbance, acts of terrorism or similar events, or riot; or (4) any other similar event or cause. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed at the time of the occurrence or payment of Royalties, Fund Contributions, or Co-op Dues due afterward.

C. **COSTS AND ATTORNEYS' FEES.**

If we incur costs and expenses due to your failure to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, you agree, whether or not we initiate a formal legal proceeding, to reimburse us for all of the costs and expenses that we incur, including reasonable accounting, attorneys', arbitrators', and related fees.

D. **RIGHTS OF PARTIES ARE CUMULATIVE.**

Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

E. **ARBITRATION.**

We and you agree that all controversies, disputes, or claims between us and our affiliates, and our and their respective owners, shareholders, officers, directors, agents, and/or employees, and you (and/or your owners, guarantors, affiliates, and yours or their respective owners, shareholders, officers, directors, agents and/or employees) arising out of or related to:

(1) this Agreement or any other agreement between you and us or our affiliates;

(2) our (or any of our affiliates') relationship with you;

(3) the scope and validity of this Agreement or any other agreement between you and us (or any of our affiliates) or any provision of such agreements (including the validity and scope of the arbitration obligations under this Section 19.E, which you and we acknowledge is to be determined by an arbitrator and not a court); or

(4) any aspect of the Franchise System or any Drop Store Standard;

must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association (the "AAA"). The arbitration proceedings will be conducted by a panel of three (3) arbitrators (the "Panel") and, except as this Section 19.E otherwise provides, according to the then current commercial arbitration rules of the AAA. We and you shall each appoint one (1) arbitrator to serve on the Panel. The two (2) separately appointed arbitrators shall attempt to agree upon the third arbitrator for the Panel, who will act as the Panel's chairman. If the two (2) appointed arbitrators fail to agree on the third arbitrator within thirty (30) days after the second arbitrator is appointed to the Panel, then the third arbitrator shall be appointed by the AAA, and shall serve as the Panel's chairman. All proceedings will be conducted at a suitable location chosen by the Panel in the Cincinnati, Ohio metropolitan area. The Panel will have no authority to select a different hearing locale other than as described in the prior sentence. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.) and not by any state arbitration law.

The Panel has the right to award or include in its award any relief which it deems proper, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the Panel may not declare any Mark generic or otherwise invalid or, except as expressly provided in Section 19.H, award any punitive or exemplary damages against either party (we and you hereby waiving to the fullest extent permitted by law, except as expressly provided in Section 19.H, any right to or claim for any punitive or exemplary damages against the other). The award of the Panel shall be conclusive and binding upon all parties hereto and judgment upon the Panel's award may be entered in any court of competent jurisdiction.

We and you agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is forever barred. The Panel may not consider any settlement discussions or offers that might have been made by either you or us. We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished our right to seek the recovery of those costs in accordance with Section 19.C.

We and you agree that arbitration will be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between us and our affiliates, and our and their respective shareholders, officers, directors, agents, and/or employees, and you (and/or your owners, guarantors, affiliates, and your and their respective owners, officers, directors, agents and/or employees) may not be consolidated with any other arbitration proceeding between us and any other person. Notwithstanding the foregoing or anything to the contrary in this Section 19.E or Section 19.A, if any court or arbitrator or Panel determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section 19.E, then the parties agree that this arbitration clause shall not apply to that

dispute and that such dispute will be resolved in a judicial proceeding in accordance with this Section 19 (excluding this Section 19.E).

Despite our and your agreement to arbitrate, we and you each have the right to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that we and you must contemporaneously submit our dispute for arbitration on the merits as provided in this Section 19.E.

The provisions of this Section 19.E are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

F. **GOVERNING LAW.**

ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF THE STATE OF OHIO, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY OHIO LAW REGULATING THE SALE OF FRANCHISES OR BUSINESS OPPORTUNITIES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION.

G. **CONSENT TO JURISDICTION.**

SUBJECT TO SECTION 19.E ABOVE AND THE PROVISIONS BELOW, YOU AND YOUR OWNERS AGREE THAT ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN YOU AND US MUST BE COMMENCED IN THE STATE OR FEDERAL COURT OF GENERAL JURISDICTION IN CINCINNATI, OHIO, AND YOU (AND EACH OWNER) IRREVOCABLY SUBMIT TO THE JURISDICTION OF THOSE COURTS AND WAIVE ANY OBJECTION YOU (OR THE OWNER) MIGHT HAVE TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS. NONETHELESS, YOU AND YOUR OWNERS AGREE THAT WE MAY ENFORCE THIS AGREEMENT AND ANY ARBITRATION ORDERS AND AWARDS IN THE COURTS OF THE STATE OR STATES IN WHICH YOU ARE DOMICILED OR THE OUTLET IS LOCATED.

H. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.**

EXCEPT FOR PUNITIVE, EXEMPLARY AND OTHER FORMS OF MULTIPLE DAMAGES AVAILABLE TO ANY PARTY UNDER FEDERAL LAW OR OWED TO THIRD PARTIES WHICH ARE SUBJECT TO INDEMNIFICATION UNDER SECTION 18.D, AND EXCEPT FOR PUNITIVE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, WE AND YOU (AND YOUR OWNERS) WAIVE TO

THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US AND YOU, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

SUBJECT TO OUR AND YOUR ARBITRATION OBLIGATIONS, WE AND YOU (AND YOUR OWNERS) IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF US.

I. **BINDING EFFECT.**

This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Business Reference Manual and Drop Store Standards, this Agreement may not be modified except by a written agreement signed by both our and your duly-authorized officers.

J. **LIMITATIONS OF CLAIMS.**

Except for claims arising from your non-payment or underpayment of amounts you owe us, any and all claims arising out of or relating to this Agreement or our (or any of our affiliates') relationship with you will be barred unless a legal proceeding (in the required or permitted forum) is commenced within eighteen (18) months from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claims.

K. **CONSTRUCTION.**

This Agreement, together with the preambles and exhibits to it, constitutes the entire agreement between us and you, and there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Agreement, the franchise relationship, or the Outlet (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). This Agreement may be modified only by written agreement signed by both you and us, except that we may modify the Business Reference Manual at any time (as provided in Sections 4.D, 10 and 19.I). Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representation that we made in our disclosure document (including its exhibits and amendments) that we delivered to you or your representative.

Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement, and are not binding on us.

Except as expressly provided in this Agreement, nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in this Agreement to "we," "us," and "our," with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliates with whom you deal. The term "affiliate" means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. References to "control" mean the power to direct or cause the direction of management and policies.

If two (2) or more persons are at any time the owners of the Franchise and the Outlet, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. References to "owner" mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee of this Agreement and the Outlet or an ownership interest in you), including any person who has a direct or indirect interest in you (or a transferee), this Agreement, the Franchise, or the Outlet and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets.

References to a "controlling ownership interest" in you or one of your owners (if an Entity) mean the percent of the voting shares or other voting rights that results from dividing one hundred percent (100%) of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in you or one of your owners, the determination of whether a controlling ownership interest is involved must be made as of both immediately before and immediately after the proposed transfer to see if a "controlling ownership interest" will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer). References to a "non-controlling ownership interest" mean an ownership interest that is not a controlling ownership interest (as evaluated both before and after any proposed transfer and as otherwise described above).

References to a "person" mean any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

The words "include," "including," and words of similar import, whenever used in this Agreement, mean "including, by way of example, but without limitation," and the terms following such words shall not be interpreted as representing an exclusive or exhaustive list of the appropriate subject matter.

Unless otherwise specified, all references to a number of days shall mean calendar days and not business days.

The term "Outlet" includes all of the assets of the Tide Cleaners Outlet you operate under this Agreement, including its revenue and the Lease.

This Agreement may be executed in multiple copies, each of which will be deemed an original.

20. NOTICES AND PAYMENTS.

All written notices, reports, and payments permitted or required to be delivered by this Agreement or the Business Reference Manual will be deemed to be delivered:

(a) at the time delivered by hand;

(b) at the time delivered via computer transmission and, in the case of the Royalty, Fund Contributions, and other amounts due, at the time we actually receive payment via the EDTA;

(c) one (1) business day after transmission by facsimile or other electronic system if the sender has confirmation of successful transmission;

(d) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or

(e) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid.

Any notice to us must be sent to the address specified on the first page of this Agreement, although we may change this address for notice by giving you notice of the new address. Any notice that we send to you may be sent only to the one (1) person identified on **Exhibit A**, even if you have multiple owners, at the e-mail or postal address specified on **Exhibit A**. You may change the person and/or address for notice only by giving us thirty (30) days' prior notice by any of the means specified in subparagraphs (a) through (e) above. Changes that we periodically make out Business Reference Manual and/or other similar operational instructions that we periodically change shall not be deemed "notices" for the purpose of this Section 20.

You may send notices to us by e-mail but only if you send them to us at "franchising@tidedrycleaners.com" (unless and until we specify a different address).

Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days before then) will be deemed delinquent.

21. COMPLIANCE WITH ANTI-TERRORISM LAWS.

You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (as defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your owners otherwise are not in

violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your owners, or any blocking of your or your owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement, as provided in Section 16.A(19) above.

22. **ELECTRONIC MAIL.**

You acknowledge and agree that exchanging information with us by e-mail is efficient and desirable for day-to-day communications and that we and you may utilize e-mail for such communications. You authorize the transmission of e-mail by us and our employees, vendors, and affiliates ("Official Senders") to you during the Term of this Agreement.

You further agree that: (a) Official Senders are authorized to send e-mails to those of your employees as you may occasionally authorize for the purpose of communicating with us; (b) you will cause your officers, directors, and employees to give their consent to Official Senders' transmission of e-mails to them; (c) you will require such persons not to opt out or otherwise ask to no longer receive e-mails from Official Senders during the time that such person works for or is affiliated with you; and (d) you will not opt out or otherwise ask to no longer receive e-mails from Official Senders during the Term of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

AGILE PURSUITS FRANCHISING, INC., an Ohio corporation

By:_____

Print Name:_____

Title:_____

DATED*:_____

(*Effective Date of this Agreement)

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____

[Print Name of Franchisee Entity]

By:_____

[Signature of person signing on behalf of entity]

Title of Signatory:_____

DATED:_____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

_____

[Signature of individual franchisee]

Print Name:_____

DATED:_____

_____

[Signature of individual franchisee]

Print Name:_____

DATED:_____

EXHIBIT A

TO THE DROP STORE FRANCHISE AGREEMENT

OWNERS

Effective Date: This Exhibit A is current and complete

as of _____, 20__

You and Your Owners

1. **Form of Owner**. (Choose (a) or (b))

(a) **Individual Proprietorship**. List individual(s):

_____

_____

_____

(b) **Corporation, Limited Liability Company, or Partnership**. (CIRCLE ONE) You were incorporated or formed on _____, under the laws of the State of _____. You have not conducted business under any name other than your corporate, limited liability company, or partnership name and _____ _____. The following is a list of your directors, if applicable, and officers as of the effective date shown above:

Name of Each Director/Officer	Position(s) Held

2. **Owners**. The following list includes the full name of each person who is one of your owners (as defined in the Drop Store Franchise Agreement), or an owner of one of your

owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

	Owner's Name	**Percentage/Description of Interest**
(a)	_____	_____
(b)	_____	_____
(c)	_____	_____
(d)	_____	_____

3. **Name and Address of Person to Receive Notice for Franchise Owner.**

(a) Name:_____

(b) Postal Address:_____

_____

(c) E-mail Address:_____

4. **Identification of Managing Owner**. Your Managing Owner as of the Effective Date is _____ (must be one of the individuals listed in paragraph 2 above). You may not change the Managing Owner without prior written approval.

[Signature Page Follows]

AGILE PURSUITS FRANCHISING, INC., an Ohio corporation

By:_____

Print Name:_____

Title:_____

DATED*:_____

(*Effective Date of this Agreement)

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____

[Print Name of Franchisee Entity]

By:_____

[Signature of person signing on behalf of entity]

Title of Signatory:_____

DATED:_____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

_____

[Signature of individual franchisee]

Print Name:_____

DATED:_____

_____

[Signature of individual franchisee]

Print Name:_____

DATED:_____

EXHIBIT B

TO THE DROP STORE FRANCHISE AGREEMENT

PLANT, PREMISES, TERRITORY AND INITIAL FRANCHISE FEE

1. The location of the Plant:

_____
_____
_____
_____
_____

2. The **Premises** of the Outlet:

_____
_____
_____
_____

3. The **Territory** for the Outlet shall be:

_____
_____
_____
_____

(The Territory is depicted on the map attached to this **Exhibit B**. However, if there is an inconsistency between the language in this **Exhibit B** and the attached map, the language in this **Exhibit B** shall control. All street boundaries will be deemed to end at the street center line unless otherwise specified.)

4. The **initial franchise fee** you have paid or will pay is:

_____ Dollars ($_____).

Initials:

_____ _____
Franchisee APFI

MAP OF TERRITORY

AGILE PURSUITS FRANCHISING, INC., an Ohio corporation

By:_____

Print Name:_____

Title:_____

DATED:_____

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____

[Print Name of Franchisee Entity]

By:_____

[Signature of person signing on behalf of entity]

Title of Signatory:_____

DATED:_____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

_____

[Signature of individual franchisee]

Print Name:_____

DATED:_____

_____

[Signature of individual franchisee]

Print Name:_____

DATED:_____

EXHIBIT C

TO THE DROP STORE FRANCHISE AGREEMENT

FRANCHISEE CONSENT TO VENDOR INFORMATION SHARING

This Franchisee Consent to Vendor Information Sharing ("Consent") is provided on _____, 20__ by _____ ("Franchisee") as the Franchisee under that certain Drop Store Franchise Agreement dated _____ between Franchisee and AGILE PURSUITS FRANCHISING, INC. ("Franchisor") for the operation of a franchised outlet located at _____ (the "Outlet"). Franchisee understands, agrees and hereby acknowledges that Franchisor has the right to receive various information, reports and records regarding Franchisee's operation of the Outlet, including such data from suppliers to the Outlet. Accordingly, consistent with Franchisor's rights and Franchisee's obligations pursuant to Sections 10.B(9) and 13.A(6) of the Drop Store Franchise Agreement, Franchisor is hereby granted permission to contact any or all suppliers that provide goods or services to the Outlet concerning the Outlet's operations. Franchisee further authorizes any supplier that Franchisor may contact in connection with this Consent to share all relevant information about the Outlet's operations, including but not limited to purchasing records and history, product usage statistics, and all related details about Franchisee's relationship with the supplier covering the time period during which Franchisee operated the Outlet pursuant to the Drop Store Franchise Agreement. By signing below, Franchisee (i) hereby authorizes Franchisor to submit this executed Consent to any of the Outlet's suppliers as evidence of Franchisee's permission for the supplier to release to Franchisor information about the Outlet, (ii) consents to each supplier's full cooperation and information sharing with Franchisor upon Franchisor's request, and (iii) directs any such supplier to disclose all relevant information concerning the Outlet's operation to the Franchisor.

FRANCHISEE
(IF FRANCHISEE IS A LEGAL ENTITY)

_____
[Print Name of Franchisee Entity]

By:_____
[Signature of person signing on behalf of entity]

Title of Signatory:_____

DATED:_____

(IF FRANCHISEE IS AN INDIVIDUAL AND NOT A LEGAL ENTITY)

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS ("Guaranty") is given this _____ day of _____, 20__

By (list each guarantor):

_____

_____

_____

_____

_____.

In consideration of, and as an inducement to, the execution of that certain Drop Store Franchise Agreement (the "Agreement") on this date by AGILE PURSUITS FRANCHISING, INC. ("us," "we," or "our"), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that _____ ("Franchisee") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), including (i) monetary obligations, (ii) obligations to take or refrain from taking specific actions and to engage or refrain from engaging in specific activities, including, but not limited to, the non-competition, confidentiality, and transfer requirements, and (iii) the enforcement and other provisions in Sections 19, 20, and 21 of the Agreement, including the arbitration provision.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Franchisee or its owners, and for so long as we have any cause of action against Franchisee or its owners; and (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Franchisee, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation that any of the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty, for the express purpose that none

of the undersigned shall be deemed a "creditor" of Franchisee under any applicable bankruptcy law with respect to Franchisee's obligations to us; (ii) all rights to require us to proceed against Franchisee for any payment required under the Agreement, proceed against or exhaust any security from Franchisee, take any action to assist any of the undersigned in seeking reimbursement or subrogation in connection with this Guaranty, or pursue, enforce or exhaust any remedy, including any legal or equitable relief, against Franchisee; (iii) any benefit of, any right to participate in, any security now or hereafter held by us; and (iv) acceptance and notice of acceptance by us of his, her or its undertakings under this Guaranty, all presentments, demands, and notices of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protests, notices of dishonor, and notices of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices and legal or equitable defenses to which he, she or it may be entitled. We shall have no present or future duty or obligation to the undersigned under this Guaranty, and each of the undersigned waives any right to claim or assert any such duty or obligation, to discover or disclose to the undersigned any information, financial or otherwise, concerning Franchisee, any other guarantor, or any collateral securing any obligations of Franchisee to us. Without affecting the obligations of the undersigned under this Guaranty, we may, without notice to the undersigned, extend, modify, supplement, waive strict compliance with, or release all or any provisions of the Agreement or any indebtedness or obligation of Franchisee, or settle, adjust, release, or compromise any claims against Franchisee or any other guarantor, make advances for the purpose of performing any obligations of Franchisee under the Agreement, assign the Agreement or the right to receive any sum payable under the Agreement, and the undersigned each hereby jointly and severally waive notice of same. The undersigned expressly acknowledge that the obligations hereunder survive the expiration or termination of the Agreement.

In addition, the undersigned each waive any defense arising by reason of any of the following: (a) any disability or any counterclaim or right of set-off or other defense of Franchisee, (b) any lack of authority of Franchisee with respect to the Agreement, (c) the cessation from any cause whatsoever of the liability of Franchisee, (d) any circumstance whereby the Agreement shall be void or voidable as against Franchisee or any of Franchisee's creditors, including a trustee in bankruptcy of Franchisee, by reason of any fact or circumstance, (e) any event or circumstance that might otherwise constitute a legal or equitable discharge of the undersigned's obligations hereunder, except that the undersigned do not waive any defense arising from the due performance by Franchisee of the terms and conditions of the Agreement, (f) any right or claim of right to cause a marshaling of the assets of Franchisee or any other guarantor, and (g) any act or omission of Franchisee.

If we are required to enforce this Guaranty in a judicial or arbitration proceeding, and prevail in such proceeding, we shall be entitled to reimbursement of our costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

Subject to the arbitration obligations and the provisions below, each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between us and the undersigned, must be commenced in the state or federal court of general jurisdiction in Cincinnati, Ohio, and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that we may enforce this Guaranty and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled. EACH OF THE UNDERSIGNED IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, ARISING UNDER OR RELATING TO THIS GUARANTY OR ITS ENFORCEMENT.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

Signatures Of Each Guarantor	**Percentage Of Ownership In Franchisee**
_____	_____%
_____	_____%
_____	_____%
_____	_____%
_____	_____%

EXHIBIT E

NON-TRADITIONAL STORE FRANCHISE AGREEMENT

AGILE PURSUITS FRANCHISING, INC.

TIDE CLEANERS

NON-TRADITIONAL STORE FRANCHISE AGREEMENT

_____

FRANCHISE OWNER

_____

DATE OF AGREEMENT

_____

OUTLET ADDRESS

_____

_____

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EXHIBITS

EXHIBIT A – BASIC TERMS

GUARANTY AND ASSUMPTION OF OBLIGATIONS

AGILE PURSUITS FRANCHISING, INC.
TIDE CLEANERS
NON-TRADITIONAL STORE FRANCHISE AGREEMENT

THIS NON-TRADITIONAL STORE FRANCHISE AGREEMENT (the "Agreement") is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 ("we," "us," or "our"), and _____, a _____ having its principal business address at _____ ("you" or "your") as of the date signed by us and set forth opposite our signature on this Agreement (the "Effective Date").

1. **PREAMBLES, ACKNOWLEDGMENTS, AND GRANT OF FRANCHISE.**

A. **PREAMBLES.**

(1) We and our affiliates have, over a considerable time period and with considerable effort, developed (and continue to develop and modify) a system and franchise opportunity for the operation of retail businesses offering premium dry cleaning, laundering, and related fabric and garment care services and products. We own and license, or are authorized to use and license, the Marks (as defined below) and related brand names, devices, and patented technologies for use in connection with retail dry cleaning locations. These retail dry cleaning locations operate under the "Tide" brand name and other Marks ("Tide Cleaners Outlets") and have distinctive business formats, methods, procedures, designs, layouts, standards, and specifications, all of which we may improve, further develop, or otherwise modify from time to time.

(2) We and our affiliates use, promote, and license certain trademarks, service marks, and other commercial symbols in operating Tide Cleaners Outlets, which have gained and will continue to gain public acceptance and goodwill, and may create, use, and license other trademarks, service marks, and commercial symbols for Tide Cleaners Outlets, all of which we may further improve and modify (collectively, the "Marks").

(3) We grant to persons who meet our qualifications, and are willing to undertake the investment and effort, a franchise to own and operate Tide Cleaners Outlets offering the products and services we authorize and using our business formats, methods, procedures, signs, designs, layouts, standards, specifications, and Marks, all of which we may further improve and modify (the "Franchise System").

(4) You operate a standard Tide Cleaners Outlet at the location identified in the attached **Exhibit A** (the "Plant") pursuant to that certain Plant Store Franchise Agreement dated as of _____, 20__ (the "Plant Store Franchise Agreement") between us and you.

(5) You have applied for a franchise to own and operate a "non-traditional" format of Tide Cleaners Outlet that operates in a designated space within an existing business using a modified business format that differs from a traditional, full-service Tide Cleaners Outlet by featuring, primarily and without limitation, (i) the provision and

handling of garment cleaning and treatment services on customer orders at the Plant; and (ii) limited equipment, signage, and furnishings (as operated under this format, a "Non-Traditional Store").

(6) As a franchise owner of a Non-Traditional Store, you will comply with this Agreement and all Non-Traditional Store Standards (as defined in Section 4.C) in order to maintain the high and consistent quality that is critical to attracting and keeping customers for Tide Cleaners.

B. **ACKNOWLEDGMENTS.**

You acknowledge:

(1) That you have conducted an independent investigation of the business contemplated by this Agreement and have received all information necessary to make an informed decision about the transactions contemplated by this Agreement;

(2) That you recognize that, like any other business, the nature of the business a Non-Traditional Store conducts may, and probably will, evolve and change over time;

(3) (i) that the method of operation for a Non-Traditional Store is a new business format that we have introduced and that you have requested to use; (ii) that we and our affiliates have limited experience in operating, and limited experience in licensing third parties to operate, Tide Cleaners Outlets operating as Non-Traditional Stores; (iii) that we do not have or provide any historical operating data (nor have we or our representatives supplied any forecasted or pro forma results) as to the anticipated performance of a Tide Cleaners Outlet operating as a Non-Traditional Store; and (iv) that you and your owners shall bear all risks associated with operating a Non-Traditional Store rather than a traditional, full-service Tide Cleaners Outlet;

(4) That you have not received from us, and are not relying upon, any representations or guarantees, express or implied, as to the potential volume, sales, income, or profits of a Non-Traditional Store (other than what is included in our most recent franchise disclosure document delivered to you or your representative);

(5) That we have not made any representation, warranty, or other claim regarding this Non-Traditional Store franchise opportunity, other than those made in this Agreement and our franchise disclosure document, and that you have independently evaluated this opportunity, including by using your business professionals and advisors, and have relied solely upon those evaluations in deciding to enter into this Agreement;

(6) That you have been afforded an opportunity to ask any questions you have and to review any materials of interest to you concerning the Non-Traditional Store franchise opportunity;

(7) That you have been afforded an opportunity, and have been encouraged by us, to have this Agreement and all other agreements and materials we have given or made

available to you reviewed by an attorney and have either done so or waived your right to do so; and

(8) That you received our franchise disclosure document at least fourteen (14) days before the Effective Date, or the transaction to which this Agreement relates meets a United States federal and, if applicable, state-based exemption from laws and regulations governing the offer and sale of franchises in your jurisdiction.

C. GRANT OF FRANCHISE.

You have applied for a franchise to own and operate a Non-Traditional Store within the existing business identified in the attached **Exhibit A** (the "Premises"). Subject to this Agreement's terms, we grant you a franchise (the "Franchise") to operate a Non-Traditional Store, and to use the Franchise System in its operation, to provide dry cleaning services to customers at a designated space (the "Outlet") within the Premises. You must use the Plant to clean and service garments and otherwise provide operational support for the Outlet in accordance with the Non-Traditional Store Standards. You agree at all times faithfully, honestly, and diligently to perform your obligations under this Agreement and to use your best efforts to promote the Outlet. You may not relocate the Outlet to a new premises or space within the existing Premises without our prior written consent, which we may grant or deny as we deem best.

D. NO TERRITORIAL RIGHTS.

You acknowledge that you are not receiving any exclusive or protected territory around the Outlet or any other territorial rights. Your rights under this Agreement are nonexclusive in all respects. Subject to the Plant Store Franchise Agreement and any other written agreements between us and you, we and our affiliates have the right during and after the term of this Agreement without any restrictions to engage (directly or through franchisees, licensees or other representatives) in any and all activities we and they desire, at any time and place, whether or not using the Marks or any aspect of the Franchise System, whether or not those activities compete with the Outlet (including the operation of other Tide Cleaners Outlets near the Outlet), and whether or not we or our affiliates start those activities or purchase, merge with, acquire, or affiliate with businesses that already engage in such activities.

E. TERM AND SUCCESSOR FRANCHISE.

The term of this Agreement shall begin on the Effective Date and shall expire, unless sooner terminated pursuant to Section 14, on the first anniversary of the date the Outlet opens for business under the Marks (the "Annual Expiration Date"), subject to extension as set forth below. If (a) this Agreement is then in effect, (b) you have complied with the terms of this Agreement during this Agreement's term and are not, in our sole opinion, in material breach of this Agreement or any related agreements, and (c) neither party has delivered written notice of non-renewal to the other party at least thirty (30) days before the Annual Expiration Date, then the Annual Expiration Date will automatically extend for an additional one (1)-year period, up to a total of nine (9) one (1)-year extensions.

F. **GUARANTY.**

Each of your owners during the term of this Agreement will execute a guaranty in the form we prescribe undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us.

G. **REASONABLE BUSINESS JUDGMENT.**

We have the right to operate, develop and change the Franchise System and Non-Traditional Store Standards in any manner that is not specifically prohibited by this Agreement. You acknowledge and agree that certain aspects of the Franchise System may apply only to traditional, full-service Tide Cleaners Outlets or the "drop store" format of Tide Cleaners Outlet, and not to the development and operation of Non-Traditional Stores. Whenever we have reserved in this Agreement a right to take or to withhold an action, or to grant or decline to grant you a right to take or omit an action, we may, except as otherwise specifically provided in this Agreement, make our decision or exercise our rights based on information readily available to us and our judgment of what is in the best interests of us or our affiliates, the Tide Cleaners Outlet franchise network generally, or the Franchise System at the time our decision is made, without regard to whether we could have made other reasonable or even arguably preferable alternative decisions or whether our decision promotes our or our affiliates' financial or other individual interest. Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated or completed actions that require our approval.

2. **OUTLET LOCATION AND MODIFICATION, OPERATING ASSETS, AND OPENING OF NON-TRADITIONAL STORE.**

A. **OUTLET LOCATION AND MODIFICATION.**

You have or will within thirty (30) days of the Effective Date secure by lease or other agreement the site we approve for the Outlet within the Premises. We have the right to approve the terms of the lease or agreement before you sign it. You must provide us with a copy of the executed lease or other agreement evidencing your right to occupy the site within thirty (30) days after execution by you and the owner of the Premises.

You agree at your expense to modify the appearance and layout of the Outlet in accordance with the formats and Non-Traditional Store Standards that we specify. You also agree to modify the Outlet in accordance with any standards prescribed by the Premises, provided that those standards do not conflict with any Non-Traditional Store Standards we specify.

We or our designees may, at any time and from time to time (but in no way limiting or affecting your responsibility for modifying the Outlet), provide certain support and assistance in the modification and start-up of the Outlet. In connection with this assistance and other periodic support in connection with the opening of the Outlet and start-up of operations, you must pay us a lump-sum, non-refundable start-up assistance and training fee (the "Start-up Assistance and Training Fee") in the amount set forth on **Exhibit A** at least sixty (60) days before the actual opening date of the Outlet. You acknowledge and agree that we will not authorize you to open the

Outlet pursuant to Section 2.D without receiving the Start-up Assistance and Training Fee. The Start-up Assistance and Training Fee is separate from the Project Management Fee (as defined below).

You agree to engage us, our affiliates or third parties we designate to assist with, and provide oversight concerning, the modification of the Outlet in compliance with this Agreement and our prescribed Non-Traditional Store Standards. To reimburse us for any costs we incur in connection with our project management oversight related to the modification of the Outlet, you must pay us a lump-sum, non-refundable project management fee (the "Project Management Fee") in the amount set forth on **Exhibit A** at least sixty (60) days before the actual opening date of the Outlet. The costs we incur may include those related to in-depth site evaluation, real estate market analysis, demographics analysis, and amounts for program management related to coordinating negotiations, vendor management, floor plan layout, equipment layout and construction management.

B. **OPERATING ASSETS.**

You must buy or lease, and install at the Outlet (as applicable), all equipment (including Computer System (as defined in Section 2.C) components), shelving, furnishings, and signs (the "Operating Assets") that we specify. You also agree to place or display at the Outlet and otherwise at the Premises the signs, logos, and display materials and products that we periodically specify. You agree to purchase or lease approved brands, types, or models of Operating Assets only from suppliers we designate or approve (which may include or be limited to us and/or our affiliates). You agree to purchase an opening inventory of authorized and approved materials, supplies and other products needed to operate the Outlet.

In connection with your operation of the Outlet, you agree to acquire (whether by purchase or lease) possession within thirty (30) days after you sign this Agreement a vehicle that we approve to be used throughout this Agreement's term for transportation of garments, products, and related items and other needs between the Outlet and the Plant (the "Vehicle"). The Vehicle is deemed a part of the Operating Assets for the Outlet, and you must brand the Vehicle with the Marks and acquire and maintain sufficient insurance coverage for the Vehicle, as we prescribe throughout this Agreement's term. We must approve your Vehicle as satisfying our then current Non-Traditional Store Standards or other specifications we then prescribe, including, but not limited to, make and model of the Vehicle, required insurance coverage, and exterior wrap design of the Vehicle acquired from an approved vendor, before we authorize you to open the Outlet under Section 2.D below.

C. **COMPUTER SYSTEM.**

You agree to obtain and use the computer hardware, maintenance and operation systems, point of sale systems, and/or operating software we specify from time to time (the "Computer System"). You must maintain the continuous operation of the Computer System. You also agree to maintain a functioning e-mail address. We may periodically modify specifications for and components of the Computer System. Our modification of specifications for the Computer System, and/or other technological developments or events, might require you to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service,

maintenance and support for the Computer System. Although we cannot estimate the future costs of the Computer System or required service or support, and although these costs might not be fully amortizable over this Agreement's term, you agree to incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions and modifications) and required service or support. We have no obligation to reimburse you for any Computer System costs. Within sixty (60) days after you receive notice from us, you agree to obtain the Computer System components that we designate and to ensure that your Computer System, as modified, is functioning properly.

You agree that we or our affiliates may condition any license of proprietary software to you, or your use of technology that we, our affiliates, or third parties develop or maintain, on your signing a software license agreement or similar document, or otherwise agreeing to the terms (for example, by acknowledging your consent to and accepting the terms of a click-through license agreement), that we or our affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities with respect to, the software or technology. We and our affiliates may charge you upfront or ongoing fees for any proprietary software or technology that we or our affiliates license to you and for other maintenance and support services that we or our affiliates provide during this Agreement's term. You agree not to modify, delete, or change any software or hardware configurations that we or our designated supplier(s) (which may include our affiliates) license or otherwise provide to you, without our advanced written consent.

Notwithstanding your obligation to buy, use, and maintain the Computer System according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer System; (2) the manner in which your Computer System interfaces with our and any third party's computer system; and (3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded. You acknowledge that we may have unlimited, independent access to customer or financial data generated by or through the Outlet's Computer System in accordance with this Agreement.

D. **OUTLET OPENING.**

You agree not to open the Outlet until:

(1) we notify you in writing that the Outlet meets our then current Non-Traditional Store Standards;

(2) you pay the Start-up Assistance and Training Fee, Project Management Fee and other amounts then due to us;

(3) we approve your Vehicle as satisfying our then current Non-Traditional Store Standards or other specifications; and

(4) you provide us certificates for all required insurance policies.

Subject to your compliance with these conditions, you agree to open the Outlet for business in accordance with all the requirements of this Agreement within one hundred twenty (120) days after the Effective Date.

E. **EXTENSION OF DEADLINES.**

We may grant you, according to our reasonable business judgment, extensions on the prescribed deadlines on obtaining the Computer System, Vehicle, and opening the Outlet as required in this Section. You must request from us an extension of the applicable deadline at least fourteen (14) calendar days before the occurrence of the deadline date. If we grant an extension on any deadline, we will determine the amount of the extension fee and the length of the extension at our sole option. We may consider a variety of factors in whether we grant an extension. You must pay us our then current lump-sum extension fee (Five Thousand Dollars ($5,000) per month as of the Effective Date, but may change during this Agreement's term) for each extension at the time of your extension request to compensate us for our costs, expenses and lost opportunities related to the proposed extension. Unless we notify you otherwise on or before the deadline date, your extension request will be deemed granted and the extension fee fully earned and non-refundable by us.

3. **FEES.**

A. **NON-TRADITIONAL STORE FEE.**

In lieu of an initial franchise fee, you agree to pay us each month during this Agreement's term, on or before the day of each month that we periodically specify, a non-traditional store fee in an amount equal to Forty-One Dollars and Sixty-Six Cents ($41.66) (the "Non-Traditional Store Fee").

B. **CONTINUING SERVICE AND ROYALTY FEE.**

You agree to pay us, in the manner provided below (or as the Business Reference Manual (as defined in Section 4.B) otherwise prescribes), a weekly Continuing Service and Royalty Fee (the "Royalty") equal to six and one-half percent (6.5%) of the Outlet's Net Sales (as defined in Section 3.C). On or before Thursday of each week, you agree to send us, on a form we approve (or as we otherwise direct), a signed statement of the Outlet's Net Sales for the previous week ended. Each weekly statement of Net Sales must be accompanied by the Royalty due for that week, except where the conditions and procedures for electronic payment pursuant to Section 3.F below may apply. As used in this Agreement, a "week" means the seven (7) consecutive calendar-day period beginning on Monday and ending at the close of the Outlet's daily operations the following Sunday. In lieu of submitting a weekly statement of Net Sales, you agree that we may elect to extract your Net Sales data from the Computer System and debit the Royalty in accordance with Section 3.F on the basis of the Net Sales reflected therein.

C. **DEFINITION OF "NET SALES".**

As used in this Agreement, the term "Net Sales" means all revenue from all sales made from your point of sale system and all other revenue that you derive from operating the Outlet, assuming you receive sales directly from customers at the Outlet, including all amounts that you receive at or away from the Premises, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions, but (1) excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority; and (2) reduced by the amount of any documented refunds, credits, coupons, manager-authorized

and/or customer loyalty program discounts, allowances, and charge-backs the Outlet in good faith gives to customers.

D. **LATE FEES AND INTEREST.**

If you fail to pay (or make available for withdrawal from your EDTA) any amounts you owe us for any reason, those amounts will bear interest accruing as of their original due date at one and one half percent (1.5%) per month or the highest commercial contract interest rate the law allows, whichever is less. We may debit your EDTA (as defined in Section 3.F) automatically for such interest. You acknowledge that this Section 3.D is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the Outlet.

E. **APPLICATION OF PAYMENTS.**

Despite any designation you make, we may apply any of your payments to any of your past due indebtedness to us. We may set off any amounts you or your owners owe us or our affiliates against any amounts we or our affiliates owe you or your owners. You may not withhold payment of any amounts you owe us due to our alleged nonperformance of any of our obligations under this Agreement.

F. **PAYMENT METHOD AND TIMING.**

Before the Outlet opens, you agree to sign and deliver to us the documents we require to authorize us to debit your business checking account automatically for the Non-Traditional Store Fee, Royalty, Fund Contributions (as defined in Section 10.B), and other amounts due under this Agreement and for certain specified purchases you make from us and/or our affiliates (the "Electronic Depository Transfer Account" or "EDTA"). We will debit the EDTA for these amounts on or after their due dates. You agree to ensure that funds are available in the EDTA to cover our withdrawals. If there are insufficient funds in the EDTA to cover any such amount owed (or, if you are paying by check and a check is returned for insufficient funds), we will charge you a processing fee of One Hundred Dollars ($100) to compensate us for our additional administrative expenses we incur in connection with your failure to maintain sufficient funds in the EDTA.

If you fail to report the Outlet's Net Sales, we may debit your EDTA for one hundred twenty percent (120%) of the last Royalty and Fund Contribution that we debited. If the amounts that we debit from your EDTA are less than the amounts you actually owe us (once we have determined the Outlet's true and correct Net Sales), we will debit your EDTA for the balance on the day we specify. If the amounts that we debit from your EDTA are greater than the amounts you actually owe us, we will credit the excess, without interest, against the amounts we otherwise would debit from your EDTA during the following week(s).

We may require you to pay any amounts due under this Agreement or otherwise by means other than automatic debit (*e.g.*, by check) whenever we deem appropriate, and you agree to comply with our payment instructions. We have the right, at our sole option upon notice to you, to change from time to time the timing and terms for payment of the Royalty, Fund Contributions and other amounts payable to us under this Agreement.

4. TRAINING AND ASSISTANCE.

A. TRAINING FOR OUTLET PERSONNEL.

We currently do not offer you or any designee an initial training program on the operation of a Non-Traditional Store. However, we will develop and make available training tools, materials and recommendations for you to implement in training Outlet Personnel (defined below) which we will provide to you no later than forty-five (45) days before you open the Outlet. We may periodically update these training materials to reflect changes in our training methods and procedures. All personnel providing services to customers at the Outlet and otherwise administering certain operations at the Outlet (whether employed by you or directly by the Premises) (collectively, "Outlet Personnel") must be properly trained by you in accordance with Non-Traditional Store Standards before the Outlet opens for business under the Marks. You agree that only trained Outlet Personnel may service customers of or otherwise operate the Outlet. If any previously-trained Outlet Personnel stop working for the Premises or the Outlet, then you must ensure that any replacement Outlet Personnel are properly trained. You must keep us informed at all times of the identity of Outlet Personnel responsible for operating the Outlet.

If Outlet Personnel are employed directly by the Premises, you are responsible for ensuring that Outlet Personnel comply with all applicable provisions of this Agreement as if they were your agents or employees, and all acts or failures to act by Outlet Personnel shall be deemed to be your acts or failures to act for all purposes under this Agreement.

B. GENERAL GUIDANCE.

We will advise you, at any time and from time to time, regarding the Outlet's operation based on your reports or our assessments and will guide you with respect to: (1) standards, specifications, and operating procedures and methods that Non-Traditional Stores use; (2) purchasing required and authorized Operating Assets and other items; (3) advertising and marketing materials and programs; (4) supervisory employee training methods and procedures (although you and/or the owner(s) of the Premises are solely responsible for the terms and conditions of employment of all Outlet Personnel); and (5) administrative, bookkeeping, accounting, and inventory control procedures. We will guide you in our Business Reference Manual(s) (collectively, the "Business Reference Manual"); in bulletins, broadcast communications or other written materials; by electronic media; by telephone consultation; and/or at our office, the Plant or the Outlet. If you request, and we agree to provide, additional or special guidance, assistance, or training, you agree to pay our then applicable charges, including our personnel's per diem charges and travel and living expenses.

C. BUSINESS REFERENCE MANUAL.

We agree to provide you with access to one (1) copy of our Business Reference Manual approximately thirty (30) days prior to the date you open the Outlet for the duration of this Agreement's term and at no additional charge to you. The Business Reference Manual could include audio/video recordings, other electronic media, and/or written materials, and contains mandatory and suggested specifications, standards, operating procedures, and rules ("Non-Traditional Store Standards") that we periodically specify for operating a Non-Traditional Store

and information on your other obligations under this Agreement. You acknowledge that the Business Reference Manual is not exclusively for use in connection with Non-Traditional Stores and also contains specifications, standards, operating procedures, and rules for the operation of traditional, full-service Tide Cleaners Outlets and Tide Cleaners Outlets operating as "drop stores." We may modify the Business Reference Manual periodically to reflect changes in Non-Traditional Store Standards. We also may develop an Business Reference Manual containing Non-Traditional Store Standards and other requirements and revised procedures applicable only to operating Non-Traditional Stores (a "Non-Traditional Store Business Reference Manual"). To the extent we develop a Non-Traditional Store Business Reference Manual, we will provide you access to the Non-Traditional Store Business Reference Manual, and thereafter you must operate the Outlet during the term according to the Non-Traditional Store Business Reference Manual.

We and you agree that any materials or guidance that we provide with respect to employment-related policies or procedures, whether in the Business Reference Manual or otherwise, are solely for your optional use. Any such materials or guidance do not form part of the Non-Traditional Store Standards. You will determine to what extent, if any, these materials or guidance should apply to the Outlet's operations. We and you recognize that we neither dictate nor control labor or employment matters for franchisees and their employees and we are not responsible for the safety and security of Tide Cleaners Outlet employees or customers. You are solely responsible for determining the terms and conditions of employment for your employees and for all decisions concerning the hiring, firing and discipline of your employees, and for all other aspects of the Outlet's labor relations and employment practices.

At our option, we may post some or all of the Business Reference Manual on a restricted website or intranet to which you will have access. If we do so, you agree to monitor and access the website or intranet for any updates to the Business Reference Manual or Non-Traditional Store Standards. We or our designee will periodically notify you electronically about updates, changes, or deletions to the content posted on the restricted website or intranet. Any passwords or other digital identifications necessary to access the Business Reference Manual on a website or intranet will be deemed to be part of Confidential Information (as defined in Section 6).

You agree to keep your copy of the Business Reference Manual current and communicate all updates to Outlet Personnel in a timely manner. You agree to keep all parts of the Business Reference Manual in a secure location and restrict access to any passwords we provide to you or you develop for accessing the Business Reference Manual. If there is a dispute over its contents, our master copy of the Business Reference Manual controls. You agree that the Business Reference Manual's contents are confidential and that you will not disclose the Business Reference Manual to any person other than Outlet Personnel who need to know its contents. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Business Reference Manual without our prior written consent.

You acknowledge that the training, guidance and assistance we provide, and the Non-Traditional Store Standards we prescribe, under this Agreement are not as comprehensive as the training, guidance and assistance we provide, and the Franchise System standards that we prescribe, under the Plant Store Franchise Agreement with respect to traditional, full-service Tide Cleaners Outlets or the "drop store" format of Tide Cleaners Outlet.

D. **DELEGATION OF PERFORMANCE.**

You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement.

5. **MARKS.**

A. **OWNERSHIP AND GOODWILL OF MARKS.**

Our affiliate and/or designated third-party licensors have assigned ownership or granted licensing rights in the Marks to us to use in connection with the franchising, development, and operation of Tide Cleaners Outlets. We hereby grant you a sublicense to use the Marks in operating the Outlet in accordance with the terms and conditions of this Agreement. Your right to use the Marks is derived only from this Agreement and is limited to your operating the Outlet according to this Agreement and all Non-Traditional Store Standards we prescribe during its term. Your unauthorized use of the Marks is a breach of this Agreement and infringes our, our affiliate's and/or licensor's rights in the Marks. You acknowledge and agree that your use of the Marks and any goodwill established by that use are exclusively for our and their benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the Outlet under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional proprietary trade and service marks we authorize you to use. You may not at any time during or after this Agreement's term contest or assist any other person in contesting the validity, or our and our affiliate's ownership, of the Marks.

B. **LIMITATIONS ON YOUR USE OF MARKS.**

You agree to use the Marks as the Outlet's sole identification, except that you agree to identify yourself as its independent owner in the manner we prescribe. You may not use any Mark in any of the following ways: (1) as part of any corporate or legal business name; (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you); (3) in selling any unauthorized services or products; (4) as part of any domain name, homepage, electronic address, or otherwise in connection with a website; or (5) in any other manner that we have not expressly authorized in writing. You agree to display the Marks prominently as we prescribe at the Outlet and on forms, advertising, supplies, and other materials we designate. You agree to give the notices of trade and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

C. **NOTIFICATION OF INFRINGEMENTS AND CLAIMS.**

You agree to notify us immediately in writing of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark (or any identical or confusingly similar trademark) or claim of unfair competition relating to any Mark. You agree not to communicate with any person other than us and our licensor, their respective attorneys, and your attorneys regarding any infringement, challenge or claim. We and our licensor may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S.

Patent and Trademark Office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. You agree to sign any documents and take any other reasonable action that, in the opinion of our (or our licensor's) attorneys, are necessary or advisable to protect and maintain our (and our licensor's) interests in any litigation or U.S. Patent and Trademark Office or other proceeding or otherwise to protect and maintain our (and our licensor's) interests in the Marks. We will reimburse you for your costs of taking any action that we have asked you to take.

D. **DISCONTINUANCE OF USE OF MARKS.**

If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for any of your expenses in complying with these directions (such as the costs of changing the Outlet's signs), for any loss of revenue due to any modified or discontinued Mark, or for any of your expenses of promoting a modified or substitute trademark or service mark.

Our rights in this Section 5.D apply to any and all of the Marks (and any portion of any Mark) that we authorize you to use in this Agreement. We may exercise these rights at any time and for any reason, business or otherwise, that we think best. You acknowledge both our right to take this action and your obligation to comply with our directions.

E. **REIMBURSEMENT FOR DAMAGES FROM USE OF MARKS.**

We agree to reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark that we or our affiliates own, and for all costs and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark that a third party owns, under this Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding. At our option, we may defend and control the defense of any proceeding arising from your use of any Mark under this Agreement.

6. **CONFIDENTIAL INFORMATION.**

We possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law, relating to developing and operating Non-Traditional Stores ("Confidential Information"), including:

(1) training and operations materials and manuals;

(2) contracts, agreements, documents, correspondence, and other materials relating to the Franchise System or your operation of the Outlet;

(3) methods, formats, specifications, standards, systems, procedures, products, forms, document terms, sales and marketing techniques, knowledge, and experience used in developing and operating Non-Traditional Stores;

(4) marketing and advertising programs for Non-Traditional Stores;

(5) knowledge of specifications for and suppliers of Operating Assets and other products, services, supplies and equipment;

(6) any computer software or similar technology which is proprietary to us or the Franchise System, including digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;

(7) knowledge of the operating results and financial performance of Tide Cleaners Outlets and Non-Traditional Stores other than the Outlet;

(8) graphic designs and related intellectual property; and

(9) other non-public information relating to the Tide Cleaners franchise opportunity that was disclosed to you on a confidential basis, or under a confidentiality agreement with us, our affiliates, or a designated third party, prior to the Effective Date of this Agreement.

You acknowledge and agree that you will not acquire any interest in Confidential Information, other than the right to use certain Confidential Information as we specify in operating the Outlet during this Agreement's term, and that Confidential Information is proprietary, includes our trade secrets, and is disclosed to you only on the condition that you agree, and you in fact do agree, that you:

(a) will not disclose or use Confidential Information in any other business or capacity;

(b) will keep each item deemed to be part of Confidential Information absolutely confidential, both during this Agreement's term and then thereafter for as long as the item is not generally known in the dry cleaning and laundered garment industry or consumer products industry;

(c) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form;

(d) will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including restricting its disclosure only to those Outlet Personnel and others having a need to know such Confidential Information and using non-disclosure and non-competition agreements with those having access to Confidential Information. We have the right to regulate the form of agreements that you use and to be a third party beneficiary of those agreements with independent enforcement rights; and

(e) will not sell, trade or otherwise profit in any way from Confidential Information, except during the term in accordance with this Agreement.

Confidential Information does not include information, knowledge, or know-how that: (i) you can demonstrate lawfully came to your attention before we provided it to you directly or

indirectly; or (ii) at the time we disclosed it to you, already had lawfully become generally known in the dry cleaning and laundry industry or consumer products industry through publication or communication by others (without violating an obligation to us); or (iii) after we disclose it to you, lawfully becomes generally known through publication or communication by others (without violating an obligation to us). However, if we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled.

All ideas, concepts, inventions, techniques, information, or materials relating to a Tide Cleaners Outlet and/or the "non-traditional" format of Tide Cleaners Outlet, whether or not protectable intellectual property and whether created by or for you or your owners or Outlet Personnel, must be promptly disclosed to us and all such items will be deemed to be our sole and exclusive property and part of the Franchise System. These Innovations include improvements to any and all Customer Data (as defined in Section 7) or other information relating to customers of the Outlet that you may obtain or develop for any reason. By this paragraph, you assign ownership of any Innovations, and all related rights to that Innovation, to us and agree to take whatever action (including signing assignment, foreign or domestic registrations, applications, or notifications, or other documents) we request to evidence our ownership or to help us obtain intellectual property rights in such Innovations. You may not use any Innovation in operating the Outlet or otherwise without our prior approval.

7. CUSTOMER DATA.

You must comply with any reasonable instructions by us regarding the organizational, physical, administrative and technical measures and security procedures to safeguard the confidentiality and security of the names, addresses, telephone numbers, e-mail addresses, dates of birth, demographic or related information, and credit card information of previous, current and prospective customers of the Outlet ("Customer Data") and, in any event, employ reasonable means to safeguard the confidentiality and security of Customer Data. You must comply with all applicable laws governing the use, protection, and disclosure of Customer Data. If there is a suspected or actual breach of security or unauthorized access involving Customer Data, you must notify us immediately after becoming aware of such actual or suspected occurrence and specify the extent to which Customer Data was compromised or disclosed.

Subject to any applicable state or federal laws, you acknowledge and agree that we may access at any time and from time to time all Customer Data and records for the Outlet, including dates of transactions and assortments of garments dry cleaned, located on the Computer System. You further acknowledge and agree that we are the sole owners of Customer Data and that you may not distribute or sell, in any form or manner, Customer Data to any third party without our prior written consent. We and our affiliates may use Customer Data in our and their business activities, but during this Agreement's term we and our affiliates will not use the Customer Data that we or they learn from you or from accessing the Computer System to compete directly with the Outlet. Upon termination of this Agreement, we and our affiliates reserve the right to make any and all disclosures and use Customer Data in any manner that we or they deem necessary or appropriate.

8. EXCLUSIVE RELATIONSHIP.

You acknowledge that we have granted you the Franchise in consideration of and reliance upon your agreement to deal exclusively with us with respect to the products and services that Tide Cleaners Outlets offer. You therefore agree that, during this Agreement's term, neither you, nor any of your owners, nor any of your or your owners' spouses will:

(a) have any direct or indirect controlling or non-controlling interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business, wherever located or operating (except that equity ownership of less than two percent (2%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);

(b) perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating;

(c) divert or attempt to divert any actual or potential business or customer of the Outlet or any other Tide Cleaners Outlet to a Competitive Business; and/or

(d) engage in any other activity which might injure the goodwill of the Marks and Franchise System.

The term "Competitive Business" means: (i) any dry cleaning facility, laundry facility, or other business that includes among its services the cleaning of clothing, wearing apparel, household items, textile or fabrics and derives, or reasonably expects to derive, more than five percent (5%) of its revenue from selling dry cleaning, laundry, or related or derivative products or services; or (ii) any business granting franchises or licenses to others to operate the type of business specified in subparagraph (i) above (other than a Tide Cleaners Outlet operated under a franchise agreement with us).

You agree to obtain similar covenants from the personnel we specify, including officers, directors, managers and other Outlet Personnel attending our training program or having access to Confidential Information. We have the right to regulate the form of agreement that you use and to be a third party beneficiary of that agreement with independent enforcement rights.

9. NON-TRADITIONAL STORE STANDARDS.

A. CONDITION AND APPEARANCE OF THE OUTLET.

You agree that:

(1) you will maintain the condition, appearance, Operating Assets of the Outlet, and the Vehicle in accordance with the Non-Traditional Store Standards and consistent with an efficiently-operated business offering high quality products and services and observing the highest standards of cleanliness, sanitation, efficient, prompt, courteous service and pleasant ambiance. Accordingly, you agree to clean, repaint and redecorate

the Outlet at intervals we prescribe and to repair or replace damaged, worn out or obsolete Operating Assets;

(2) you will place or display at the Outlet and the Premises (interior and exterior) and on the Vehicle only those signs (including neon), emblems, designs, artwork, lettering, logos, and display and advertising materials that we may at any time, and from time to time, approve;

(3) You further agree to upgrade, remodel, redecorate and refurbish the Outlet, including by altering the Outlet's appearance and/or replacing such signs, emblems, designs, artwork, lettering, logos, and display and advertising materials, as we periodically specify and within the time period we request; and

(4) on notice from us, you agree to replace the Vehicle with a vehicle we approve.

B. **OUTLET SERVICES, PRODUCTS, SPECIFICATIONS, STANDARDS AND PROCEDURES.**

You agree that: (1) the Plant will service all garments and other items from and otherwise provide sufficient operational support for the Outlet; (2) the Outlet will offer for sale all products and services that we specify from time to time; (3) the Outlet will offer and sell approved products and services only in the manner we have prescribed; (4) you will not offer for sale or sell at the Outlet, the Premises or any other location any products or services we have not approved; (5) all products will be offered and sold only at retail prices and from the Outlet, and you will not offer or sell any products at wholesale prices; and (6) you will discontinue selling and offering for sale any products or services that we at any time decide (in our sole judgment) to disapprove in writing.

C. **APPROVED PRODUCTS, DISTRIBUTORS AND SUPPLIERS.**

We have developed or may develop standards and specifications for types, models and brands of required Operating Assets, signage, uniforms, supplies and other products and services that the Outlet uses and/or sells. We reserve the right at any time and from time to time to approve specifications or suppliers and distributors of these products and services that meet our reasonable standards and requirements. If we do so, you agree to purchase only such products and services meeting those specifications, and if we require it, only from distributors and other suppliers we have approved, which might include or be limited to us or our affiliates.

We may designate a single distributor or supplier (collectively "supplier") for any product, service, equipment, supply or material and may approve a supplier or distributor only as to certain products, services, equipment, supplies or materials. The designated supplier may be us, one of our affiliates, or a designated third party.

We and our affiliates may receive payments from suppliers on account of such suppliers' dealings with you and other franchise owners, and may use any amounts so received without restriction and for any purpose we and our affiliates deem appropriate. We or our affiliates may concentrate purchases with one or more suppliers or distributors to obtain lower prices or the best advertising support or services for any other reason. Our approval of a supplier or distributor may

be conditioned on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier or distributor from time to time.

If you would like to purchase any items we prescribe from any unapproved supplier or distributor, you must submit to us a written request for approval of the proposed supplier or distributor. We may approve, or deny approval of, your request at our sole option, using our or our affiliate's corporate evaluation process, and will notify you of our approval or disapproval within thirty (30) days of our receipt of your written request. We have the right to inspect the proposed supplier's or distributor's facilities, and to require product samples from the proposed supplier or distributor to be delivered, at our option, either directly to us or to any independent, certified laboratory that we designate for testing. Either you or the proposed supplier or distributor must pay us a fee (not to exceed the reasonable cost of the inspection and the actual cost of the test) to make the evaluation. We reserve the right to periodically re-inspect the facilities and products of any approved supplier or distributor and to revoke our approval if the supplier or distributor does not continue to meet any of our criteria. We also reserve the right to charge manufacturers or suppliers a royalty fee for the right to manufacture products for use in Tide Cleaners Outlets. If we approve any supplier or distributor you recommend from which you purchase or lease any items or other products or services, you agree that we are authorized to allow other Tide Cleaners Outlets to purchase or lease any items or other products or services from these suppliers or distributors, without limitation, and without compensation to you. Notwithstanding the foregoing, we may limit the number of approved suppliers and/or distributors with whom you may deal, designate sources that you must use, and/or refuse any of your requests for any reason, including that we have already designated any exclusive source (which might be us or our affiliate) for a particular item or service or if we believe that doing so is in the best interests of the Tide Cleaners Outlet franchise network.

D. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.

You must cause Outlet Personnel to operate the Outlet in full compliance with all applicable laws, ordinances and regulations, including government regulations relating to occupational hazards, health, environment, worker's compensation and unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes. All advertising and promotion by you must be completely factual and must conform to the highest standards of ethical advertising. The Outlet must in all dealings with its customers, suppliers, us and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to our business and the goodwill associated with the Marks, the Franchise System, and other Tide Cleaners Outlets. You must notify us in writing within five (5) days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect your operation or financial condition or that of the Outlet and of any notice of violation of any law, ordinance, or regulation relating to the Outlet.

E. **INSURANCE.**

During the term, you must maintain in force at your sole expense comprehensive public liability, general liability, product liability and motor vehicle liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in connection with the Outlet's operation, all containing the minimum liability coverage we prescribe from time to time. Such insurance coverage must specifically include auto insurance on the Vehicle that you use to transport garments to and from the Plant for cleaning and treatment services and other business activities in connection with the Outlet. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverages (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. These insurance policies must name us and any affiliates we designate as additional named insureds and provide for thirty (30) days' prior written notice to us of a policy's material modification, cancellation or expiration. You routinely must furnish us copies of your Certificates of Insurance or other evidence of your maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may (but need not) obtain such insurance for you and the Outlet on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining such insurance.

F. **PRICING.**

We reserve the right, at any time and from time to time, to establish maximum, minimum, or other pricing requirements on prices that you may charge for products or services to the fullest extent allowed by applicable law.

G. **COMPLIANCE WITH NON-TRADITIONAL STORE STANDARDS.**

Notwithstanding your engaging Outlet Personnel to provide services to customers at the Outlet, you are responsible for ensuring that the Outlet operates in accordance with the Non-Traditional Store Standards and other provisions of this Agreement. You agree at all times to maintain, and cause Outlet Personnel to operate, the Outlet according to all of our Non-Traditional Store Standards, however communicated to you in writing or another tangible form (for example, as presented in the Business Reference Manual or via the Franchise System intranet or website) and as we periodically modify and supplement them, even if you believe that a Non-Traditional Store Standard, as originally issued or subsequently modified, is not in the Franchise System's or the Outlet's best interests. Although we retain the right to establish and periodically modify Non-Traditional Store Standards that you have agreed to maintain, you retain the right to and responsibility for implementing and maintaining Non-Traditional Store Standards at the Outlet.

As examples, and without limitation, Non-Traditional Store Standards may regulate any one or more of the following, in addition to the items described in Sections 9.A through 9.F above:

(1) the purchase, storage and use of supplies and other products;

(2) sales, marketing, advertising, customer relations, and promotional programs, including any materials and media used in these programs;

(3) specifications of the Vehicle you use to transport garments to and from the Plant for cleaning and treatment services, including make and model of the Vehicle, required insurance coverage, and exterior wrap design of the Vehicle acquired from an approved vendor;

(4) use and display of the Marks at the Outlet and on price boards, plastic garment coverings, laundry bags, labels, forms, paper and plastic products, and other supplies or services used at or by the Outlet;

(5) issuing and honoring gift certificates, gift cards and other payment mechanisms;

(6) manner of identifying Outlet Personnel and training, dress, and appearance, and the implementation of and standards and specifications for initial training and other related programs (although you or the owner(s) of the Premises have sole responsibility and authority concerning Outlet Personnel selection and promotion, hours worked, worker eligibility, rates of pay and other benefits, work assigned, and working conditions, and any information we provide concerning employment-related policies and procedures, or relating to the terms and conditions of employment for Tide Cleaners Outlet employees, is for your optional use);

(7) accepting credit and debit cards, other payment systems, and check verification services;

(8) bookkeeping, accounting, data processing, and recordkeeping systems and forms; formats, content, and frequency of reports to us of sales, revenue, financial performance, and condition; and giving us copies of tax returns and other operating and financial information concerning the Outlet;

(9) the provision of efficient, courteous, competent, prompt, and high-quality service to the public;

(10) customer service programs, mystery shopper programs, and customer complaints and resolution programs (including reimbursing dissatisfied customers for their reasonable costs of patronage at the Outlet and participating in other customer-satisfaction programs in the manner we periodically specify); and

(11) any other aspects of operating and maintaining the Outlet that we determine to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks and Tide Cleaners Outlets.

H. MODIFICATION OF NON-TRADITIONAL STORE STANDARDS.

We periodically may modify Non-Traditional Store Standards, which may accommodate regional or local variations, and these modifications may obligate you to invest additional capital

in the Outlet and/or incur higher operating costs. You agree to implement any changes in Non-Traditional Store Standards within the time period we request, whether they involve refurbishing or remodeling any aspect of the Outlet, buying new Operating Assets, adding new products and services, or otherwise modifying the nature of your operations, as if they were part of this Agreement as of the Effective Date.

10. MARKETING.

A. OPENING ADVERTISING EXPENDITURES.

You must spend the amount we specify, which currently is Five Hundred Dollars ($500) for advertising and promotion of the Outlet during a new store opening period that we designate (the "Opening Advertising Expenditures"). The new store opening period typically covers from two (2) weeks before through two (2) weeks after the opening date (or up to about one (1) total month), subject to changes we may allow based on the particular market area or other unique circumstances of the Outlet, including our approval of an advanced written request that you may submit to us requesting such a change. You agree to comply with our then current guidelines and payment terms in connection with this grand opening advertising program. You must send us documentation to demonstrate that you made these Opening Advertising Expenditures.

B. ADVERTISING AND DEVELOPMENT FUND.

Recognizing the value of advertising and marketing to the goodwill and public image of Tide Cleaners Outlets, we have established a centralized Advertising and Development Fund (the "Fund") for the advertising, marketing, and public relations programs and materials we deem appropriate. You agree to contribute to the Fund the amount(s) that we specify from time to time (the "Contribution"), which currently equals two percent (2%) of the Outlet's Net Sales for the previous week, payable at the same time and in the same manner as the Royalty or in such other manner as we periodically specify. Tide Cleaners Outlets that we or our affiliates own will contribute to the Fund on the same basis as franchisees.

We have the right to collect for deposit into the Fund any advertising, marketing, or similar allowances paid to us by suppliers who deal with Tide Cleaners Outlets and with whom we have agreed that we will so deposit these allowances. (These payments are different from those which are not designated by suppliers to be used exclusively for advertising or similar purposes and which we and our affiliates therefore may use for any purposes we and they deem appropriate, as provided in Section 9.C above).

We will direct all programs that the Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining an electronic commerce website and/or related strategies; administering regional, multi-regional and/or national marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities.

The Fund periodically will give you samples of advertising, marketing, and promotional formats and materials at no cost. We will sell you multiple copies of these materials at our direct cost of producing them, plus any related shipping, handling, and storage charges.

We will account for the Fund separately from our other funds and not use the Fund for any of our general operating expenses. However, we may use the Fund to pay the reasonable salaries and benefits of personnel who manage and administer the Fund, the Fund's other administrative costs, travel expenses of personnel while they are on Fund business, meeting costs, overhead relating to Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Fund and its programs, including conducting market research, public relations, preparing advertising, promotion, and marketing materials, and collecting and accounting for Contributions.

The Fund will not be our asset. Although the Fund is not a trust, we will hold all Contributions for the benefit of the contributors and use Contributions only for the purposes described in this Section 10. We do not owe any fiduciary obligation to you for administering the Fund or any other reason. The Fund may spend in any fiscal year more or less than the total Contributions in that year paid by all Tide Cleaners Outlet franchisees and Tide Cleaners Outlets that we own, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. If the Fund spends more than the total amounts available in a given year (regardless of when those amounts accrued), the Fund may repay the difference plus reasonable interest to us (or another entity that covered the deficit) using Contributions received by the Fund in the following or later year. We will use all interest earned on Contributions to pay costs before using the Fund's other assets.

We will prepare an annual, unaudited statement of Fund collections and expenses and give you the statement upon written request. We may have the Fund audited annually, at the Fund's expense, by an independent certified public accountant. We may incorporate the Fund or operate it through a separate entity whenever we deem appropriate, in which case the successor entity will have all of the rights and duties specified in this Section.

We intend the Fund to maximize recognition of the Marks and patronage of Tide Cleaners Outlets. Although we will try to use the Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, in a manner that will benefit all Tide Cleaners Outlets, we need not ensure that Fund expenditures in or affecting any geographic area are proportionate or equivalent to Contributions made by Tide Cleaners Outlets operating in that geographic area, or that any individual Tide Cleaners Outlet benefits directly (or in proportion to its Contribution) from the development of advertising and marketing materials and/or the placement of advertising and marketing. We need not use the Fund to develop advertising and marketing materials specific to the promotion of Non-Traditional Stores, and such advertising and marketing materials may have limited use or value for Non-Traditional Stores.

We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Contributions at the Fund's expense. We also may forgive, waive, settle, and compromise any claims by or against the Fund. Except as expressly provided in this Section, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Fund.

We may at any time defer or reduce Contributions of a Tide Cleaners Outlet franchise owner and, upon thirty (30) days' prior written notice to you, reduce or suspend Contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Fund. If we terminate the Fund, we will distribute all unspent monies to our franchise owners, and to us and our affiliates, in proportion to their and our respective Contributions during the preceding twelve (12)-month period.

You acknowledge that, while the Outlet will operate as a Non-Traditional Store, the Fund's activities and expenditures are designed solely or primarily for the benefit of traditional, full-service Tide Cleaners Outlets and the "drop store" format of Tide Cleaners Outlet. You hereby waive any claim you might have against us, whether under breach of contract, fraud or any other theory, based on any use of your Contributions that are designed to benefit (whether directly or indirectly) traditional, full-service Tide Cleaners Outlets or Tide Cleaners Outlets operating as "drop stores," and not Non-Traditional Stores, or based on any claim that your Contributions do not benefit you or the Outlet in proportion to the amount of your Contributions or otherwise.

C. **YOUR LOCAL MARKETING.**

In addition to your new store opening obligations in Section 10.A above and your Fund Contribution obligations in Section 10.B above, you agree to spend at least two percent (2%) of the Outlet's Net Sales to advertise and promote your Outlet (this may include the costs of yellow pages advertising) (the "Local Advertising Expenditures") provided that your Local Advertising Expenditures may be offset (whether partially or fully, as applicable) by the amount of the applicable Co-op Dues (as defined in Section 10.D), if any, that you must pay pursuant to Section 10.D. Within thirty (30) days after the end of each month, you agree to send us, in the manner we prescribe, an accounting of your expenditures for local advertising and promotion during the preceding month. Effective on thirty (30) days' advance written notice to you, we may require you to pay all or a portion of your Local Advertising Expenditures to us and we will use these funds to advertise and promote your Outlet.

Your local advertising and promotion must follow our guidelines. All advertising and promotional materials that you develop for your Outlet must contain notices of our website's domain name in the manner we designate. You may not develop, maintain, or authorize any website that mentions or describes you or the Outlet or displays any of the Marks. You agree that your advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time.

If you are not using approved marketing materials, then before you use them, you agree to send us or our designated agency, for our or its approval, physical samples of all advertising, promotional, and marketing materials which we have not prepared or previously disapproved. If you do not receive written disapproval within thirty (30) days after we or our designated agency receives the materials, they are deemed to be approved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved.

D. **COOPERATIVE ADVERTISING PROGRAMS.**

We may designate an Advertising Coverage Area ("ACA") — local or regional — in which Tide Cleaners Outlets are located in order to establish a cooperative advertising program ("Cooperative Program") for that ACA. An ACA is the area covered by the particular advertising medium recognized in the industry or as we may otherwise prescribe based on a Designated Marketing Area ("DMA") or other method. Franchise owners in the ACA will be required to participate in a Cooperative Program if one is established in that ACA. The members of the Cooperative Program in an ACA will be all of the Tide Cleaners Outlets located in that ACA, including those operated by us and our affiliates. Each Tide Cleaners Outlet participating in a Cooperative Program will have one (1) vote.

If a Cooperative Program is established for your ACA, you will be required to contribute, on a monthly basis, at least one percent (1%) of your Outlet's Net Sales for the prior month (the "Co-op Dues") to that ACA's Cooperative Program. Your actual Co-op Dues, and any increases in the amount of the Co-op Dues or changes in the applicable rules of contribution, will be determined by a vote of sixty-seven percent (67%) or more of all Tide Cleaners Outlets participating in the ACA's Cooperative Program, including any Tide Cleaners Outlets operated by us or our affiliates, subject to our approval. Any Co-op Dues you contribute will count toward the Local Advertising Expenditures you are required to spend under Section 10.C to promote the Outlet, but in no event will your amounts contributed to a Cooperative Program affect your new store opening financial and advertising obligations required under Section 10.A or your required Contributions to the Fund.

If your ACA's Cooperative Program votes to increase the Co-op Dues above two percent (2%) of your Outlet's Net Sales, and you fail or refuse to contribute the increased Co-op Dues to the ACA's Cooperative Program, the Cooperative Program may suspend your voting rights and other privileges relating to the Cooperative Program until you begin contributing the increased Co-op Dues and pay all past due Co-op Dues.

11. **RECORDS AND REPORTS.**

You agree to establish and maintain at your own expense a bookkeeping, accounting, and recordkeeping system conforming to the requirements and formats we prescribe from time to time. We may require you to use a Computer System to maintain certain sales data, Customer Data, and other information and to report such information to us via a website or other means. You agree to give us in the manner and format that we prescribe from time to time:

(1) on or before Wednesday of each week, a report on the Outlet's Net Sales during the week ending on the preceding Sunday, should we so request, in lieu of extracting such data from the Computer System;

(2) within fifteen (15) days after the end of each calendar month, the operating statements, financial statements, statistical reports, purchase records, and other information we request regarding you and the Outlet covering the previous calendar month and the fiscal year to date; and

(3) within ten (10) days after our request, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information we periodically require relating to the Outlet.

You agree to verify and sign each report and financial statement in the manner we prescribe. We may disclose data derived from these reports, although we will not without your consent (unless required by law) disclose your identity in any materials that we circulate publicly. Moreover, we may, as often as we deem appropriate (including on a daily basis), access the Computer System and retrieve all information relating to the Outlet's operation, which may include all Customer Data or financial information available on the Computer System.

You agree to preserve and maintain all records in a secure location at the Outlet or the Plant for at least three (3) years (including sales checks, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers).

12. ASSESSMENTS AND AUDITS.

A. OUR RIGHT TO CONDUCT AN ASSESSMENT OF THE OUTLET.

To determine whether you and the Outlet are complying with this Agreement and all Non-Traditional Store Standards, we and our designated agents or representatives may at all times and without prior notice to you: (1) inspect the Outlet; (2) photograph the Outlet and observe and record the Outlet's operation for consecutive or intermittent periods we deem necessary; (3) remove samples of any products and supplies; (4) interview Outlet Personnel and customers; (5) inspect and copy any books, records, and documents relating to the Outlet's operation; and (6) contact suppliers of products and services to the Outlet to obtain relevant information about the Outlet's operations, inventory and materials usage. You agree to cooperate with us fully and to cause the Premises to provide us with access to the Outlet to ensure compliance with this Agreement and all Non-Traditional Store Standards. If we exercise any of these rights, we will not interfere unreasonably with the Outlet's operation. Without limiting our other rights and remedies under this Agreement, you agree promptly to correct at your own expense all failures to comply with this Agreement (including any Non-Traditional Store Standards) that our agents or representatives note within the time period we specify following your receipt of our notice. We then may conduct one or more follow-up assessments to confirm that you have corrected these deficiencies and otherwise are complying with this Agreement and all Non-Traditional Store Standards. We may charge you an assessment fee to compensate us for our costs and expenses during any such follow-up assessment or any assessment that you request.

B. OUR RIGHT TO AUDIT.

To determine whether you and the Outlet are complying with this Agreement, we may at any time during your business hours, and without prior notice to you, examine your and the Outlet's business, bookkeeping, and accounting records, sales and income tax records and returns, and other records. You agree to cooperate fully with our representatives and independent accountants in any examination. If any examination discloses an understatement of the Outlet's Net Sales, you agree to pay us, within fifteen (15) days after receiving the examination report, the

Royalty and Fund Contributions due on the amount of the understatement, plus our interest in the amount of one and one-half percent (1.5%) per month (or prorated, as applicable) on the understated amounts from the date originally due until the date of payment. Furthermore, if an audit or other similar examination (collectively, for purposes of this paragraph, an "examination") is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals a Royalty or Fund Contribution understatement exceeding two percent (2%) of the amount that you actually reported to us for the period examined, you agree to reimburse us for the costs of the examination, including the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

13. **TRANSFER.**

(1) You acknowledge that we maintain a staff to manage and operate the Franchise System and that staff members can change as employees come and go. You represent that you have not signed this Agreement in reliance on any particular shareholder, director, officer, or employee remaining with us in that capacity. We may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. After our assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or other obligations under this Agreement. That assignment will constitute a release and novation with respect to this Agreement, and the new owner-assignee will be liable to you as if it had been an original party to this Agreement.

(2) Neither this Agreement, the Outlet, nor any ownership interests in you or your owners (if such owners are legal entities) may be transferred without our prior written approval. Any such permitted transfer must be made only with a transfer under and in compliance with the Plant Store Franchise Agreement and meet all of the conditions set forth in Sections 13.C and 13.D of the Plant Store Franchise Agreement.

14. **TERMINATION.**

(1) Either party may terminate this Agreement prior to its expiration on thirty (30) days' written notice to the other party (subject to state law).

(2) We may terminate this Agreement, effective upon delivery of written notice of termination to you, if:

(i) you (or any of your owners) have made or make any material misrepresentation or omission in acquiring the Franchise or operating the Outlet;

(ii) you do not open the Outlet for business on or before the deadline specified in Section 2.D;

(iii) you abandon or fail actively to operate the Outlet for three (3) or more consecutive business days, unless you temporarily close the Outlet during periods of inclement weather that reasonably render the Outlet's operation

impractical or dangerous, or you otherwise close the Outlet for a purpose we approve of or because of casualty or government order;

(iv) you (or your owners) make or attempt to make any transfer in violation of Section 13;

(v) you (or any of your owners) are or have been convicted of, or plead or have pleaded either guilty or no contest to, a felony, or to another crime or lesser offense that may adversely affect your reputation, the reputation of the Outlet or the goodwill associated with the Marks;

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

(vii) you (or any of your owners) engage in any dishonest or unethical conduct or in any acts or omissions which, in our opinion, adversely affects the Outlet's reputation or the goodwill associated with the Marks;

(viii) you lose the right to locate the Outlet within the Premises;

(ix) the Plant Store Franchise Agreement is terminated before its term expires, regardless of the reason;

(x) you (or any of your owners) knowingly make any unauthorized use or disclosure of any part of the Business Reference Manual or any other Confidential Information;

(xi) you violate any health, safety, or sanitation law, ordinance, or regulation, or operate the Outlet in an unsafe manner, and do not begin to cure the violation immediately, and do not correct the violation within seventy-two (72) hours, after you receive notice from us or any other party;

(xii) you fail to pay us (or our affiliates) any amounts due and do not correct the failure within ten (10) days after we deliver written notice of that failure to you;

(xiii) you fail to pay when due any federal or state income, service, sales, or other taxes due on the Outlet's operation, unless you are in good faith contesting your liability for these taxes;

(xiv) you understate the Outlet's Net Sales three (3) times or more during this Agreement's term or by more than five percent (5%) on any one occasion;

(xv) the Plant that services all garments and other items from and otherwise provides sufficient operational support for the Outlet ceases operations, and within five (5) days from the date of the closure of the Plant, you cannot locate another standard Tide Cleaners Outlet that is equipped to handle additional business volume and that has the capabilities to otherwise service the Outlet;

(xvi) you (or any of your owners) (a) fail on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you; or (b) fail on two (2) or more separate occasions within any six (6) consecutive month period to comply with the same obligation under this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you;

(xvii) you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property; the Outlet is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee, or liquidator of you or the Outlet is not vacated within thirty (30) days following the order's entry;

(xviii) your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation;

(xix) you, any of your owners, or any of the Outlet Personnel use any equipment, services, processes or products at the Outlet that otherwise violate Non-Traditional Store Standards and/or that you acquire through suppliers that we have not approved or that we have disapproved; or

(xx) you (or any of your owners) fail to comply with any other provision of this Agreement or any Non-Traditional Store Standard and do not correct the failure within thirty (30) days after we deliver written notice of the failure to you.

Notwithstanding the foregoing, our termination of this Agreement will have no effect on your rights and obligations under the Plant Store Franchise Agreement.

15. OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT.

A. PAYMENT OF AMOUNTS OWED TO US.

You agree to pay us within fifteen (15) days after this Agreement expires or is terminated, or on any later date that we determine the amounts due to us, the Non-Traditional Store Fee,

Royalties, Fund Contributions, interest, and all other amounts owed to us (and our affiliates) which then are unpaid.

B. **MARKS.**

When this Agreement expires or is terminated:

(1) You will ensure that the Premises ceases to use any Mark, any colorable imitation of a Mark, or other indicia of a Tide Cleaners Outlet in any manner or for any purpose, or use for any purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with us;

(2) You will work with the Premises to remove and deliver to us within thirty (30) days all signs, marketing materials, forms, and other materials containing any Mark or otherwise identifying or relating to a Tide Cleaners Outlet that we request and allow us, without liability to you or the Premises for trespass or any other claim, to enter the Premises and remove such items from the Outlet; and

(3) you agree to give us, within thirty (30) days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations.

C. **CONFIDENTIAL INFORMATION.**

You agree that, when this Agreement expires or is terminated, you will immediately cease using any of our Confidential Information (including computer software or similar technology and digital passwords and identifications that we have licensed to you or that otherwise are proprietary to us or the Franchise System) or Customer Data in any business or otherwise and return to us all copies of the Business Reference Manual and any other confidential materials to which we have provided you access.

D. **COVENANT NOT TO COMPETE.**

Upon termination or expiration of this Agreement, you and your owners agree that, for two (2) years beginning on the effective date of termination or expiration or the date on which all persons restricted by this Section 15.D begin to comply with this Section 15.D, whichever is later, neither you nor any of your owners will have any direct or indirect interest (*e.g.*, through a spouse) as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, representative, or agent in any Competitive Business located or operating: (i) at the Premises; (ii) within a twenty five (25) mile radius of the Premises; or (iii) within twenty five (25) miles of any other Tide Cleaners Outlet in operation or under construction on the later of the effective date of the termination or expiration of this Agreement, or the date on which all persons restricted by this Section 15.D begin to comply with this Section 15.D.

These restrictions also apply after transfers. If any person restricted by this Section 15.D refuses voluntarily to comply with these obligations, the two (2)-year compliance period for that person will commence with the entry of a court order enforcing this provision. You and your owners expressly acknowledge that you possess skills and abilities of a general nature and have

other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Section 15.D will not deprive you of your personal goodwill or ability to earn a living.

E. **CONTINUING OBLIGATIONS.**

All of our and your (and your owners') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire.

16. **RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.**

A. **INDEPENDENT CONTRACTORS.**

You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that you and we are and will be independent contractors, and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. We are not the employer or joint employer of Outlet Personnel. You are solely responsible for the management and operation of the Outlet and the supervision of Outlet Personnel.

You acknowledge and agree that:

(a) you are the only party that employs your staff (even though we may provide you with advice, guidance, and training);

(b) we are not the employer of any of your staff, and we will not play any role in decisions regarding their engagement (including but not limited to matters such as recruitment, hiring, compensation, scheduling, employee relations, labor matters, review, discipline, and/or dismissal);

(c) any guidance that we provide and requirements under which you will operate are intended to promote and protect the value of the brand and the Marks;

(d) when forming and in operating your business, you had to adopt standards to operate that business, and that instead of developing and implementing your own standards (or those of another party), you chose to adopt and implement our standards for your business (including but not limited to our System and the requirements under this Agreement); and

(e) you have made (and will remain responsible at all times for) all of the organizational and basic decisions about establishing and forming your entity, operating your business (including but not limited to adopting our standards as your standards), and hiring employees and employment matters employment (including but not limited to matters such as recruitment, hiring, compensation, scheduling, employee relations, labor matters, review, discipline, and/or dismissal) engaging professional advisors, and all other facets of your operation.

B. **NO LIABILITY FOR ACTS OF OTHER PARTY.**

We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchise owner. We will not be obligated for any damages to any person or property directly or indirectly arising from the Outlet or the business you conduct under this Agreement.

C. **TAXES.**

We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, or other taxes, whether levied upon you or the Outlet, due to the business you conduct (except for our income taxes). You are responsible for paying these taxes and must reimburse us for any taxes that we must pay to any state taxing authority on account of either your operation or payments that you make to us.

D. **INDEMNIFICATION AND DEFENSE OF CLAIMS.**

(1) You agree to indemnify and hold harmless us, our affiliates, and our and their respective owners, directors, officers, employees, agents, representatives, successors and assignees (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, all Losses (as defined below) directly or indirectly arising out of or relating to: (a) the Outlet's operation; (b) the business you conduct under this Agreement; (c) your breach of this Agreement; (d) your noncompliance or alleged noncompliance with any law, ordinance, rule or regulation, including those concerning the Outlet's construction, design or operation, and including any allegation that we or another Indemnified Party is a joint employer or otherwise responsible for your acts or omissions relating to your employees; or (e) claims alleging either intentional or negligent conduct, acts or omissions by you (or your contractors or any of your or their employees, agents or representatives), or by us or our affiliates (or our or their contractors or any of our or their employees, agents or representatives), subject to Section 16.D(3). "Losses" means any and all losses, expenses, obligations, liabilities, damages (actual, consequential, or otherwise), and reasonable defense costs that an Indemnified Party incurs, including accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced.

(2) You agree to defend the Indemnified Parties against any and all claims asserted or inquiries made (formally or informally), or legal actions, investigations, or other proceedings brought, by a third party and directly or indirectly arising out of or relating to any matter described in Section 16.D(1)(a) through (e) above (collectively, "Proceedings"), including those alleging the Indemnified Party's negligence, gross negligence, willful misconduct and/or willful wrongful omissions. Each Indemnified Party may at your expense defend and otherwise respond to and address any claim asserted or inquiry made, or Proceeding brought, that is subject to this Section 16.D (instead of having you defend it as required above), and agree to settlements or take any other remedial,

corrective, or other actions, for all of which defense and response costs and other Losses you are solely responsible, subject to Section 16.D(3). An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim against you, and you agree that a failure to pursue a recovery or mitigate a Loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section 16.D. Your obligations in this Section 16.D will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

(3) Despite Section 16.D(1), you have no obligation to indemnify or hold harmless an Indemnified Party for, and we will reimburse you for, any Losses (including costs of defending any Proceeding under Section 16.D(2)) to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party's willful misconduct or gross negligence, so long as the claim to which those Losses relate is not asserted on the basis of theories of vicarious liability (including agency, apparent agency, or employment), joint employer liability or our failure to compel you to comply with this Agreement, which are claims for which we are entitled to indemnification under this Section. However, nothing in this Section 16.D(3) limits your obligation to defend us and the other Indemnified Parties under Section 16.D(2).

17. ENFORCEMENT.

A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.

Except as expressly provided to the contrary in this Agreement (including in Section 17.E), each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any Non-Traditional Store Standard is invalid, unenforceable, or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or Non-Traditional Store Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant

imposing the maximum duty the law permits that is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

B. **WAIVER OF OBLIGATIONS.**

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of ten (10) days prior written notice.

We and you will not waive or impair any right, power, or option this Agreement reserves (including our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice that varies from this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including any Non-Traditional Store Standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other Tide Cleaners Outlets; the existence of franchise agreements for other Tide Cleaners Outlets that contain provisions different from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to either us or you will be a waiver, compromise, settlement, or accord and satisfaction. We and you, upon receipt, are authorized to remove any legend or endorsement, which then will have no effect.

Neither we nor you will be liable for loss or damage or be in breach of this Agreement if our or your failure to perform our or your obligations results from: (1) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government; (2) fire, flood, accident, hurricane or other calamity or act of God; (3) strikes, embargoes, war, civil disturbance, acts of terrorism or similar events, or riot; or (4) any other similar event or cause. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed at the time of the occurrence or payment of Non-Traditional Store Fees, Royalties, Fund Contributions, or Co-op Dues due afterward.

C. **COSTS AND ATTORNEYS' FEES.**

If we incur costs and expenses due to your failure to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, you agree, whether or not we initiate a formal legal proceeding, to reimburse us for all of the costs and expenses that we incur, including reasonable accounting, attorneys', arbitrators', and related fees.

D. **RIGHTS OF PARTIES ARE CUMULATIVE.**

Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

E. **ARBITRATION.**

We and you agree that all controversies, disputes, or claims between us and our affiliates, and our and their respective owners, shareholders, officers, directors, agents, and/or employees, and you (and/or your owners, guarantors, affiliates, and yours or their respective owners, shareholders, officers, directors, agents and/or employees) arising out of or related to:

(1) this Agreement or any other agreement between you and us or our affiliates;

(2) our (or any of our affiliates') relationship with you;

(3) the scope and validity of this Agreement or any other agreement between you and us (or any of our affiliates) or any provision of such agreements (including the validity and scope of the arbitration obligations under this Section 17.E, which you and we acknowledge is to be determined by an arbitrator and not a court); or

(4) any aspect of the Franchise System or any Non-Traditional Store Standard;

must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association (the "AAA"). The arbitration proceedings will be conducted by a panel of three (3) arbitrators (the "Panel") and, except as this Section otherwise provides, according to the then current commercial arbitration rules of the AAA. We and you shall each appoint one (1) arbitrator to serve on the Panel. The two (2) separately appointed arbitrators shall attempt to agree upon the third arbitrator for the Panel, who will act as the Panel's chairman. If the two (2) appointed arbitrators fail to agree on the third arbitrator within thirty (30) days after the second arbitrator is appointed to the Panel, then the third arbitrator shall be appointed by the AAA, and shall serve as the Panel's chairman. All proceedings will be conducted at a suitable location chosen by the Panel in the Cincinnati, Ohio metropolitan area. The Panel shall have no authority to select a different hearing locale. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.) and not by any state arbitration law.

The Panel has the right to award or include in its award any relief which it deems proper, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the Panel may not declare any Mark generic or otherwise invalid or, except as expressly provided in Section 17.H below, award any punitive or exemplary damages against either party (we and you hereby waiving to the fullest extent permitted by law, except as expressly provided in Section 17.H below, any right to or claim for any punitive or exemplary damages against the other). The award of the Panel shall be conclusive and binding upon all parties hereto and judgment upon the Panel's award may be entered in any court of competent jurisdiction.

We and you agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is forever barred. The Panel may not consider any settlement discussions or offers that might have been made by either you or us. We reserve the right, but

have no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished our right to seek the recovery of those costs in accordance with Section 17.C.

We and you agree that arbitration will be conducted on an individual, not a class wide, basis and that an arbitration proceeding between us and our affiliates, and our and their respective shareholders, officers, directors, agents, and/or employees, and you (and/or your owners, guarantors, affiliates, and your and their respective owners, officers, directors, agents and/or employees) may not be consolidated with any other arbitration proceeding between us and any other person. Notwithstanding the foregoing or anything to the contrary in this Section 17.E or Section 17.A, if any court or arbitrator or Panel determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section 17.E, then the parties agree that this arbitration clause shall not apply to that dispute and that such dispute will be resolved in a judicial proceeding in accordance with this Section 17 (excluding this Section 17.E).

Despite our and your agreement to arbitrate, we and you each have the right to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that we and you must contemporaneously submit our dispute for arbitration on the merits as provided in this Section.

The provisions of this Section 17.E are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

F. **GOVERNING LAW.**

ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF THE STATE OF OHIO, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY OHIO LAW REGULATING THE SALE OF FRANCHISES OR BUSINESS OPPORTUNITIES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION.

G. **CONSENT TO JURISDICTION.**

SUBJECT TO SECTION 17.E ABOVE AND THE PROVISIONS BELOW, YOU AND YOUR OWNERS AGREE THAT ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN YOU AND US MUST BE COMMENCED IN THE STATE OR FEDERAL COURT OF GENERAL JURISDICTION IN CINCINNATI, OHIO, AND YOU (AND EACH OWNER)

IRREVOCABLY SUBMIT TO THE JURISDICTION OF THOSE COURTS AND WAIVE ANY OBJECTION YOU (OR THE OWNER) MIGHT HAVE TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS. NONETHELESS, YOU AND YOUR OWNERS AGREE THAT WE MAY ENFORCE THIS AGREEMENT AND ANY ARBITRATION ORDERS AND AWARDS IN THE COURTS OF THE STATE OR STATES IN WHICH YOU ARE DOMICILED OR THE OUTLET IS LOCATED.

H. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.**

EXCEPT FOR PUNITIVE, EXEMPLARY AND OTHER FORMS OF MULTIPLE DAMAGES AVAILABLE TO ANY PARTY UNDER FEDERAL LAW OR OWED TO THIRD PARTIES WHICH ARE SUBJECT TO INDEMNIFICATION UNDER SECTION 16.D, AND EXCEPT FOR PUNITIVE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, WE AND YOU (AND YOUR OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US AND YOU, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

SUBJECT TO OUR AND YOUR ARBITRATION OBLIGATIONS, WE AND YOU (AND YOUR OWNERS) IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF US.

I. **BINDING EFFECT.**

This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Business Reference Manual and Non-Traditional Store Standards, this Agreement may not be modified except by a written agreement signed by both our and your duly-authorized officers.

J. **LIMITATIONS OF CLAIMS.**

Except for claims arising from your non-payment or underpayment of amounts you owe us, any and all claims arising out of or relating to this Agreement or our (or any of our affiliates') relationship with you will be barred unless a legal proceeding (in the required or permitted forum) is commenced within eighteen (18) months from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claims.

K. **CONSTRUCTION.**

This Agreement, together with the preambles and exhibits to it, constitutes the entire agreement between us and you, and there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Agreement, the franchise relationship, or the Outlet (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). This

Agreement may be modified only by written agreement signed by both you and us, except that we may modify the Business Reference Manual at any time (as provided in Sections 4.B, 9 and 17.I). Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representation that we made in our disclosure document (including its exhibits and amendments) that we delivered to you or your representative.

Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement, and are not binding on us.

Except as expressly provided in this Agreement, nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in this Agreement to "we," "us," and "our," with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliates with whom you deal. The term "affiliate" means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. References to "control" mean the power to direct or cause the direction of management and policies.

If two (2) or more persons are at any time the owners of the Franchise and the Outlet, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. References to "owner" mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee of this Agreement and the Outlet or an ownership interest in you), including any person who has a direct or indirect interest in you (or a transferee), this Agreement, the Franchise, or the Outlet and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets.

References to a "controlling ownership interest" in you or one of your owners (if a corporation, limited liability company, or other business legal entity) mean the percent of the voting shares or other voting rights that results from dividing one hundred percent (100%) of the ownership interests by the number of owners. References to a "non-controlling ownership interest" mean an ownership interest that is not a controlling ownership interest (as otherwise described above).

References to a "person" mean any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

The words "include," "including," and words of similar import, whenever used in this Agreement, mean "including, by way of example, but without limitation," and the terms following

such words shall not be interpreted as representing an exclusive or exhaustive list of the appropriate subject matter.

Unless otherwise specified, all references to a number of days shall mean calendar days and not business days.

This Agreement may be executed in multiple copies, each of which will be deemed an original.

18. NOTICES AND PAYMENTS.

All written notices, reports, and payments permitted or required to be delivered by this Agreement or the Business Reference Manual will be deemed to be delivered:

(1) at the time delivered by hand;

(2) at the time delivered via computer transmission and, in the case of the Non-Traditional Store Fee, Royalty, Fund Contributions, and other amounts due, at the time we actually receive payment via the EDTA;

(3) one (1) business day after transmission by facsimile or other electronic system if the sender has confirmation of successful transmission;

(4) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or

(5) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid.

Any notice to us must be sent to the address specified on the first page of this Agreement, although we may change this address for notice by giving you notice of the new address. You may change the address for notice only by giving us thirty (30) days' prior notice by any of the means specified in subparagraphs (a) through (e) above.

Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days before then) will be deemed delinquent.

You may send notices to us by e-mail but only if you send them to us at "franchising@tidedrycleaners.com" (unless and until we specify a different address).

19. ELECTRONIC MAIL.

You acknowledge and agree that exchanging information with us by e-mail is efficient and desirable for day-to-day communications and that we and you may utilize e-mail for such communications. You authorize the transmission of e-mail by us and our employees, vendors, and affiliates to you during the term of this Agreement.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

AGILE PURSUITS FRANCHISING, INC., an Ohio corporation

By:_____

Print Name:_____

Title:_____

DATED*:_____
(*Effective Date of this Agreement)

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Franchisee Entity]

By:_____
[Signature of person signing on behalf of entity]

Title of Signatory:_____

DATED:_____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

EXHIBIT A

TO THE NON-TRADITIONAL STORE FRANCHISE AGREEMENT

BASIC TERMS

The location of the Plant:

_____

_____

_____

_____

The **Premises** of the Outlet:

_____

_____

_____

_____

The Start-up Assistance and Training Fee is:

_____ Dollars ($_____).

The Project Management Fee is:

_____ Dollars ($_____).

Initials:

_____	_____
Franchisee	APFI

[Signature Page Follows]

AGILE PURSUITS FRANCHISING, INC., an Ohio corporation

By:_____

Print Name:_____

Title:_____

DATED:_____

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Franchisee Entity]

By:_____
[Signature of person signing on behalf of entity]

Title of Signatory:_____

DATED:_____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS ("Guaranty") is given this _____ day of _____, 20__

By (list each guarantor):

_____
_____
_____
_____
_____.

In consideration of, and as an inducement to, the execution of that certain Non-Traditional Store Franchise Agreement (the "Agreement") on this date by AGILE PURSUITS FRANCHISING, INC. ("us," "we," or "our"), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that _____ ("Franchisee") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), including (i) monetary obligations, (ii) obligations to take or refrain from taking specific actions and to engage or refrain from engaging in specific activities, including, but not limited to, the non-competition, confidentiality, and transfer requirements, and (iii) the enforcement and other provisions in Sections 17 and 18 of the Agreement, including the arbitration provision.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Franchisee or its owners, and for so long as we have any cause of action against Franchisee or its owners; and (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Franchisee, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation that any of the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty, for the express purpose that none

of the undersigned shall be deemed a "creditor" of Franchisee under any applicable bankruptcy law with respect to Franchisee's obligations to us; (ii) all rights to require us to proceed against Franchisee for any payment required under the Agreement, proceed against or exhaust any security from Franchisee, take any action to assist any of the undersigned in seeking reimbursement or subrogation in connection with this Guaranty, or pursue, enforce or exhaust any remedy, including any legal or equitable relief, against Franchisee; (iii) any benefit of, any right to participate in, any security now or hereafter held by us; and (iv) acceptance and notice of acceptance by us of his, her or its undertakings under this Guaranty, all presentments, demands, and notices of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protests, notices of dishonor, and notices of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices and legal or equitable defenses to which he, she or it may be entitled. We shall have no present or future duty or obligation to the undersigned under this Guaranty, and each of the undersigned waives any right to claim or assert any such duty or obligation, to discover or disclose to the undersigned any information, financial or otherwise, concerning Franchisee, any other guarantor, or any collateral securing any obligations of Franchisee to us. Without affecting the obligations of the undersigned under this Guaranty, we may, without notice to the undersigned, extend, modify, supplement, waive strict compliance with, or release all or any provisions of the Agreement or any indebtedness or obligation of Franchisee, or settle, adjust, release, or compromise any claims against Franchisee or any other guarantor, make advances for the purpose of performing any obligations of Franchisee under the Agreement, assign the Agreement or the right to receive any sum payable under the Agreement, and the undersigned each hereby jointly and severally waive notice of same. The undersigned expressly acknowledge that the obligations hereunder survive the expiration or termination of the Agreement.

In addition, the undersigned each waive any defense arising by reason of any of the following: (a) any disability or any counterclaim or right of set-off or other defense of Franchisee, (b) any lack of authority of Franchisee with respect to the Agreement, (c) the cessation from any cause whatsoever of the liability of Franchisee, (d) any circumstance whereby the Agreement shall be void or voidable as against Franchisee or any of Franchisee's creditors, including a trustee in bankruptcy of Franchisee, by reason of any fact or circumstance, (e) any event or circumstance that might otherwise constitute a legal or equitable discharge of the undersigned's obligations hereunder, except that the undersigned do not waive any defense arising from the due performance by Franchisee of the terms and conditions of the Agreement, (f) any right or claim of right to cause a marshaling of the assets of Franchisee or any other guarantor, and (g) any act or omission of Franchisee.

If we are required to enforce this Guaranty in a judicial or arbitration proceeding, and prevail in such proceeding, we shall be entitled to reimbursement of our costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

Subject to the arbitration obligations and the provisions below, each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between us and the undersigned, must be commenced in the state or federal court of general jurisdiction in Cincinnati, Ohio, and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that we may enforce this Guaranty and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled. EACH OF THE UNDERSIGNED IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, ARISING UNDER OR RELATING TO THIS GUARANTY OR ITS ENFORCEMENT.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

Signatures Of Each Guarantor	**Percentage Of Ownership In Franchisee**
_____	_____%
_____	_____%
_____	_____%
_____	_____%
_____	_____%

EXHIBIT F

LOCKER SERVICES ADDENDUM

TIDE CLEANERS LOCKER SERVICES ADDENDUM TO PLANT STORE FRANCHISE AGREEMENT

THIS TIDE CLEANERS LOCKER SERVICES ADDENDUM TO PLANT STORE FRANCHISE AGREEMENT (this "Addendum") is entered into as of the ____ day of _____, 20__, by **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation ("APFI", "we," "us," or "our"), and _____, a _____ ("you," or "your").

RECITALS

Pursuant to a Plant Store Franchise Agreement dated as of _____, 20__ (the "Franchise Agreement"), we granted you the right to operate a franchised Tide Cleaners Outlet located at _____ (the "Outlet").

We and our affiliates have developed a proprietary system utilizing the Marks ("Locker System") for collecting garments from lockers and other collection devices that we authorize ("Lockers") for dry cleaning and laundering ("Locker Services").

You would like the non-exclusive right to use the Locker System and offer Locker Services in conjunction with your OUTLET. Accordingly, the parties are entering into this Addendum to modify the Franchise Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Grant of Right to Use the Locker System**. We hereby grant you the right during the Term of the Franchise Agreement to use the Locker System and offer Locker Services in conjunction with the Outlet. You may only collect and process garments from Lockers that you own or lease at locations that we authorize. You may only order Lockers through us for fulfillment by our approved supplier, which currently is George O'day's, Inc. You are responsible for all costs associated with acquiring and installing the Lockers. You may not remove a Locker or relocate a Locker without providing advance written notice to us. You agree to collect, dry clean and launder, and return all garments deposited in your Lockers in accordance with the standards and the time frames set forth in the Operations Manual. Where the context of the Franchise Agreement requires, all references to the "System" shall include the Locker System. You acknowledge and agree that your right to use the Locker System and offer Locker Services in conjunction with the Outlet is non-exclusive and we have the right to use and license third parties to use the Locker System and offer Locker Services within the Territory assigned to your Outlet.

2. **Training and Personnel**. Before you begin offering Locker Services, we will provide training to your designated manager on the material aspects of the Locker System. We may require you to attend additional training programs related to the Locker System during the Term of the Franchise Agreement. If you replace your designated manager, the replacement must successfully complete any training program that we require related to the Locker System within fifteen (15) days of their appointment.

3. **Fees**. You agree to pay us, in the same manner as you pay the Royalty for the outlet (or as the Operations Manual otherwise prescribes): (1) a weekly continuing service and royalty fee (the "Locker Royalty") equal to sixteen percent (16%) of the Locker Net Revenues (as defined below); and (2) a weekly advertising fee equal to two percent (2%) of the Locker Net Revenues, which we will allocate to marketing related to the Locker System. On or before Thursday of each week, you agree to send us, on a form we approve (or as we otherwise direct), a signed statement of the Locker Net Revenues for the previous week

ended. For purposes of this Addendum, "Locker Net Revenues" means all revenues received by you from customers for Locker Services rendered by the outlet and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions, but (1) excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority; and (2) reduced by the amount of any documented refunds, credits, coupons, manager-authorized and/or customer loyalty program discounts, allowances, and charge-backs the Outlet in good faith gives to customers who utilize the Locker Services.

4. **Local Marketing.** In addition to your local marketing obligations in the Franchise Agreement for the Outlet, you agree to spend at least two percent (2%) of the Locker Net Revenues to advertise and promote the Locker Services provided by your Outlet (the "Local Locker Advertising Expenditures"). Within thirty (30) days after the end of each month, you agree to send us, in the manner we prescribe, an accounting of your Local Locker Advertising expenditures during the preceding month. All local advertising and promotion of the Locker Services must follow our guidelines as well as the requirements for advertising set forth in the Franchise Agreement. Effective on thirty (30) days' advance written notice to you, we may require you to pay all or a portion of your Local Advertising Expenditures to us and we will advertise and promote the Locker Services provided by your Outlet.

5. **Vehicle.** Before you commence offering the Locker Services, you agree to acquire a vehicle that we approve to be used throughout the Term for transportation of garments, products, and related items and other needs between the Outlet's Premises and the Lockers (the "Vehicle"). The Vehicle is deemed a part of the Operating Assets for the Outlet, and you must brand the Vehicle with the Marks and acquire and maintain sufficient insurance coverage for the Vehicle, as we prescribe throughout the Term. We must approve your Vehicle as satisfying our then current System Standards or other specifications we then prescribe, including but not limited to make and model of the Vehicle, required insurance coverage, and exterior wrap design of the Vehicle acquired from an approved vendor, before we authorize you to commence offering the Locker Services.

6. **Technology**. You agree to use any software system, application and related items specified by us in the Operations Manual to offer the Locker Services. You shall be responsible for any license fees or other costs associated with those items.

7. **Confidentiality.** You acknowledge that we and our affiliates own all right, title and interest in and to the Locker System and you agree that the confidentiality restrictions in the Franchise Agreement extend to and include all information relating to the Locker System.

8. **Indemnification.** The indemnification obligations in the Franchise Agreement shall extend to claims related to the Locker Services offered by your Outlet.

9. **Termination of Rights to Offer the Locker Services.** You may offer the Locker Services only during the Term of the Franchise Agreement. We may terminate this Addendum and your right to offer the Locker Services based upon the grounds for termination set forth in the Franchise Agreement. In addition, we may terminate your right to offer Locker Services effective on ninety (90) days' prior written notice to you. You may terminate this Addendum and cease offering Locker Services effective on six (6) months' prior written notice to us. Upon termination or expiration of your right to offer the Locker Services: (1) you shall cease marketing the Locker Services; (2) you shall pay all sums due and owing us and/or our affiliates; and (3) you shall return to us all materials and information furnished by us with respect to the Locker System. You shall furnish us, within thirty (30) days after the effective date of termination or expiration, evidence satisfactory to us of your compliance with this Section 8.

10. **Recitals and Incorporation into Franchise Agreement.** The Recitals are incorporated into this Addendum by this reference. This Addendum shall be annexed to and form a part of the Franchise Agreement. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

11. **Capitalized Terms.** All capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

12. **Counterparts.** This Addendum may be executed in counterparts, and each copy so executed and delivered shall be deemed to be an original. Any signature by electronic transmission shall be deemed an original for all purposes.

[Signatures follow on next page.]

IN WITNESS WHEREOF, the parties have executed this Addendum effective as of the date first set forth above.

AGILE PURSUITS FRANCHISING, INC., an Ohio corporation

By:_____

Print Name:_____

Title:_____

DATED:_____

FRANCHISEE

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Franchisee Entity]

By:_____
[Signature of person signing on behalf of entity]

Title of Signatory:_____

DATED:_____

(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

EXHIBIT G

DEVELOPMENT INCENTIVE ADDENDUM

AGILE PURSUITS FRANCHISING, INC.
TIDE CLEANERS
DEVELOPMENT INCENTIVE ADDENDUM TO FRANCHISE AGREEMENT

[Drafting note: Delete all bracketed text and include only eligible incentives.]

THIS DEVELOPMENT INCENTIVE ADDENDUM TO FRANCHISE AGREEMENT (this "Addendum") is entered into as of the ____ day of _____, 20__, by **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation ("APFI", "we," "us," or "our"), and _____, a _____ ("you," or "your").

RECITALS

Pursuant to a Tide Cleaners Development Rights Agreement dated as of _____, 20__ (the "Development Rights Agreement") we granted you the right to develop franchised Tide Cleaners Outlets in a specified geographic area.

Pursuant to a Tide Cleaners [*insert one*: Plant Store *or* Drop Store] Franchise Agreement dated as of _____, 20__ (the "Franchise Agreement"), we granted you the right to operate a franchised Tide Cleaners Outlet (the "Outlet").

In order to encourage the development of franchised Tide Cleaners Outlets, we have implemented a Development Incentive Program.

Since the development of the Outlet meets the criteria for the Development Incentive Program, the parties are entering into this Addendum to provide the Development Incentive Program benefits to you and to modify certain provisions of the Franchise Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Development Incentive Program. The development of the Outlet is eligible for the development incentive(s) set forth below.

1.1 Reduced Initial Franchise Fee. Section 3.A of the Franchise Agreement is amended by adding the following Section 3.A.(1) at the end of the Section:

[*Delete this entire Section 1.1 if incentive does not apply.*]

3.A.(1) CONDITIONAL REDUCED INITIAL FRANCHISE FEE UNDER DEVELOPMENT INCENTIVE PROGRAM.

Since you (or your affiliate) signed a Development Rights Agreement that is eligible for our Development Incentive Program, we may reduce the initial franchise fee payable under this Agreement to Twenty Thousand Dollars ($20,000) if:

(i) you signed this Agreement, together with a Development Incentive Addendum to the Franchise Agreement, for the Outlet before the scheduled opening date prescribed in the Development Rights Agreement;

(ii) you paid us the conditionally reduced initial franchise fee in the amount of Twenty Thousand Dollars ($20,000), less any portion of the Development Rights Fee you paid under the Development Rights Agreement, upon signing this Agreement (subject to state restrictions, where applicable);

(iii) you timely open the Outlet by the scheduled opening date prescribed in the Development Rights Agreement;

(iv) you and your affiliates must be in full compliance with this Agreement and all development rights agreements, franchise agreements and other agreements with us or our affiliates relating to the development or operation of the Outlet or any other Tide Cleaners Outlet (collectively, the "Related Agreements"), including by having paid all amounts owed to us, our affiliates and third party suppliers;

(v) you and your affiliates must not have received a written notice of default from us under this Agreement or any Related Agreement, during the twelve (12)-month period before the Outlet's scheduled opening date prescribed in the Development Rights Agreement; and

(vii) no Related Agreement between us and you or your affiliate relating to a Tide Cleaners Outlet has been terminated (regardless of the reason) during the twelve (12)-month period before the Outlet's scheduled opening date prescribed in the Development Rights Agreement.

If we determine that you have failed to satisfy the conditions in this Section 3.A.(1), then we will notify you that we will not reduce the initial franchise fee payable for the Outlet under this Agreement and you must to pay us the remaining balance of the current and standard initial franchise fee listed above in Section 3.A. within ten (10) days after receipt of our notice.

1.2 **Continuing Service and Royalty Fee Reduction.** Section 3.B. of the Franchise Agreement is amended by adding the following Section 3.B.(1) at the end of the Section:

[*Delete this entire Section 1.2 if incentive does not apply.*]

3.B.(1) REDUCED ROYALTY UNDER DEVELOPMENT INCENTIVE PROGRAM.

So long as you meet the requirements of our Development Incentive Program set forth below in this Section 3.B.(1), then you will pay no Royalty for the first six (6) months of the Term during which you operate the Outlet. The six and one-half percent (6.5%) Royalty will apply during the balance of the Term. In order to be eligible for this reduced Royalty:

(i) you must open your Outlet for business in accordance with this Agreement on or before _____ (subject to additional requirements under any other contract with us);

(ii) as of the Opening Date, you and your affiliates must be in full compliance with this Agreement and all development rights agreements, franchise agreements and other agreements with us or our affiliates relating to the development or operation of the Outlet or any other Tide Cleaners Outlet (collectively, the "Related Agreements"), including by having paid all amounts owed to us, our affiliates and third party suppliers;

(iii) you and your affiliates must not have received a written notice of default from us under this Agreement or any other Related Agreement during the twelve (12)-month period before the Opening Date; and

(iv) no Related Agreement between us and you or your affiliate relating to a Tide Cleaners Outlet has been terminated before its term expired (regardless of the reason) during the twelve (12)-month period before the Opening Date.

For the avoidance of doubt, we will not reduce the Royalty payable under this Agreement if we determine that you have not satisfied the conditions in this Section 3.B.(1).

1.3 **Additional New Store Marketing Contribution.** Section 11.A. of the Franchise Agreement is amended by adding the following Section 11.A.(1) at the end of the Section:

[*Delete this entire Section 1.3 if incentive does not apply.*]

11.A.(1) ADDITIONAL NEW STORE MARKETING CONTRIBUTION UNDER DEVELOPMENT INCENTIVE PROGRAM.

We may contribute an additional _____ ($_____) toward the New Store Marketing Expense in accordance with this Section 11.A.(1) (the "Additional NSM Contribution") if you satisfy the following conditions:

(i) you must open your Outlet for business in accordance with this Agreement on or before _____;

(ii) you must pay us the New Store Marketing Expense at least ninety (90) days before the earlier of (a) the scheduled opening date, or (b) the actual opening date if you plan to open the Outlet earlier than scheduled;

(iii) you and your personnel must complete to our satisfaction all of the additional training and related tasks that we require, including any initial training programs relating to local store marketing that might otherwise be optional for franchisees;

(iv) you and your personnel must complete to our satisfaction all of the tasks related to developing an understanding concerning the Outlet's market that we require;

(v) you and your personnel must complete to our satisfaction all of the tasks related to local store marketing/community involvement that we require;

(vi) as of the date upon which we make the Additional NSM Contribution, you and your affiliates must be in full compliance with this Agreement and all development rights agreements, franchise agreements and other agreements with us or our affiliates relating to the development or operation of the Outlet or any other Tide Cleaners Outlet (collectively, the "Related Agreements"), including by having paid all amounts owed to us, our affiliates and third party suppliers;

(vii) you and your affiliates must not have received a written notice of default from us under this Agreement or any other Related Agreement during the twelve (12)-month period before the Outlet's scheduled opening date; and

(viii) no Related Agreement between us and you or your affiliate relating to a Tide Cleaners Outlet has been terminated before its term expired (regardless of the reason) during the twelve (12)-month period before the Outlet's scheduled opening date.

We will make the Additional NSM Contribution to the account that holds the remainder of the New Store Marketing Expense within a reasonable time after we determine that you have satisfied the conditions for the Additional NSM Contribution in this Section 11.A.(1), and spend the Additional NSM Contribution on your behalf for advertising and promotion of the Outlet as we deem appropriate.

For the avoidance of doubt, we will not make the Additional NSM Contribution if we determine that you have not satisfied the conditions in this Section 11.A.(1).

2. General Release. In order to induce APFI to provide the development incentives, you, if you are an entity, on behalf of yourself and your parent, subsidiaries and affiliates and their respective past and present members, officers, directors, shareholders, agents and employees, in their corporate and individual capacities, and you, if you are an individual, on behalf of your heirs, representatives, successors and assigns (collectively "Franchisee Releasors") freely, and without any influence, forever release and covenant not to sue APFI, its parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities (collectively "APFI Releasees"), with respect to any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, "claims") that any Franchisee Releasor now owns or holds or may at any time have owned or held, including, without limitation, claims arising under federal, state and local laws, rules and ordinances and claims arising out of, or relating to the Franchise Agreement, any real estate contracts and all other agreements between any Franchisee Releasor and any APFI Releasee, the sale of franchises to any Franchisee Releasor, the development and operation of the Outlet, the development and operation of all other Tide Cleaners Outlets operated by any Franchisee Releasor that are franchised by any APFI Releasee and each APFI Releasee's performance of its obligations under the Franchise Agreement, any real estate contract or any other agreement between any APFI Releasee and any

Franchisee Releasor. You, on behalf of the Franchisee Releasors, agree that fair consideration has been given by APFI for this release, and you fully understand that this is a negotiated, complete and final release of all claims. YOU, ON BEHALF OF YOURSELF AND THE FRANCHISEE RELEASORS, WAIVE ANY RIGHTS AND BENEFITS CONFERRED BY ANY APPLICABLE PROVISION OF LAW EXISTING UNDER ANY FEDERAL, STATE OR POLITICAL SUBDIVISION THEREOF WHICH WOULD INVALIDATE ALL OR ANY PORTION OF THE RELEASE CONTAINED HEREIN BECAUSE SUCH RELEASE MAY EXTEND TO CLAIMS THAT YOU OR THE FRANCHISEE RELEASORS DO NOT KNOW OR SUSPECT TO EXIST IN THEIR FAVOR AT THE TIME OF EXECUTION OF THIS AGREEMENT.

[*add for California Franchisees; delete otherwise*: You expressly waive and relinquish all rights and benefits which either you may now have or may in the future have under and by virtue of California Civil Code Section 1542. You do so understanding the significance and consequence of such specific waiver. Section 1542 provides that "[a] general release does not extend to claims which the creditor does not know or suspect exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."]

3. **Recitals and Incorporation into Franchise Agreement.** The Recitals are incorporated into this Addendum by this reference. This Addendum shall be annexed to and form a part of the Franchise Agreement. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

4. **Capitalized Terms.** Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

5. **Counterparts**. This Addendum may be executed in counterparts, and each copy so executed and delivered shall be deemed to be an original. Any signature by facsimile or scanned PDF shall be deemed an original signature.

[Signatures follow on next page.]

IN WITNESS WHEREOF, the parties have executed this Addendum effective as of the date first set forth above.

AGILE PURSUITS FRANCHISING, INC., an Ohio corporation

By:_____
Print Name:_____
Title:_____

DATED:_____

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Franchisee Entity]

By:_____
[Signature of person signing on behalf of entity]

Title of Signatory:_____

DATED:_____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

EXHIBIT H

CONVERSION INCENTIVE ADDENDUM

AGILE PURSUITS FRANCHISING, INC.
TIDE CLEANERS
CONVERSION INCENTIVE ADDENDUM TO FRANCHISE AGREEMENT

THIS CONVERSION INCENTIVE ADDENDUM TO FRANCHISE AGREEMENT (this "Conversion Addendum") is entered into as of the ____ day of _____, 20__, by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation ("we," "us," or "our") and _____, a _____ ("you," or "your").

RECITALS

Pursuant to a Tide Cleaners Franchise Agreement dated as of _____ (the "Franchise Agreement"), we granted you the right to operate a franchised Tide Cleaners Outlet (the "Outlet") located at _____ (the "Premises").

Currently, you operate a dry cleaners business branded as _____ at the Premises that you will convert to a Tide Cleaners Outlet (a "Tide Cleaners Outlet").

The parties are entering into this Conversion Addendum to modify certain terms of the Franchise Agreement to govern the conversion of the Outlet to a Tide Cleaners Outlet and to reflect certain incentives we have offered you.

NOW, THEREFORE, in consideration of the mutual promises contained in this Conversion Addendum and the Franchise Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. RECITALS AND INCORPORATION INTO FRANCHISE AGREEMENT. The Recitals are incorporated into this Conversion Addendum by this reference. This Conversion Addendum shall be annexed to and form a part of the Franchise Agreement, and all capitalized terms not otherwise defined hereunder shall have the meanings set forth in the Franchise Agreement.

2. CONVERSION.

(a) Notwithstanding anything to the contrary in the Franchise Agreement, the parties acknowledge and agree that you are converting the Premises of the Outlet to a Tide Cleaners Outlet and not developing a new Tide Cleaners Outlet. You shall assume all cost, liability and expense for converting and equipping the Premises as a Tide Cleaners Outlet by completing the modifications and upgrades to the Premises that we specify ("Conversion Requirements"). You must convert the Premises to a Tide Cleaners Outlet in strict compliance with our standards no later than the conversion deadline for the Outlet as identified on Exhibit 1 ("Conversion Deadline"). You must not commence operations of the Premises as a Tide Cleaners Outlet using the Marks until you have completed the Conversion Requirements and you have obtained our written approval.

(b) The parties acknowledge and agree that your operation of the Outlet as a [insert brand name] business until the Conversion Deadline shall not violate the restrictions against competition in Section 9 of the Franchise Agreement or any other agreement with us and/or our affiliates.

2. **TERM OF THE FRANCHISE AGREEMENT.** The second sentence of Section 1.D. of the Franchise Agreement is deleted and replaced with the following:

> Subject to this Agreement's terms, we grant you a franchise (the "Franchise") to operate a [Plant/Drop] Store at the Premises (the "Outlet"), and to use the Franchise System in its operation, for a term (the "Term") beginning on the Effective Date and expiring ten (10) years from the date that you complete the conversion of the Outlet and open the Outlet as a Tide Cleaners Outlet at the Premises (the "Conversion Date") (as described in the Conversion Addendum to this Agreement), unless sooner terminated as provided herein.

3. **WAIVER OF INITIAL FRANCHISE, PROJECT MANAGEMENT AND START-UP ASSISTANCE FEES.** Notwithstanding anything to the contrary contained in Sections 2 and 3 of and Exhibit B to the Franchise Agreement, the initial franchise fee, Project Management Fee and Start-Up Assistance Fee payable by you under the Franchise Agreement are hereby waived.

4. **MODIFICATION OF ROYALTY.** Section 3.B. of the Franchise Agreement is deleted and replaced with the following:

> **B. CONTINUING SERVICE AND ROYALTY FEE.**
>
> (1) Commencing as of the Conversion Date, you agree to pay us, in the manner provided below (or as the Operations Manual otherwise prescribes), a Continuing Service and Royalty Fee (the "Royalty"). The Royalty is comprised of the Base Royalty (as defined in Section 4.B.(3)), which is paid on a weekly basis, and the Incremental Royalty (as defined in Section 4.B.(4)), which is paid on a monthly basis.
>
> (2) Within five (5) days following the Conversion Date, you must deliver to us a report of the daily Net Sales (as defined in Section 3.C.) and the total annual Net Sales of the Outlet for the one (1) year period preceding the Conversion Date. On or before Thursday of each week, you agree to send us, on a form we approve (or as we otherwise direct), a signed statement of the Outlet's daily Net Sales for the previous week ended. Commencing on the date that is eighteen (18) months from the Conversion Date, each weekly statement of daily Net Sales must be accompanied by the Base Royalty due for that week, except where the conditions and procedures for electronic payment pursuant to Section 3.F below may apply. As used in this Agreement, a "week" means the seven (7) consecutive calendar-day period beginning on Sunday and ending at the close of the Outlet's daily operations the following Saturday. In lieu of submitting a weekly statement of daily Net Sales, you agree that we may elect to extract your Net Sales data from the Computer

System and debit the Base Royalty in accordance with Section 3.F on the basis of the Net Sales reflected therein.

(3) Commencing on the date that is eighteen (18) months from the Conversion Date, you will pay us a weekly Royalty in an amount equal to one percent (1%) of the Base Net Sales of the Outlet for each day in the previous week (the "Base Royalty"). "Base Net Sales" means the daily Net Sales of the Outlet for the same calendar day for the year prior to such date. The Base Royalty shall continue for the Term of this Agreement; provided however, that the Base Royalty may be increased as follows if you acquire a successor franchise term:

(a) The Base Royalty shall be increased to two percent (2%) of the Base Net Sales of the Outlet if, as of the ten (10) year anniversary of the Conversion Date, the annual Net Sales for the Outlet have increased between fifty percent (50%) and seventy-five percent (75%) from the annual Net Sales for the Outlet for the one (1) year period preceding the Conversion Date; and

(b) The Base Royalty shall be increased to three percent (3%) of the Base Net Sales of the Outlet if, as of the ten (10) year anniversary of the Conversion Date, the annual Net Sales for the Outlet have increased more than seventy-five percent (75%) the annual Net Sales for the Outlet for the one (1) year period preceding the Conversion Date.

(4) Commencing as of the Conversion Date, you agree to pay us a Royalty equal to six and a half percent (6.5%) of the Incremental Net Sales of the Outlet (the "Incremental Royalty"). "Incremental Net Sales" means the aggregate daily Net Sales of the Outlet on a particular calendar day compared to the aggregate daily Net Sales of the Outlet on that same calendar day in the prior year. You agree to pay us the Incremental Royalty on the tenth (10th) day of each month for the Incremental Net Sales of the Outlet from the prior month.

(5) Each quarter, the parties agree to review the Net Sales of the Outlet and verify the Base Royalty and Incremental Royalty paid were accurate. If any discrepancies are found the parties agree to adjust the amount of the Base Royalty and Incremental Royalty due in the following quarter by the amount of the discrepancy.

5. <u>CONVERSION ASSISTANCE.</u> Sections 4.A. and 4.B. of the Franchise Agreement are deleted and replaced with the following Section 4.A:

(1) If you do not already operate a Tide Cleaners Outlet, then after signing this Agreement and before the Conversion Date for the first business that you convert to Tide Cleaners in a market, you (or your Managing Owner) must attend a New Franchise Orientation Program at our principal business address.

(2) When the Conversion Date is approaching for the first business that you convert to a Tide Cleaners Outlet in a market, we will, send up to two (2) of our representatives to your market for a period of up to twelve (12) calendar days to provide training and assistance. The number of representatives we send, and the duration of their assistance, will depend on our opinion of your ability, experience, and needs. If you request, and we agree to provide, additional or special guidance, assistance, or training during this conversion phase, then you agree to pay our then applicable charges for our training personnel including our personnel's travel and living expenses (collectively, the "Additional Training Fee"). We and you will jointly determine the duration of this additional training.

6. [*This section may be added if the franchisee is converting multiple outlets:*] **NEW STORE MARKETING.** Section 11.A. of the Franchise Agreement is deleted in its entirety and replaced with the following:

A. The parties agree to align on a pooled approach for local store marketing and grand opening marketing expenditures under terms which are reasonable to both parties, in order to collectively promote the Outlet and your other Tide Cleaners Outlets beginning no later than [redacted] (the "Grand Opening Event"). We must review and approve in writing the grand opening marketing materials and total required expenditures for the Grand Opening Event. At our request, you must submit appropriate documentation to verify full compliance with your expenditure obligation for the Grand Opening Event.

7. **ADVERTISING AND DEVELOPMENT FUND.** The following sentence is added as a new paragraph at the end of Section 11.B. of the Franchise Agreement:

Notwithstanding anything to the contrary in this Agreement, you will not be obligated to contribute to the Fund until the Conversion Date.

8. **YOUR LOCAL MARKETING.** The following sentence is added as a new paragraph at the end of Section 11.C. of the Franchise Agreement:

Notwithstanding anything to the contrary in this Agreement, you will not be obligated to commence making the Local Advertising Expenditures promoting your Outlet until the Conversion Date.

9. **TERMINATION OF AGREEMENT.** The following Section 16.B.(22) is added to the end of Section 16.B. of the Franchise Agreement:

(22) you fail to complete the Conversion Requirements, obtain our written approval of the conversion, and commence operating the Outlet under the Marks as a Tide Cleaners Outlet by the Conversion Deadline as set forth in Exhibit 1 to the Conversion Addendum to this Agreement.

10. MISCELLANEOUS.

A. CONFIDENTIALITY. Except as required by law and as required to implement the terms of this Conversion Addendum and the Franchise Agreement, you agree to keep confidential and not disclose the existence or terms of this Conversion Addendum without our prior written consent. Any failure to comply with these confidentiality obligations shall be a material breach of the Franchise Agreement.

B. LIMITED MODIFICATION. Except as modified by this Conversion Addendum, the Franchise Agreement remain unmodified and in full force and effect.

C. COUNTERPARTS. The parties may sign this Conversion Addendum in counterparts and each such counterpart may be delivered to the other parties by facsimile or by other electronic copy (such as an accurate PDF copy of the signature page sent by e-mail), and when taken together with all other identical copies of this Conversion Addendum also signed in counterpart, shall be considered as one agreement.

D. CAPTIONS. The captions in this Conversion Addendum are for the sake of convenience only, and shall neither amend nor modify the terms of this Conversion Addendum.

[*Signatures follow on next page.*]

IN WITNESS WHEREOF, the parties have executed this Conversion Addendum effective as of the date first set forth above.

AGILE PURSUITS FRANCHISING, INC., an Ohio corporation

By:_____
Print Name:_____
Title:_____

DATED:_____

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Franchisee Entity]

By:_____
[Signature of person signing on behalf of entity]

Title of Signatory:_____

DATED:_____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

EXHIBIT 1

Outlet Number	Premises	Conversion Deadline

EXHIBIT I

LEASE RIDER

AGILE PURSUITS FRANCHISING, INC.
TIDE CLEANERS
FRANCHISEE LEASE RIDER

THIS FRANCHISEE LEASE RIDER (the "Rider") is attached to, incorporated into, and made an integral part of the preceding _____ (the "Lease") between _____ ("Landlord"), and _____ ("Tenant"), for the premises located at _____ (the "Premises"), with the intention that it will be effective on the date that the Lease is effective (the "Lease Date").

1. **Preamble**. Tenant will operate a "Tide Cleaners" outlet at the Premises pursuant to that certain franchise agreement dated _____, 20__ (the "Franchise Agreement"), and that certain development rights agreement dated _____, 20__ (the "DRA"), between Tenant and Agile Pursuits Franchising, Inc., an Ohio corporation (the "Franchisor").

2. **Purpose and Interpretation of Rider**. This Rider is given pursuant to Section 4.D of the DRA and for the purpose of inducing the Franchisor to approve the Lease and accept the Premises as an authorized location for the operation of a "Tide Cleaners" outlet, and Landlord acknowledges and agrees that the Franchisor will rely on the provisions of the Lease and this Rider. If there is any conflict between this Rider and any provision of the Lease, the terms of this Rider will be construed to control. Nothing in this Rider will be construed to: (a) obligate Landlord to comply with the requirements of the Franchise Agreement or the DRA; or (b) obligate the Franchisor to comply with the requirements of the Lease.

3. **No Modification without Franchisor's Approval**. No modification of the Lease will be effective unless and until Landlord has received written consent from the Franchisor, confirming that the Franchisor has reviewed and accepted the terms of the modification; but no such approval will be construed to obligate the Franchisor to assume or perform any obligation under the Lease or any such amendment.

4. **Limitation on Use of Premises**. The Premises may be used only for the operation of a "Tide Cleaners" retail business, and for no other purpose during the term of the Lease (the "Term").

5. **Waiver of Rights to Marks and Business Assets**. So long as Tenant complies with the Franchise Agreement and the requirements of all applicable laws, at Tenant's sole cost and expense, Tenant will have the right to display at the Premises the licensed trade names, trademarks, service marks and other commercial symbols for "Tide Cleaners" outlets, as such trade names, trademarks, marks and symbols are modified by Franchisor from time to time (collectively, the "Marks"), consistent with the requirements in the Franchise Agreement and Franchisor's Operations Manual. Landlord waives any and all liens and other rights in or to the Marks and to the trade fixtures, equipment and other assets used in the operation of the "Tide Cleaners" business at the Premises, including, but not limited to, liens and rights which might otherwise arise by operation of applicable laws. Landlord shall provide Franchisor (or Franchisor's designated representative or agent) full access to the Premises upon expiration, termination or transfer of either the Lease or the Franchise Agreement, for a period of at least fifteen (15) days, to de-identify, replace, refurbish, and/or remove from the Premises any property bearing the Marks, proprietary software, equipment, and any and all furniture and fixtures installed by Tenant or installed in connection with the Lease. Franchisor shall have the right, but not the obligation, to repaint any portion of the interior of the Premises.

6. **Notice to Franchisor; Opportunity to Cure**. If Landlord notifies Tenant that it has failed to perform its obligations under the Lease (a "Default"), Landlord will simultaneously deliver a copy of the notice to the Franchisor. And, if Tenant fails to cure any Default within the applicable cure period granted in the Lease, Landlord will not terminate Tenant's rights under this Lease until Landlord has: (a) given the

Franchisor notice confirming Tenant's failure to cure the Default and a specific description of the actions necessary to cure the Default (a "Default Notice"), and (b) allowed the Franchisor fifteen (15) days after delivery of the Default Notice to cure the Default (or in the case of a non-monetary default, to notify Landlord of its intention to cure and to initiate the actions necessary to cure the Default). Nothing in this Section will be construed to obligate the Franchisor to cure any Default, but if the Franchisor timely cures a Default (or initiates and diligently pursues the steps required to cure the Default), then Landlord will accept the cure and neither the Lease nor Tenant's rights under the Lease will be terminated.

7. **Franchisor's Right to Receive Certain Tenant Information**. If the Franchisor requests copies of any information Tenant has provided to Landlord in connection with the Lease (including confidential information, such as sales reports), Tenant waives any otherwise applicable restrictions on confidentiality and authorizes Landlord to comply with the request; and Landlord agrees to promptly deliver copies of any such information to the Franchisor.

8. **Special Agreements Regarding Assignment of Tenant's Interest Under Lease**.

(a) Tenant will have the right to assign its interest under the Lease to the Franchisor (or any affiliate of the Franchisor designated by the Franchisor, including, without limitation, Agile Pursuits, Inc.) at any time during the Term, and Landlord will recognize the Franchisor (or the designated affiliate) as the Tenant under the Lease, so long as the Franchisor (or the designated affiliate) delivers a written agreement accepting the assignment and assuming the obligations of Tenant under the Lease (the "Franchisor/Affiliate Assignment").

(b) Following the delivery of any such Franchisor/Affiliate Assignment, the Franchisor (or the designated affiliate) will have the right to assign the its interest under the Lease, subject to any and all conditions and requirements for assignment which may be imposed in the Lease; except that the Franchisor (or the designated affiliate) will have the unconditional right to assign its interest under the Lease to another "Tide Cleaners" franchisee, so long as no uncured events of Default are in effect on the date of the assignment, and the new franchisee delivers a written agreement accepting the assignment and assuming the obligations of Tenant under the Lease from and after the date of the assignment (a "Franchisee Assignment"). Upon the delivery of any such Franchisee Assignment, the Franchisor (or the designated affiliate) shall be released from all obligations under the Lease.

9. **No Release**. Except as otherwise set forth in the last sentence of Section 8(b) of this Rider as it relates to the Franchisor (or the designated affiliate), nothing in this Rider, and no assignment pursuant to this Rider, will be construed to release Tenant from its obligations under the Lease.

10. **Enforcement by Franchisor**. It is expressly acknowledged and agreed that the Franchisor is a third party beneficiary of the agreements of Landlord set forth in this Rider. Tenant and/or the Franchisor shall have the right to enforce Landlord's agreements in this Rider.

11. **Notices**. All notices given pursuant to this Rider will be given in the manner required in the Lease, except that notices to the Franchisor will be delivered to:

Agile Pursuits Franchising, Inc.
2 Procter and Gamble Plaza, TE-16
Cincinnati, Ohio 45202
Attn: Tide Cleaners Real Estate
Phone: (513) 983-2615

Franchisor shall have the right to change its address for notices given pursuant to this Rider at any time by delivering written notice of such change to Landlord in the manner required in the Lease.

The parties have signed this Rider to be effective as of the Lease Date.

LANDLORD:	TENANT:
_____	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT J

BUSINESS REFERENCE MANUAL TABLE OF CONTENTS

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EXHIBIT K

GENERAL RELEASE

AGILE PURSUITS FRANCHISING, INC.

GRANT OF FRANCHISOR CONSENT AND FRANCHISEE RELEASE

AGILE PURSUITS FRANCHISING, INC. ("we," "us," "our," or "Franchisor") and the undersigned franchisee, _____ ("you," "your," or "Franchisee"), currently are parties to a certain franchise agreement dated _____ (the "Franchise Agreement") for the operation of a Tide Cleaners location at _____ _____. You have asked us to take the following action or to agree to the following request: ***[insert as appropriate for renewal or transfer situation]***_____
_____
_____
_____
_____. We have the right under the Franchise Agreement to obtain a general release from you (and, if applicable, your owners) as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you (and, if applicable, your owners) give us the release and covenant not to sue provided below in this document. You (and, if applicable, your owners) are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, shareholders, members, directors, officers, principals, employees, and affiliated entities (collectively, the "Releasing Parties"), hereby forever release and discharge us and our current and former officers, directors, shareholders, principals, employees, agents, representatives, affiliated entities, successors, and assigns (collectively, the "Franchisor Parties") from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, "Claims") that you and any of the other Releasing Parties now have, ever had, or, but for this document, hereafter would or could have against any of the Franchisor Parties (1) arising out of or related to the Franchisor Parties' performance of their obligations under the Franchise Agreement before the date of your signature below or (2) otherwise arising from or related to your and the other Releasing Parties' relationship, from the beginning of time to the date of your signature below, with any of the Franchisor Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Franchisor Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity that is not bound by this paragraph.

We also are entitled to a release and covenant not to sue from your owners. By his, her, or their separate signatures below, your transferring owners likewise grant to us the release and covenant not to sue provided above.

****

The following language applies only to transactions governed by the Maryland Franchise Registration and Disclosure Law

The release provided above will not apply to the extent prohibited by the Maryland Franchise Registration and Disclosure Law. Subject to your arbitration obligation under the Franchise Agreement, you may commence a lawsuit against us in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

****

[*Signature Page Follows*]

FRANCHISOR:

AGILE PURSUITS FRANCHISING, INC.,
an Ohio corporation

By:_____

Title:_____

Date:_____

FRANCHISEE:

_____,
a/an _____

By:_____

Title:_____

Date:_____

_____

_____
[Signature]

Date:_____

_____

_____
[Signature]

Date:_____

_____

_____
[Signature]

Date:_____

EXHIBIT L

LIST OF FRANCHISEES AND FRANCHISEES THAT LEFT THE SYSTEM

LIST OF FRANCHISED OUTLETS AS OF JUNE 30, 2019

Franchisee Entity	Contact Person	Address	City	St.	Zip Code	
MSJ7, LLC	Marc Tankel*	11211 Cantrell Rd.	Little Rock	AR	72212	501.246.8643
MSJ7Kirk, LLC	Marc Tankel*	16301 Chenal Pkwy.	Little Rock	AR	72211	501.225.8433
Delia's Cleaners of Arizona, Inc.	Phil D'elia*	29455 N. Cave Road, Suite 144	Cave Creek	AZ	85331	480.419.3553
Delia's Cleaners of Arizona, Inc.	Phil D'elia*	3125 S Alma School Road	Chandler	AZ	85248	480.855.9270
Delia's Cleaners of Arizona, Inc.	Phil D'elia*	2975 E Ocotillo Road	Chandler	AZ	85248	480.629.4496
Delia's Cleaners of Arizona, Inc.	Phil D'elia*	754 S. Val Vista Drive #109	Gilbert	AZ	85296	480.633-8554
Delia's Cleaners of Arizona, Inc.	Phil D'elia*	835 W. Warner Road, Suite 10	Gilbert	AZ	85233	480.926.4485
Delia's Cleaners of Arizona, Inc.	Phil D'elia*	6466 S. Higley Road, Suite 108	Gilbert	AZ	85298	480.840.3303
Delia's Cleaners of Arizona, Inc.	Phil D'elia*	20229 North 67th Avenue, #C9	Glendale	AZ	85308	623.362-1957
Delia's Cleaners of Arizona, Inc.	Phil D'elia*	25355 N. Lake Pleasant Parkway	Peoria	AZ	85383	623.561.7733
Delia's Cleaners of Arizona, Inc.	Phil D'elia*	111 E. Dunlap Avenue	Phoenix	AZ	85020	602.944.1047
Delia's Cleaners of Arizona, Inc.	Phil D'elia*	3824 E. Roeser Rd.	Phoenix	AZ	85040	602.431.8560
Delia's Cleaners of Arizona, Inc.	Phil D'elia*	18521 E Queen Creek Road	Queen Creek	AZ	85242	480.988.6835
Delia's Cleaners of Arizona, Inc.	Phil D'elia*	7000 E. Shea Blvd.	Scottsdale	AZ	85254	480.948.3180
Delia's Cleaners of Arizona, Inc.	Phil D'elia*	15807 E. Frank Lloyd Wright Blvd.	Scottsdale	AZ	85260	602.325.2722
Delia's Cleaners of Arizona, Inc.	Phil D'elia*	11445 E. Via Linda	Scottsdale	AZ	85259	480.657.6054
Delia's Cleaners of Arizona, Inc.	Phil D'elia*	14676 N. Frank Lloyd Wright Blvd., Suite 123	Scottsdale	AZ	85260	480.661.6141
Delia's Cleaners of Arizona, Inc.	Phil D'elia*	10101 E Bell Road	Scottsdale	AZ	85260	480.585.5077
Delia's Cleaners of Arizona, Inc.	Phil D'elia*	10190 N. 90th Street, Suite 109	Scottsdale	AZ	85258	480.614.9768
Delia's Cleaners of Arizona, Inc.	Phil D'elia*	20875 N. Pima Road	Scottsdale	AZ	85255	480.419.7414
Delia's Cleaners of Arizona, Inc.	Phil D'elia*	6501 E. Greenway Parkway	Scottsdale	AZ	85254	480.998.4071
Delia's Cleaners of Arizona, Inc.	Phil D'elia*	7650 S McClintock Dr. #107	Tempe	AZ	85284	480.897-4240
Delia's Cleaners of Arizona, Inc.	Phil D'elia*	9920 S. Rural Road, Suite 10	Tempe	AZ	85284	480.893.7895

Franchisee Entity	Contact Person	Address	City	St.	Zip Code	
DMS Retail Enterprises, LLC	D. Michael Sherman *	30327 Detroit Rd.	Westlake	AZ	44145	440.445.1827
Edit Clean LLC	Justin Sharbutt*	4730 Centennial Blvd.	Colorado Springs	CO	80919	719.278.9186
CCI-Boca North, LLC	Duke Kassolis*	6950 S. Military Trail	Boca Raton	FL	33487	561.221.0503
CCI-27250, LLC	Duke Kassolis*	27250 Bay Landing Dr.	Bonita Springs	FL	34135	239.949.6097
CCI-South Ft. Myers, LLC	Duke Kassolis*	7001 Cypress Terrace	Fort Myers	FL	33907	239.785.3403
CCI-Daniels, LLC	Duke Kassolis*	6901 Daniels Marketplace, Suite 110	Fort Myers	FL	33912	239.920.2629
CCI-8050, LLC	Duke Kassolis*	8050 Tamiami Trail Blvd.	Naples	FL	34108	239.330.3758
CCI-Central Naples, LLC	Duke Kassolis*	820 Old Trail Drive	Naples	FL	34103	239.384.6834
CCI-Parkland, LLC	Duke Kassolis*	7595 North State Rd 7	Parkland	FL	33073	595.858.5425
CCI-North Sarasota, LLC	Duke Kassolis*	8452 Tuttle Avenue	Sarasota	FL	34243	941.217.2280
CCI-Main Street, LLC	Duke Kassolis*	1760 Main Street	Sarasota	FL	34236	941.366.1100
JBBW Enterprises, LLC	Berry Wright*	1529 S. Dale Mabry Hwy	Tampa	FL	33629	813.251.2234
JBBW Enterprises, LLC	Berry Wright*	1928 Bloomingdale Avenue	Valrico	FL	33596	813.662.4243
CCI-394, LLC	Duke Kassolis*	390 South State Road 7	Wellington	FL	33414	561.221.1469
BCKE, LLC	Curt Edwards	1614 Mount Vernon Road	Dunwoody	GA	30338	470.268.8113
BCKE, LLC	Curt Edwards	3000 Old Alabama, Suite 201	Johns Creek	GA	30022	770.695.0740
BCKE, LLC	Curt Edwards	2900 Holcomb Bridge Road	Roswell	GA	30022	770.609.6064
Arav Cleaners Inc.	Navin Patel*	440 West Army Trail Road	Bloomingdale	IL	60108	630.237.4275
Family Fabric Care One, LLC	Karl Russ*	310 Half Day Rd.	Buffalo Grove	IL	60089	847.383.5519
Vequity Dry Cleaners, LLC	Bud Patel*	285 Roosevelt Rd.	Glen Ellyn	IL	60137	630.469.4432
GLS Cleaners, Inc.	Elesh Patel*	1101 N. Elmhurt Road	Mount Prospect	IL	60056	312.502.8045

Franchisee Entity	Contact Person	Address	City	St.	Zip Code	
Vequity Dry Cleaners, LLC	Bud Patel*	2940 Showplace Dr.	Naperville	IL	60464	630.689.1181
Vequity Dry Cleaners, LLC	Bud Patel*	3360 Orchard Road	Oswego	IL	60543	630.554.7610
Circle City Cleaners, LLC	Jon Shuel*	602 North Capitol Avenue #100	Indianapolis	IN	46204	312.251.6740
Circle City Cleaners, LLC	Jon Shuel*	14753 Hazel Dell Crossing #800	Noblesville	IN	46062	317.569.8570
Circle City Cleaners, LLC	Jon Shuel*	640 S. Main Street #200	Zionsville	IN	46077	(317) 873-4089
TDC of Kansas City, LLC	James Barry, Jr.*	13420 Roe Ave.	Leawood	KS	66209	913.905.2631
TDC of Kansas City, LLC	James Barry, Jr.*	7575 West 150th St.	Overland Park	KS	66223	913.685.1010
TDC of Kansas City, LLC	James Barry, Jr.*	6904 W. 135th St.	Overland Park	KS	66223	913.814.9335
TDC of Kansas City, LLC	James Barry, Jr.*	3975 West 83rd St.	Prairie Village	KS	66208	913.213.6999
Krishna Cleaners, LLC	Ankur Patel*	33367 Woodward Avenue	Birmingham	MI	48009	248.712.4268
Irongate Capital, Inc.	Ali Al-Khafaji*	56265 Van Dyke Avenue	Shelby Township	MI	48316	586.530.2977
Monarch, LLC	Glenn Elliott	7562 149th St. W.	Apple Valley	MN	55124	952.432.0111
Edina Dry Cleaners, LLC	Todd Laabs*	9409 Zane Ave. North	Brooklyn Park	MN	55443	763.488.4850
Chanhassen Dry Cleaners, LLC	Todd Laabs*	530 W. 79th Street	Chanhassen	MN	55317	952.934.7999
Monarch, LLC	Glenn Elliott	1500 Central Park Commons	Eagan	MN	55122	651.405.3660
Edina Dry Cleaners, LLC	Todd Laabs*	7131 France Ave.	Edina	MN	55435	952.657.5703
Chanhassen Dry Cleaners, LLC	Todd Laabs*	426 Lake Street	Excelsior	MN	55331	952.474.5500
Monarch, LLC	Glenn Elliott	16150 Pilot Knob Rd.	Lakeville	MN	55044	952.423.9340
Edina Dry Cleaners, LLC	Todd Laabs*	11680 Elm Creek Blvd N.	Maple Grove	MN	55369	763.205.1897
Edina Dry Cleaners, LLC	Todd Laabs*	8200 42nd Avenue N.	New Hope	MN	55428	763.531.7460
Edina Dry Cleaners, LLC	Todd Laabs*	3505 Bottineau Blvd.	Robbins-dale	MN	55422	612.287.7200
Monarch, LLC	Glenn Elliott	6150 Egan Drive	Savage	MN	55378	952.228.2550

Franchisee Entity	Contact Person	Address	City	St.	Zip Code	
TDC St. Louis, LLC	Brian Bruce*	14434 Clayton Rd.	Ballwin	MO	63011	636.220.8371
Carolina Fresh, LLC	Henry Atkins	2229 W. Arbors Dr.	Charlotte	NC	28262	704.717.7464
Toppen Enterprises, LLC	Tim Toppen*	6144 Falls of Neuse Rd.	Raleigh	NC	27609	919.431.1682
Via Nova Holdings, LLC	John Plaso*	17676 Welch Plaza	Omaha	NE	68135	402.932.1700
Via Nova Holdings, LLC	John Plaso*	3506 N. 147th St., Suite 122	Omaha	NE	68116	402.835.0505
Via Nova Holdings, LLC	John Plaso*	747 North 132nd St.	Omaha	NE	68154	402.493.2911
Via Nova Holdings, LLC	John Plaso*	8404 N. 30th St.	Omaha	NE	68112	919.431.1682
Via Nova Holdings, LLC	John Plaso*	10808 Fort St.	Omaha	NE	68164	402.493.2089
Via Nova Holdings, LLC	John Plaso*	5150 Center Street	Omaha	NE	68106	402.553.2664
Via Nova Holdings, LLC	John Plaso*	8809 W. Center Rd	Omaha	NE	69124	402.384.9072
MorrisTDC2, LLC	Lou Pacifico*	50 South Street	New Providence	NJ	07974	908.464.4520
MorrisTDC1, LLC	Lou Pacifico*	26 Morris Turnpike	Summit	NJ	07901	888.612.8321
LooLoo, LLC	Chris Harris*	10140 S. Eastern Ave.	Henderson	NV	89052	702.577.0146
LooLoo, LLC	Chris Harris*	10010 West Sahara Ave.	Las Vegas	NV	89117	702.228.1370
LooLoo, LLC	Chris Harris*	8481 Farm Rd.	Las Vegas	NV	89131	702.448.1828
LooLoo, LLC	Chris Harris*	7959 Blue Diamond Rd., Suite B101	Las Vegas	NV	89178	702.448.1828
LooLoo, LLC	Chris Harris*	7385 S. Rainbow Blvd., Suite #170	Las Vegas	NV	89113	702.849.0459
DMS Retail Enterprises, LLC	D. Michael Sherman *	36000 Detroit Road	Avon	OH	44011	440.694.8575
RDR Family Ventures ZZZ, LLC	Ray D'Alonzo *	6842 Liberty Plaza Dr.	Liberty Township	OH	45044	513.779.8433
DMS Retail Enterprises, LLC	D. Michael Sherman *	20950 Center Ridge Rd.	Rocky River	OH	44116	216.954.4530

Franchisee Entity	Contact Person	Address	City	St.	Zip Code	
DMS Retail Enterprises, LLC	D. Michael Sherman *	30327 Detroit Rd.	Westlake	OH	44145	440.445.1827
Western Dry Cleaners, LLC	Dylan Salvo	1120 NW 164th St.	Edmond	OK	73013	405.673.4942
Western Dry Cleaners, LLC	Dylan Salvo	2209 104th St SW, Suite A	Oklahoma City	OK	73159	405.759.0730
Western Dry Cleaners, LLC	Dylan Salvo	2950 W Britton Road, Suite A	Oklahoma City	OK	73120	405.849-9000
Edit Clean LLC	Justin Sharbutt*	4415 S. Soncy Rd.	Amarillo	TX	79121	806.731.8615
EDIT TX, LLC	Mike Nesbit*	3267 Bee Cave Road, Suite 115	Austin	TX	78746	512.592.4886
EDIT TX LLC	Mike Nesbit*	8301 Springdale Rd., Suite 175	Austin	TX	78724	512.592.4886
EDIT TX LLC	Mike Nesbit*	5311 Bellaire Blvd., Ste A	Bellaire	TX	77401	713.660.8023
Bravo Dal-Dry LLC	Dylan Salvo*	2457 Midway Rd.	Carrollton	TX	75006	214.238.3141
Dal-Dry Express LLC	Dylan Salvo*	2433 Lacy Lane, #111	Carrollton	TX	75006	972.620.8588
EDIT TX, LLC	Mike Nesbit*	3068 College Park Dr.	Conroe	TX	77384	936.321.2002
EDIT TX LLC	Mike Nesbit*	9420 College Park Dr., #150	Conroe	TX	77384	936.321.9500
EDIT TX LLC	Mike Nesbit*	13130 Louetta Rd.	Cypress	TX	77429	281.379-6362
EDIT TX LLC	Mike Nesbit*	9814 Fry Rd. #100	Cypress	TX	77433	281.758.1056
EDIT TX LLC	Mike Nesbit*	17330 Spring Cypress Rd., #190	Cypress	TX	77429	281.373.0726
EDIT TX, LLC	Mike Nesbit*	1531 Eldridge Pwky, #195	Houston	TX	77077	281.597.0871
EDIT TX LLC	Mike Nesbit*	9105 W. Sam Houston Pkwy N, #600	Houston	TX	77064	832.237.8890
EDIT TX LLC	Mike Nesbit*	12661 W. Lake Houston Pkwy, Ste C	Houston	TX	77007	713.862.7400
EDIT TX LLC	Mike Nesbit*	3425 S. Shepherd Dr. #150	Houston	TX	77098	713.528.3016
EDIT TX LLC	Mike Nesbit*	1603 S Post Oak Ln.	Houston	TX	77056	713.622.3740
EDIT TX LLC	Mike Nesbit*	5795 Woodway Dr.	Houston	TX	77057	713.266.2547
EDIT TX LLC	Mike Nesbit*	5240 Buffalo Speedway	Houston	TX	77005	713.667.7474
EDIT TX LLC	Mike Nesbit*	4675 TX 6, Ste A	Houston	TX	77007	281.491.8445

Franchisee Entity	Contact Person	Address	City	St.	Zip Code	
EDIT TX LLC	Mike Nesbit*	2432 W. Holcombe Blvd.	Houston	TX	77030	713.664.0150
EDIT TX LLC	Mike Nesbit*	12534 Memorial Dr.	Houston	TX	77024	713.461.5650
EDIT TX LLC	Mike Nesbit*	3425 S. Shepherd Dr., #150	Houston	TX	77098	713.528.3016
EDIT TX LLC	Mike Nesbit*	7203 Atascocita Rd., #100	Humble	TX	77346	281.812.8375
EDIT TX, LLC	Mike Nesbit*	2201 S. Mason Road, #100	Katy	TX	77450	281.398.0127
EDIT TX, LLC	Mike Nesbit*	27110 Cinco Ranch Blvd., #1800	Katy	TX	77494	281.392.7385
EDIT TX LLC	Mike Nesbit*	2731 FM 1463, #100	Katy	TX	77494	281.392.0050
EDIT TX LLC	Mike Nesbit*	4590 Kingwood Dr., Ste. G	Kingwood	TX	77345	281.913.1949
EDIT TX LLC	Mike Nesbit*	2500 Green Oak Dr., Ste. A	Kingwood	TX	77339	281.312.4802
Edit Clean LLC	Justin Sharbutt*	4404 19th Street, Suite B	Lubbock	TX	79407	806.686.1314
Edit Clean LLC	Justin Sharbutt*	4511 98th St.	Lubbock	TX	79424	806.370.6296
EDIT TX LLC	Mike Nesbit*	6531 FM 1488 Rd., #305	Magnolia	TX	77354	281.356.1724
EDIT TX LLC	Mike Nesbit*	9517 W. Broadway St., #101	Pearland	TX	77584	281.485.5744
EDIT TX LLC	Mike Nesbit*	3200 Greenlawn Drive	Round Rock	TX	78664	806.731.8615
EDIT TX, LLC	Mike Nesbit*	415 Rayford Rd., #500	Spring	TX	77386	877.692.5326
EDIT TX LLC	Mike Nesbit*	8854 Spring Cypress Rd., Ste A	Spring	TX	77379	832.717.0609
EDIT TX LLC	Mike Nesbit*	523 E Louetta Rd., Ste H	Spring	TX	77373	877.692.5326
EDIT TX LLC	Mike Nesbit*	5921 FM 2920 Rd., Ste. A	Spring	TX	77388	281.355.0965
EDIT TX LLC	Mike Nesbit*	15818 Champion Forest Dr.	Spring	TX	77379	281.370.0822
EDIT TX LLC	Mike Nesbit*	6506 Highway 90A, #100	Sugar Land	TX	77479	281.565.0331
EDIT TX, LLC	Mike Nesbit*	8000 Research Forest Dr., #135	The Woodlands	TX	77382	281.296.2711
EDIT TX LLC	Mike Nesbit*	4747 Research Forest Dr., #175	The Woodlands	TX	77381	281.364.8425
EDIT TX LLC	Mike Nesbit*	6777 Woodlands Pkwy, #306	The Woodlands	TX	77382	281.364.7348
EDIT TX LLC	Mike Nesbit*	8576 Creekside Forest Dr., Ste. A100	Tomball	TX	77375	281.255.0356

Franchisee Entity	Contact Person	Address	City	St.	Zip Code	
EDIT TX LLC	Mike Nesbit*	14020 FM 2920 Rd., Suite A	Tomball	TX	77375	281.255.9882
LooLoo, LLC	Chris Harris*	593 East 12300 S.	Draper	UT	84020	801.855.6790
LooLoo, LLC	Chris Harris*	11514 S 4000 W., #101	South Jordan	UT	84095	801 981.5040

* Denotes Developers

LIST OF FRANCHISEES THAT HAVE SIGNED A FRANCHISE AGREEMENT BUT NOT YET OPENED THEIR OUTLET AS OF JUNE 30, 2019

Franchisee Entity	Contact Person	Address	City	St.	Zip Code	Telephone No.
Delia's Cleaners of Arizona, Inc.	Phil D'elia	To be determined	Phoenix	AZ		602.325.2722
Glan Tirim, Inc.	Curt Edwards	To be determined	Miami	FL		239.398.8753
Shree Hari Group Inc.	Rutul Patel	To be determined	Chicago	IL		331.425.4917
Circle City Cleaners, LLC	Jon Shuel	To be determined	Fishers	IN	46037	317.605.8926
Carolina Fresh, LLC	Henry Atkins	To be determined	Charlotte	NC		704.376.7484
N/A	Raj Grandhi	To be determined	Dayton	OH		937.304.8687
RAYDOM CLEANERS, LLC	Ray D'Alonzo	TBD	Hamilton	OH	45011	513.779.8433
Kleen, LLC	Kevin O'Brien	To be determined	Pittsburgh	PA		412.760.6671
RHA Clean, Inc.	Ryan Armstead	To be determined	Pittsburgh	PA		717.781-6836
Carolina Fresh, LLC	Henry Atkins	To be determined	Indian Land	SC		704.376.7484
Nash Clean LLC	Miguel Lopez	To be determined	Nashville	TN		513-315-1152
EDIT FTW, LLC	Justin Sharbutt	To be determined	Fort Worth	TX		806.686.1314
EDIT TX, LLC	Mike Nesbit	To be determined	Houston	TX		281.392.7385

FORMER FRANCHISEES THAT TERMINATED A FRANCHISE AGREEMENT, CLOSED AN OUTLET, TRANSFERRED AN OUTLET OR LEFT THE FRANCHISE SYSTEM DURING THE FISCAL YEAR ENDED JUNE 30, 2019

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

Franchisee Entity	Contact Person	City	State	Telephone No.
Nodak Capital Inc.	Jeff Lavelle	Colorado Springs	CO	719.290.6315
Shree Hari Group Inc*.	Rutul Patel	Chicago	IL	331.425.4917

*Left the System in September 2019

EXHIBIT N

FRANCHISEE QUESTIONNAIRE

AGILE PURSUITS FRANCHISING, INC. – TIDE CLEANERS
FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know, Agile Pursuits Franchising, Inc. ("we," "us," or "our") and you are preparing to enter into a Development Rights Agreement and/or a Franchise Agreement (the "Agreement") for the development and operation of a Tide Cleaners Outlet (the "Outlet").

This Questionnaire's purpose is to determine—before we and you move forward and sign a binding agreement—whether any statements or promises were made to you that we have not authorized and may be untrue, inaccurate, or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question. In deciding whether to proceed with you, we are relying on the truthfulness of your answers. If any statements or promises were made to you that we have not authorized and may be untrue, inaccurate, or misleading, we would want the opportunity to correct them before you move forward with us.

1. Have you received and personally reviewed the Agreement and each rider, exhibit, and schedule attached to it? Yes __ No __

2. Do you understand all of the information contained in the Agreement and each rider, exhibit, and schedule attached to it? Yes __ No __

If no, what parts of the Agreement do you not understand? (Attach additional pages, if necessary)

_____

_____

_____

3. Have you received and personally reviewed the Franchise Disclosure Document we provided to you? Yes __ No __

4. Did you receive the Franchise Disclosure Document at least 14 calendar days (or the earlier of the first personal meeting or 10 business days if you are a prospect based in or will operate in New York; the earlier of the first personal meeting or 14 days if you are a prospect based in or will operate in Iowa; or 10 business days if you are a prospect based in or will operate in Michigan) before you signed any agreements or paid any money or other consideration to us or our affiliates? Yes __ No __

5. Did you sign a Receipt, or do you have a printed copy of the e-mail confirmation from the online download center, indicating the date on which you received the Franchise Disclosure Document? Yes __ No __

6. Do you understand all of the information contained in the Franchise Disclosure Document? Yes __ No __

If no, what parts of the Franchise Disclosure Document do you not understand? (Attach additional pages, if necessary.)

_____

_____

7. Have you discussed with an attorney, accountant, or other professional advisor the benefits and risks of signing the Agreement and the prospect of operating a Tide Cleaners Outlet, and do you understand those risks?
Yes __ No __

8. Do you understand that the success or failure of any franchise you acquire will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms, and other economic and business factors?
Yes __ No __

9. Has any employee or other person speaking on our behalf made any statement or promise concerning the sales, revenue, profits, or operating costs of one or more Tide Cleaners Outlets operated by us, our affiliates, or our franchisees that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
Yes __ No __

10. Has any employee or other person speaking on our behalf made any statement or promise regarding the amount of money you may earn in operating your Outlet that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
Yes __ No __

11. Has any employee or other person speaking on our behalf made any statement or promise regarding the costs you may incur in operating your Outlet that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
Yes __ No __

12. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenue, profits, operating costs, or likelihood of success that you should or might expect to achieve from operating your Outlet that is contrary to, or different from, the information contained in the Franchise Disclosure Document? Yes __ No __

13. Has any employee or other person speaking on our behalf made any statement, promise, or agreement concerning advertising, marketing, training, support service, or assistance that we will furnish to you that is contrary to, or different from, the information contained in the Franchise Disclosure Document or Agreement? Yes __ No __

14. Has any employee or other person speaking on our behalf made any statement, promise, or agreement concerning any other aspect of our franchise offering, the operation of a Tide Cleaners Outlet, or your rights under the Agreement that is contrary to, or different from, the information contained in the Franchise Disclosure Document or the Agreement? Yes __ No __

15. Do you understand that the approval of your site location does not constitute an assurance, representation or warranty of any kind as to the successful operation or profitability of a Tide Cleaners Outlet at such approved site? Yes __ No __

16. Do you understand that in all dealings with you, the officers, directors, employees or other persons speaking on our behalf act only in a representative capacity and not in an individual capacity and such dealings are solely between you and us? Yes __ No __

17. If you have answered "Yes" to any of questions nine (9) through fourteen (14), please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to each of the foregoing questions, please leave the following lines blank.

_____

_____

****

The following language applies only to transactions governed by the Maryland Franchise Registration and Disclosure Law

The representations above are not intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

****

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 responded truthfully to the above questions.

You acknowledge that one or more other copies of this Questionnaire have been reviewed and signed by the owners of your proposed business entity.

FRANCHISE APPLICANT

_____
[Insert name of Franchise Applicant]

By: _____
[Name of Person signing on behalf of Franchise Applicant]

Its: _____
[Title of Person signing on behalf of Franchise Applicant]

OWNER(S) OF FRANCHISE APPLICANT

_____

[Insert name of Owner]

_____

[Signature of Owner]

EXHIBIT O

STATE SPECIFIC ADDITIONAL DISCLOSURES AND RIDERS

ADDITIONAL DISCLOSURES FOR THE FRANCHISE DISCLOSURE DOCUMENT OF AGILE PURSUITS FRANCHISING, INC. – TIDE CLEANERS

The following are additional disclosures for the Franchise Disclosure Document of Agile Pursuits Franchising, Inc. required by various state franchise laws. A particular state's disclosures only apply if you are covered by that state's franchise law.

CALIFORNIA

1. 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.

   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.

   SEE THE COVER PAGE OF THE DISCLOSURE DOCUMENT FOR OUR URL ADDRESS. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT WWW.DBO.CA.GOV.

2. The following is added at the end of Item 5 of the Disclosure Document:

   Payment of all initial fees (including the initial franchise fee, Project Management Fee, Start-up Assistance and Training Fee, extension fee and the New Store Marketing Expense) are postponed until after all of our initial obligations are complete and you open the Outlet for business. If you sign a Development Rights Agreement, payment of all initial fees (including the Development Rights Fee, Project Management Fee, Start-up Assistance and Training Fee, extension fee and the New Store Marketing Expense) are postponed until after all of our initial obligations are complete and your first Plant Store or Drop Store is open for business.

3. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

   California Law Regarding Termination and Nonrenewal. California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination, transfer or nonrenewal of the franchise. If the Franchise Agreement contains any provision that is inconsistent with the law, and the law applies, then the law will control.

Termination Upon Bankruptcy. The Franchise Agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)

Covenant not to Compete. 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.

Applicable Law. The Franchise Agreement requires application of the laws of the State of Ohio. These provisions might not be enforceable under California law.

Arbitration. The Franchise Agreement requires binding arbitration. The arbitration will occur at a suitable site that the panel of three (3) arbitrators chooses within the Cincinnati, Ohio metropolitan area with the costs being borne as the arbitrator determines. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provision of the Franchise Agreement restricting venue to a forum outside the State of California.

Releases. The Plant Store Franchise Agreement and Drop Store Franchise Agreement require you to sign a general release of claims upon renewal or transfer of the Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

ILLINOIS

1. The following is added at the end of Item 5 of the Disclosure Document:

   Pursuant to an order by the Illinois Attorney General's Office, we have posted a surety bond in the amount of $500,000. The Illinois Attorney General's Office imposed this bond requirement due to our financial condition.

2. Attached below is a copy of the surety bond we posted in response to an order by the Illinois Attorney General's Office.

SURETY BOND
Appendix E

We, Agile Pursuits Franchising, Inc. (name of franchisor), a corporation with principal offices at 2 P&G Plaza, TE-16, Cincinnati, OH 45202 (address of franchisor), as principal, and Fidelity And Deposit Company of Maryland (name of surety company), a surety company with principal offices located at 600 Red Brook Boulevard, Owings Mills, MD 21117 (address of Surety) incorporated under the laws of the State of Maryland and authorized to conduct business in the State of Illinois, as Surety, are indebted to the Administrator, Illinois Attorney General, 500 South Second Street, Springfield, Illinois 62706, Obligee in the sum of $500,000.00 to be paid to the Obligee or its legal representatives, successors, or assigns, for which payment we bind ourselves and our legal representatives and successors, jointly and severally.

WHEREAS, the above-named principal has made application to the Administrator for registration of the offer of its franchises under the Illinois Franchise Disclosure Act and is required pursuant to said law to provide the Administrator with a Surety Bond.

WHEREAS, the Principal proposes to offer in Illinois four (4) franchise(s) within one year from the effective date of the proposed registration under the Illinois Franchise Disclosure Act; and

WHEREAS, the Obligee intends to assign this bond to the respective purchaser(s) of the aforementioned franchise(s) upon sale of the aforementioned franchise(s) to said purchaser(s).

The conditions of this bond are that if the Principal, its agent or employees shall:

1. Comply with the Illinois Franchise Disclosure Act and all rules and orders promulgated thereunder; and

2. Pay all damages suffered by any person by reason of the violation of the Illinois Franchise Disclosure Act or any rules or orders promulgated thereunder or any acts, rules or orders amendatory thereof and/or supplementary thereto, or hereafter enacted, or by reason of any misrepresentation, deceit, fraud or omission to state a material fact necessary in order to make any statement made in the light of the circumstances under which such statement was made, not misleading, including, but not limited to, the failure to disclose, as required by Illinois Franchise Disclosure Act and the rules and regulations promulgated thereunder, the true financial condition of franchisor; and

3. Fully completes its obligations under the Franchise Agreement and all related Agreements to provide real estate, improvements, equipment, inventory, training and other items included in the franchise offering, then this obligation shall be void; otherwise this obligation will remain in full force and effect.

This bond and obligation hereunder shall be deemed to run continuously and shall remain in full force and effect for four full year after the date of execution of this document.

In the event that any action or proceeding is initiated with respect to this bond, the parties agree that the venue thereof shall be the state or province in which the offer or sale of the franchise occurred.

IN WITNESS WHEREOF, Principal and Surety have executed this instrument at Cincinnati, Ohio this 21st day of November, 2019.

Principal C.P. Gallagher, Global Insurance Manager

Surety Marcie A. Rummler, Attorney-in-Fact

3. The "Summary" section of Item 17(v) of the Franchise Agreement chart in the Disclosure Document is deleted and replaced with the following:

Subject to arbitration requirements, litigation must be in Illinois.

4. The "Summary" section of Item 17(w) of the Franchise Agreement chart in the Disclosure Document is deleted and replaced with the following:

Except for Federal Arbitration Act and other federal law, Illinois law governs.

MARYLAND

1. The following is added at the end of Item 5 of the Disclosure Document:

Pursuant to an order by the Maryland Securities Commissioner, we have posted a surety bond in the amount of $170,000.

2. The "Summary" sections of Items 17(c) and 17(m) of the Franchise Agreement chart in the Disclosure Document are amended by adding the following:

Any general releases you sign as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

3. The "Summary" section of Item 17(h) of the Franchise Agreement chart in the Disclosure Document is amended by adding the following:

The Franchise Agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we and you agree to enforce it to the extent the law allows.

4. The "Summary" section of Item 17(v) of the Franchise Agreement chart in the Disclosure Document is deleted and replaced with the following:

Subject to arbitration requirements, litigation must be in courts in Cincinnati, Ohio, although you may, subject to your arbitration obligation, bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. The "Summary" section of Item 17(w) of the Franchise Agreement chart in the Disclosure Document is deleted and replaced with the following:

Except for Federal Arbitration Act and other federal law, and as otherwise required by applicable law for claims arising under the Maryland Franchise Registration and Disclosure Law, Ohio law governs.

6. The following language is added at the end of Item 17 of the Disclosure Document:

Despite any contradicting provision in the Franchise Agreement, you have 3 years from the date on which we grant you the franchise to bring a claim under the Maryland Franchise Registration and Disclosure Law.

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.

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

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

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

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five 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 six months advance notice of franchisor's intent not to renew the franchise.

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

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

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

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

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

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

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

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

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

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

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

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* Note: Despite paragraph (f) above, we intend to enforce fully any arbitration provisions contained in our Franchise Agreement and Development Rights Agreement. We believe that paragraph (f) is unconstitutional and cannot preclude either party from enforcing an agreement to arbitrate.

Any questions regarding this notice should be directed to:

State of Michigan
Consumer Protection Division
Attn: Franchise
670 G. Mennen Williams Building
525 West Ottawa, Lansing, Michigan 48933
Telephone Number: (517) 373-7117

MINNESOTA

1. The following is added at the end of Item 5 of the Disclosure Document:

   Pursuant to an order by the Minnesota Department of Commerce, we have posted a surety bond in the amount of $50,000.

2. The following language is added at the end of Item 13 of the Disclosure Document:

   To the extent required by Minnesota Stat. Sec. 80C.12, Subd. 1(g), we will protect your right to use the Marks and indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.

3. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

   For franchises governed by the Minnesota Franchises Law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

   Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us in certain cases from requiring litigation to be conducted outside Minnesota. Those provisions also provide that no condition, stipulations or provision in the Franchise Agreement shall in any way abrogate or reduce any rights you have under the Minnesota Franchises Law, including (if applicable, and subject to your arbitration obligations) the right to submit matters to the jurisdiction of the courts of Minnesota and the right to any procedure, forum or remedies that the laws of the jurisdiction provide.

   Any release as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by applicable law for claims arising under Minn. Rule 2860.4400D.

   Minnesota Rule Part 2860.4400J prohibits a franchisee in certain cases from waiving rights to a jury trial; waiving your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction; or consenting to liquidated damages, termination penalties or judgment notes. However, we and you will enforce these provisions in the agreements to the extent the law allows.

NEW YORK

1. The following information is added to the State Cover Page of the Disclosure Document:

   INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A 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 DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTMENT PROTECTION BUREAU, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.

   THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. 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 PROSPECTUS.

2. The following paragraphs are added at the beginning of Item 3 of the Disclosure Document:

   Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

   A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

   B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

   C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

   D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as

defined in the Securities and Exchange Act of 1934, suspending or expelling such 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 affecting a license as a real estate broker or sales agent..

4. The following paragraph is added at the beginning of Item 4 of the Disclosure Document:

> Neither the franchisor, its affiliate, its 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 that officer or general partner of the franchisor held this position in the company or partnership.

5. The following language is added to the end of the second paragraph in Item 5 of the Disclosure Document:

> We use the initial franchise fee to partially defray our costs in assisting you during your opening of the Outlet, such as for our training expenses.

6. The "Summary" sections of Items 17(c) and 17(m) of the Franchise Agreement chart in the Disclosure Document are amended by adding the following:

> , provided, however, that to the extent required by Article 33 of the General Business Law of the State of New York, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied.

7. The "Summary" section of Item 17(d) of the Franchise Agreement chart in the Disclosure Document is amended by adding the following:

> You also may terminate the Franchise Agreement on any grounds available by law.

8. The "Summary" section of Item 17(j) of the Franchise Agreement chart in the Disclosure Document is amended by adding the following:

> However, to the extent required by applicable law, we will not make an assignment except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Franchise Agreement.

9. The "Summary" sections of Items 17(v) and 17(w) of the Franchise Agreement chart in the Disclosure Document are amended by adding the following:

> This choice of law and forum should not be considered a waiver of any right conferred upon you by Article 33 of the General Business Law of the State of New York and the regulations issued thereunder.

10. There are circumstances in which an offering made by us would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the State of New York. However, an offer or sale is deemed made in New York if you are domiciled in and the franchise will be operated in New York. We are required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

NORTH DAKOTA

1. The following is added at the end of Item 5 of the Disclosure Document:

> Pursuant to an order by the North Dakota Securities Department, we have posted a surety bond in the amount of $375,000.

2. The "Summary" sections of Items 17(c) and 17(m) of the Franchise Agreement chart in the Disclosure Document are amended by adding the following:

> Any release executed will not apply, to the extent prohibited by applicable law, with respect to claims arising under the North Dakota Franchise Investment Law.

3. The "Summary" section of Item 17(r) of the Franchise Agreement chart in the Disclosure Document is amended by adding the following:

> Covenants not to compete such as those mentioned above generally are considered unenforceable in North Dakota. However, we will seek to enforce them to the extent enforceable.

4. The "Summary" section of Item 17(v) of the Franchise Agreement chart in the Disclosure Document is amended by adding the following:

> Subject to arbitration requirements and to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota.

5. The "Summary" section of Item 17(w) of the Franchise Agreement chart in the Disclosure Document is amended by adding the following:

> Except for Federal Arbitration Act and other federal law, North Dakota law governs.

RHODE ISLAND

1. The "Summary" section of Item 17(v) of the Franchise Agreement chart in the Disclosure Document is deleted and replaced with the following:

> Subject to arbitration requirements, litigation must be in courts in Cincinnati, Ohio, except that, to the extent required by applicable law, you may bring an action in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. The "Summary" section of Item 17(w) of the Franchise Agreement chart in the Disclosure Document is deleted and replaced with the following:

> Except for Federal Arbitration Act and other federal law, and except as otherwise required by the Rhode Island Franchise Investment Act, Ohio law governs.

SOUTH DAKOTA

1. The following is added at the end of Item 5 of the Disclosure Document:

> Payment of all initial fees (including the initial franchise fee, Project Management Fee, Start-up Assistance and Training Fee, extension fee and the New Store Marketing Expense) are postponed until after all of our initial obligations are complete and you open the Outlet for business. If you sign a Development Rights Agreement, payment of all initial fees (including the Development Rights Fee, Project Management Fee, Start-up Assistance and Training Fee, extension fee and the New Store Marketing Expense) are postponed until after all of our initial obligations are complete and your first Plant Store or Drop Store is open for business.

VIRGINIA

1. The following is added at the end of Item 5 of the Disclosure Document:

> 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. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Disclosure Document for use in the Commonwealth of Virginia is amended by adding the following statements to Item 17(h) of the Disclosure Document:

> 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 does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

WASHINGTON

1. The following is added at the end of Item 5:

Franchisees who receive financial incentives to refer franchise prospects to franchisors may be required to register as franchise brokers under the laws of the State of Washington.

2. The following is added at the end of Items 5 and 7 of the Disclosure Document:

Pursuant to an order by the Washington Department of Financial Institutions, Securities Division, we have posted a surety bond in the amount of $100,000.

3. The following paragraph is added at the end of Item 17 of the Disclosure Document:

If any of the provisions in this disclosure document or the Franchise Agreement are inconsistent with the relationship provisions of Revised Code of Washington Section 19.100.180 or any other requirements of the Washington Franchise Investment Protection Act (the "Act"), then (if the Act applies by its terms) the provisions of the Act will prevail over the inconsistent terms of the disclosure document and agreement for any franchises sold in Washington. However, we and you agree to enforce the Franchise Agreement's provisions to the extent the law allows.

4. The following is added to the State Cover Page of the Disclosure Document as an additional risk factor:

THE FRANCHISOR'S AUDITED BALANCE SHEET FOR THE FISCAL YEAR ENDING JUNE 30, 2019 REFLECTED THAT CURRENT LIABILITIES EXCEEDED CURRENT ASSETS, WHICH IS A NEGATIVE WORKING CAPITAL POSITION. THIS MAY ENTAIL ADDITIONAL RISK OF FINANCIAL LOSS (INCLUDING ITS ABILITY TO FULFILL ITS PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE). YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.

THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC RIDERS TO THE FRANCHISE AGREEMENTS

RIDER TO THE AGILE PURSUITS FRANCHISING, INC.
FRANCHISE AGREEMENTS
FOR USE IN CALIFORNIA

THIS RIDER (the "Rider") is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 ("APFI," "we," "us," or "our"), and _____, a _____ having its principal business address at _____ ("Franchisee," "you," or "your") as of the date signed by us and set forth opposite our signature on this Rider (the "Effective Date").

1. Background. We and you are parties to that certain Franchise Agreement (for a "Plant Store" or "Drop Store" model Tide Cleaners Outlet, as applicable) (the "Standard Franchise Agreement") or that certain Franchise Agreement for a "Non-Traditional Store" model Tide Cleaners Outlet (the "Non-Traditional Store Franchise Agreement") that has been signed at the same time as the signing of this Rider. This Rider is annexed to and forms a part of the Standard Franchise Agreement or Non-Traditional Store Franchise Agreement (as applicable). This Rider is being signed because (a) the offer or sale of the franchise for the Outlet that you will operate under the Standard Franchise Agreement or Non-Traditional Store Franchise Agreement was made in the State of California, and/or (b) the Outlet will be located in California and you are a resident of California.

2. Initial Fees. The following language is added to the end of Section 3.A of the Standard Franchise Agreement and Non-Traditional Store Franchise Agreement:

> Payment of all initial fees (including the initial franchise fee, Project Management Fee, Start-up Assistance and Training Fee, extension fee and the New Store Marketing Expense) are postponed until after all of our initial obligations are complete and the Outlet is open for business.

3. Governing Law. The following language is added to the end of Section 19.F of the Standard Franchise Agreement and Section 17.F of the Non-Traditional Store Franchise Agreement:

> The Franchise Agreement requires application of the laws of the State of Ohio. These provisions might not be enforceable under California law.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

AGILE PURSUITS FRANCHISING, INC., an Ohio corporation

By:_____
_____, President and CEO

DATED*:_____
(*Effective Date of this Rider)

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Franchisee Entity]

By:_____
[Signature of person signing on behalf of entity]

Title of Signatory:_____

DATED:_____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

RIDER TO THE AGILE PURSUITS FRANCHISING, INC.
DEVELOPMENT RIGHTS AGREEMENT
FOR USE IN CALIFORNIA

THIS RIDER (the "Rider") is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 ("APFI," "we," "us," or "our"), and _____, a _____ having its principal business address at _____ ("Developer," "you," or "your") as of the date signed by us and set forth opposite our signature on this Rider (the "Effective Date").

1. Background. We and you are parties to that certain Development Rights Agreement that has been signed at the same time as the signing of this Rider (the "Development Rights Agreement"). This Rider is part of the Development Rights Agreement. This Rider is being signed because (a) the offer or sale of the franchise relating to the Development Rights Agreement was made in the State of California, and/or (b) the Tide Cleaners Outlet(s) to be developed under the Development Rights Agreement will be located in California and you are a resident of California.

2. Initial Fees. The following language is added to the end of Section 3 of the Development Rights Agreement:

> Payment of all initial fees (including the Development Rights Fee, Project Management Fee, Start-up Assistance and Training Fee, extension fee and the New Store Marketing Expense) are postponed until after all of our initial obligations are complete and your first Tide Cleaners Outlet is open for business.

3. Governing Law. The following language is added to the end of Section 19.F of the Plant Store Franchise Agreement, which is incorporated through reference in Section 9 of the Development Rights Agreement:

> The Franchise Agreement requires application of the laws of the State of Ohio. These provisions might not be enforceable under California law.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

AGILE PURSUITS FRANCHISING, INC.,
an Ohio corporation

By:_____
_____, President and CEO

DEVELOPER

(IF CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP):

_____
[Name]

By:_____
Title:_____

(IF INDIVIDUALS):

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

RIDER TO THE AGILE PURSUITS FRANCHISING, INC.
FRANCHISE AGREEMENTS
FOR USE IN ILLINOIS

THIS RIDER (the "Rider") is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 ("APFI," "we," "us," or "our"), and _____, a _____ having its principal business address at _____ ("Franchisee," "you," or "your") as of the date signed by us and set forth opposite our signature on this Rider (the "Effective Date").

1. Background. We and you are parties to that certain Franchise Agreement (for a "Plant Store" or "Drop Store" model Tide Cleaners Outlet, as applicable) (the "Standard Franchise Agreement") or that certain Franchise Agreement for a "Non-Traditional Store" model Tide Cleaners Outlet (the "Non-Traditional Store Franchise Agreement") that has been signed at the same time as the signing of this Rider. This Rider is annexed to a forms a part of the Standard Franchise Agreement or Non-Traditional Store Franchise Agreement (as applicable). This Rider is being signed because (a) the offer or sale of the franchise for the Outlet that you will operate under the Standard Franchise Agreement or Non-Traditional Store Franchise Agreement was made in the State of Illinois and the Outlet will be located in Illinois, and/or (b) you are a resident of Illinois.

2. Initial Franchise Fee. The following language is added to the end of Section 3.A of the Standard Franchise Agreement and Non-Traditional Store Franchise Agreement:

> Pursuant to an order by the Illinois Attorney General's Office, we have posted a surety bond in the amount of $500,000.

3. Governing Law. The following language is added to the end of Section 19.F of the Standard Franchise Agreement and Section 17.F of the Non-Traditional Store Franchise Agreement:

> ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY ILLINOIS LAW REGULATING THE SALE OF FRANCHISES OR BUSINESS OPPORTUNITIES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE ONLY APPLIES IF THE STATUTE COVERS YOUR SITUATION BY ITS TERMS WITHOUT REFERENCE TO THIS SECTION.

4. Consent to Jurisdiction. Section 19.G of the Standard Franchise Agreement and Section 17.G of the Non-Traditional Store Franchise Agreement are deleted in their entirety and replaced with the following:

> SUBJECT TO THE ARBITRATION PROVISIONS ABOVE AND THE PROVISIONS BELOW, YOU AND YOUR OWNERS AGREE THAT ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN YOU AND US MUST BE COMMENCED IN THE STATE OR FEDERAL COURT OF GENERAL JURISDICTION IN ILLINOIS, AND YOU (AND EACH OWNER) IRREVOCABLY SUBMIT TO THE JURISDICTION OF THOSE COURTS AND WAIVE ANY OBJECTION YOU (OR THE OWNER) MIGHT HAVE TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS. NONETHELESS, YOU AND YOUR OWNERS AGREE THAT WE MAY ENFORCE THIS AGREEMENT AND ANY ARBITRATION ORDERS AND AWARDS IN THE COURTS OF THE STATE OR STATES IN WHICH YOU ARE DOMICILED OR THE OUTLET IS LOCATED.

5. Limitation of Claims. The following language is added to the end of Section 19.J of the Standard Franchise Agreement and Section 19.J of the Non-Traditional Store Franchise Agreement:

> However, nothing in this Section shall shorten any period within which you may bring a claim under Section 705/27 of the Illinois Franchise Disclosure Act or constitute a condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act of 1987 or any other Illinois law (as long as the jurisdictional requirements of that Illinois law are met).

6. Waivers Void. The following language is added as a new Section 19.L of the Standard Franchise Agreement and Section 17.L of the Non-Traditional Store Franchise Agreement:

> However, nothing in this Agreement shall constitute a condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act of 1987 or any other Illinois law (as long as the jurisdictional requirements of that Illinois law are met).

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

AGILE PURSUITS FRANCHISING, INC., an Ohio corporation

By:_____
_____, President and CEO

DATED*:_____
(*Effective Date of this Rider)

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Franchisee Entity]

By:_____
[Signature of person signing on behalf of entity]

Title of Signatory:_____

DATED:_____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

RIDER TO THE AGILE PURSUITS FRANCHISING, INC.
DEVELOPMENT RIGHTS AGREEMENT
FOR USE IN ILLINOIS

THIS RIDER (the "Rider") is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 ("APFI," "we," "us," or "our"), and _____, a _____ having its principal business address at _____ ("Developer," "you," or "your") as of the date signed by us and set forth opposite our signature on this Rider (the "Effective Date").

1. Background. We and you are parties to that certain Development Rights Agreement that has been signed at the same time as the signing of this Rider (the "Development Rights Agreement"). This Rider is part of the Development Rights Agreement. This Rider is being signed because (a) the offer or sales activity relating to the Development Rights Agreement occurred in the State of Illinois and the Tide Cleaners Outlet(s) that you will develop under the Development Rights Agreement will be located in Illinois, and/or (b) you are a resident of Illinois.

2. Development Rights Fee. The following language is added to the end of Section 3 of the Development Rights Agreement:

> Pursuant to an order by the Illinois Attorney General's Office, we have posted a surety bond in the amount of $500,000.

3. Governing Law. Section 19.F of the Plant Store Franchise Agreement, incorporated by reference under Section 9 of the Development Rights Agreement, is deleted in its entirety and replaced with the following:

> ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY ILLINOIS LAW REGULATING THE SALE OF FRANCHISES OR BUSINESS OPPORTUNITIES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION.

4. Consent to Jurisdiction. Section 19.G of the Plant Store Franchise Agreement, incorporated by reference under Section 9 of the Development Rights Agreement, is deleted in its entirety and replaced with the following:

> SUBJECT TO SECTION 19.E ABOVE AND THE PROVISIONS BELOW, YOU AND YOUR OWNERS AGREE THAT ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN YOU AND US MUST BE COMMENCED IN THE STATE OR FEDERAL COURT OF GENERAL JURISDICTION IN ILLINOIS, AND YOU (AND EACH OWNER) IRREVOCABLY SUBMIT TO THE JURISDICTION OF THOSE COURTS AND WAIVE ANY OBJECTION YOU (OR THE OWNER) MIGHT HAVE TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS. NONETHELESS, YOU AND YOUR OWNERS AGREE THAT WE MAY ENFORCE THIS AGREEMENT AND ANY ARBITRATION ORDERS AND AWARDS IN THE COURTS OF THE STATE OR STATES IN WHICH YOU ARE DOMICILED OR THE OUTLET IS LOCATED.

5. Limitations of Claims. The following language is added to the end of Section 19.J of the Plant Store Franchise Agreement, incorporated by reference under Section 9 of the Development Rights Agreement:

> However, nothing in this Section shall shorten any period within which you may bring a claim under Section 705/27 of the Illinois Franchise Disclosure Act or constitute a condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act of 1987 or any other Illinois law (as long as the jurisdictional requirements of that Illinois law are met).

6. Waivers Void. The following language is added as a new Section 19.L of the Plant Store Franchise Agreement, incorporated by reference under Section 9 of the Development Rights Agreement:

> However, nothing in this Agreement shall constitute a condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act of 1987 or any other Illinois law (as long as the jurisdictional requirements of that Illinois law are met).

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

AGILE PURSUITS FRANCHISING, INC.,
an Ohio corporation

By:_____
_____, President and CEO

DATED*:_____
(*Effective Date of this Rider)

DEVELOPER

(IF CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP):

_____
[Name]

By:_____
Title:_____

(IF INDIVIDUALS):

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

RIDER TO THE AGILE PURSUITS FRANCHISING, INC.
FRANCHISE AGREEMENTS
FOR USE IN MARYLAND

THIS RIDER (the "Rider") is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 ("APFI," "we," "us," or "our"), and _____, a _____ having its principal business address at _____ ("Franchisee," "you," or "your") as of the date signed by us and set forth opposite our signature on this Rider (the "Effective Date").

1. Background. We and you are parties to that certain Franchise Agreement (for a "Plant Store" or "Drop Store" model Tide Cleaners Outlet, as applicable) (the "Standard Franchise Agreement") or that certain Franchise Agreement for a "Non-Traditional Store" model Tide Cleaners Outlet (the "Non-Traditional Store Franchise Agreement") that has been signed at the same time as the signing of this Rider. This Rider is annexed to and forms part of the Standard Franchise Agreement or Non-Traditional Store Franchise Agreement (as applicable). This Rider is being signed because (a) you are a resident of the State of Maryland, and/or (b) your Outlet will be located or operated in Maryland.

2. Acknowledgements. The following language is added to the end of Section 1.B of the Standard Franchise Agreement and Non-Traditional Store Franchise Agreement:

> All representations requiring you to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

3. Initial Franchise Fee. The following language is added to the end of Section 3.A of the Standard Franchise Agreement and Non-Traditional Store Franchise Agreement:

> Pursuant to an order by the Maryland Securities Commissioner, we have posted a surety bond in the amount of $170,000.

4. Releases. The following language is added to the end of Sections 14.C.(8) and 15.C of the Standard Franchise Agreement:

> However, such general release will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

5. Insolvency. The following language is added to the end of Section 16.A(17) of the Standard Franchise Agreement and Section 14(2)(xvii) of the Non-Traditional Store Franchise Agreement:

> ; termination upon insolvency might not be enforceable under federal insolvency law (11 U.S.C. Sections 101 et seq.), but we and you agree to enforce this provision to the maximum extent the law allows.

6. Governing Law. The following language is added to the end of Section 19.F of the Standard Franchise Agreement and Section 17.F of the Non-Traditional Store Franchise Agreement:

> However, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

7. Consent to Jurisdiction. The following language is added to the end of Section 19.G of the Standard Franchise Agreement and Section 17.G of the Non-Traditional Store Franchise Agreement:

> However, subject to the parties' arbitration obligations, you may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

8. Limitation of Claims. The following language is added to the end of Section 19.J of the Standard Franchise Agreement and Section 17.J of the Non-Traditional Store Franchise Agreement:

> However, the limitation of such claims shall not act to reduce the three (3) year statute of limitations afforded to you for bringing a claim under the Maryland Franchise Registration and Disclosure Law.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

AGILE PURSUITS FRANCHISING, INC., an Ohio corporation

By:_____
_____, President and CEO

DATED*:_____
(*Effective Date of this Rider)

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Franchisee Entity]

By:_____
[Signature of person signing on behalf of entity]

Title of Signatory:_____

DATED:_____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

RIDER TO THE AGILE PURSUITS FRANCHISING, INC.
FRANCHISE AGREEMENTS
FOR USE IN MINNESOTA

THIS RIDER (the "Rider") is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 ("APFI," "we," "us," or "our"), and _____, a _____ having its principal business address at _____ ("Franchisee," "you," or "your") as of the date signed by us and set forth opposite our signature on this Rider (the "Effective Date").

1. Background. We and you are parties to that certain Franchise Agreement (for a "Plant Store" or "Drop Store" model Tide Cleaners Outlet, as applicable) (the "Standard Franchise Agreement") or that certain Franchise Agreement for a "Non-Traditional Store" model Tide Cleaners Outlet (the "Non-Traditional Store Franchise Agreement") that has been signed at the same time as the signing of this Rider. This Rider is annexed to and forms part of the Standard Franchise Agreement or Non-Traditional Store Franchise Agreement (as applicable). This Rider is being signed because (a) the Outlet that you will operate under the Standard Franchise Agreement or Non-Traditional Franchise Agreement will be located in Minnesota; and/or (b) any of the franchise offering or sales activity with respect to the Standard Franchise Agreement or Non-Traditional Franchise Agreement occurred in Minnesota.

2. Initial Franchise Fee. The following language is added to the end of Section 3.A of the Standard Franchise Agreement and Non-Traditional Store Franchise Agreement:

> Pursuant to an order by the Minnesota Department of Commerce, we have posted a surety bond in the amount of $50,000.

3. Marks. The following language is added to the end of Section 5 of the Standard Franchise Agreement and Non-Traditional Store Franchise Agreement:

> To the extent required by Minnesota Stat. Sec. 80C.12, Subd. 1(g), we will protect your right to use the Marks and indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.

4. Releases. The following language is added to the end of Sections 14.C.(8) and 15.C of the Standard Franchise Agreement:

> ; however, any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

5. Termination by Us. The following language is added to the end of Section 16.A of the Standard Franchise Agreement and Section 14 of the Non-Traditional Store Franchise Agreement:

> With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain

specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and one hundred eighty (180) days' notice of non-renewal of the Agreement.

6. Governing Law/Consent to Jurisdiction. The following language is added to the end of Sections 19.F and 19.G of the Standard Franchise Agreement and Sections 17.F and 17.G of the Non-Traditional Store Franchise Agreement:

> Pursuant to Minn. Stat. Section 80C.21 and Minn. Rule Part 2860.4400J, this Section shall not in any way abrogate or reduce your rights as provided in Minnesota Statutes 1984, Chapter 80C, including (if applicable, and subject to the parties' arbitration obligations) the right to submit matters to the jurisdiction of the courts of Minnesota.

7. Waiver of Punitive Damages. The following language is added to the beginning of the first paragraph of Section 19.H of the Standard Franchise Agreement and Section 17.H of the Non-Traditional Store Franchise Agreement:

> EXCEPT AS OTHERWISE REQUIRED BY THE MINNESOTA FRANCHISES LAW, AND

8. Waiver of Jury Trial. The following language is added to the beginning of the second paragraph of Section 19.H of the Standard Franchise Agreement and Section 17.H of the Non-Traditional Store Franchise Agreement:

> EXCEPT AS OTHERWISE REQUIRED BY THE MINNESOTA FRANCHISES LAW,

9. Limitation of Claims. The following language is added to the end of Section 19.J of the Standard Franchise Agreement and Section 17.J of the Non-Traditional Store Franchise Agreement:

> ; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than three (3) years after the cause of action accrues.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

AGILE PURSUITS FRANCHISING, INC., an Ohio corporation

By:_____
_____, President and CEO

DATED*:_____
(*Effective Date of this Rider)

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Franchisee Entity]

By:_____
[Signature of person signing on behalf of entity]

Title of Signatory:_____

DATED:_____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

RIDER TO THE AGILE PURSUITS FRANCHISING, INC.
FRANCHISE AGREEMENTS
FOR USE IN NEW YORK

THIS RIDER (the "Rider") is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 ("APFI," "we," "us," or "our"), and _____, a _____ having its principal business address at _____ ("Franchisee," "you," or "your") as of the date signed by us and set forth opposite our signature on this Rider (the "Effective Date").

1. Background. We and you are parties to that certain Franchise Agreement (for a "Plant Store" or "Drop Store" model Tide Cleaners Outlet, as applicable) (the "Standard Franchise Agreement") or that certain Franchise Agreement for a "Non-Traditional Store" model Tide Cleaners Outlet (the "Non-Traditional Store Franchise Agreement") that has been signed at the same time as the signing of this Rider. This Rider is annexed to and forms part of the Standard Franchise Agreement or Non-Traditional Store Franchise Agreement (as applicable). This Rider is being signed because (a) the offer or sale of the franchise for the Outlet that you will operate under the Standard Franchise Agreement or Non-Traditional Franchise Agreement was made in the State of New York, and/or (b) you are a resident of New York and will operate the Outlet in New York.

2. Releases. The following language is added to the end of Sections 14.C.(8) and 15.C of the Standard Franchise Agreement:

> , provided, however, that to the extent required by Article 33 of the General Business Law of the State of New York, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of the proviso that the non-waiver provisions of GBL 687 and 687.5 be satisfied.

3. Transfer by Us. The following language is added to the end of Section 14.A of the Standard Franchise Agreement and Section 13 of the Non-Traditional Store Franchise Agreement:

> However, to the extent required by applicable law, no assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

4. Termination by You. The following language is added to the end of Section 16 of the Standard Franchise Agreement and Section 14 of the Non-Traditional Store Franchise Agreement:

> You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. Governing Law/Consent to Jurisdiction. The following language is added to the end of Sections 19.F and 19.G of the Standard Franchise Agreement and Sections 17.F and 17.G of the Non-Traditional Store Franchise Agreement:

> However, to the extent required by Article 33 of the General Business Law of the State of New York, this Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder.

6. Limitation of Claims. The following language is added to the end of Section 19.J of the Standard Franchise Agreement and Section 17.J of the Non-Traditional Store Franchise Agreement:

> However, to the extent required by Article 33 of the General Business Law of the State of New York, all rights and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied

7. Application of Rider. There are circumstances in which an offering made by us would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the State of New York. However, an offer or sale is deemed to be made in New York if you are domiciled in and the franchise will be opened in New York. We are required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

AGILE PURSUITS FRANCHISING, INC., an Ohio corporation

By:_____
_____, President and CEO

DATED*:_____
(*Effective Date of this Rider)

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Franchisee Entity]

By:_____
[Signature of person signing on behalf of entity]

Title of Signatory:_____

DATED:_____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

RIDER TO THE AGILE PURSUITS FRANCHISING, INC.
FRANCHISE AGREEMENTS
FOR USE IN NORTH DAKOTA

THIS RIDER (the "Rider") is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 ("APFI," "we," "us," or "our"), and _____, a _____ having its principal business address at _____ ("Franchisee," "you," or "your") as of the date signed by us and set forth opposite our signature on this Rider (the "Effective Date").

1. Background. We and you are parties to that certain Franchise Agreement (for a "Plant Store" or "Drop Store" model Tide Cleaners Outlet, as applicable) (the "Standard Franchise Agreement") or that certain Franchise Agreement for a "Non-Traditional Store" model Tide Cleaners Outlet (the "Non-Traditional Store Franchise Agreement") that has been signed at the same time as the signing of this Rider. This Rider is annexed to and forms part of the Standard Franchise Agreement or Non-Traditional Store Franchise Agreement (as applicable). This Rider is being signed because (a) the offer or sale of the franchise for the Outlet that you will operate under the Standard Franchise Agreement or Non-Traditional Franchise Agreement was made in the State of North Dakota, and/or (b) you are a resident of North Dakota and will operate the Outlet in North Dakota.

2. Initial Franchise Fee. The following language is added to the end of Section 3.A of the Standard Franchise Agreement and Non-Traditional Store Franchise Agreement:

> Pursuant to an order by the North Dakota Securities Department, we have posted a surety bond in the amount of $375,000.

2. Releases. The following language is added to the end of Sections 14.C.(8) and 15.C of the Standard Franchise Agreement:

> ; however, any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. Non-Competition. The following language is added to the end of Section 17.D of the Standard Franchise Agreement and Section 15.D of the Non-Traditional Store Franchise Agreement:

> Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota. However, you acknowledge and agree that we intend to seek enforcement of these provisions to the extent allowed under the law.

4. Arbitration. The first paragraph of Section 19.E of the Standard Franchise Agreement and Section 17.E of the Non-Traditional Store Franchise Agreement is deleted and replaced with the following:

We and you agree that all controversies, disputes, or claims between us and our affiliates, and our and their respective owners, shareholders, officers, directors, agents, and/or employees, and you (and/or your owners, guarantors, affiliates, and yours or their respective owners, shareholders, officers, directors, agents and/or employees) arising out of or related to:

(1) this Agreement or any other agreement between you and us or our affiliates;

(2) our (or any of our affiliates') relationship with you;

(3) the scope and validity of this Agreement or any other agreement between you and us (or any of our affiliates) or any provision of such agreements (including the validity and scope of the arbitration obligations under this Section 19.E, which you and we acknowledge is to be determined by an arbitrator and not a court); or

(4) any aspect of the Franchise System or any System Standard;

must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association (the "AAA"). The arbitration proceedings will be conducted by a panel of three (3) arbitrators (the "Panel") and, except as this Section 19.E otherwise provides, according to the then current commercial arbitration rules of the AAA. We and you shall each appoint one (1) arbitrator to serve on the Panel. The two (2) separately appointed arbitrators shall attempt to agree upon the third arbitrator for the Panel, who will act as the Panel's chairman. If the two (2) appointed arbitrators fail to agree on the third arbitrator within thirty (30) days after the second arbitrator is appointed to the Panel, then the third arbitrator shall be appointed by the AAA, and shall serve as the Panel's chairman. All proceedings will be conducted at a suitable location chosen by the Panel in the Cincinnati, Ohio metropolitan area, provided, however, that to the extent otherwise required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration shall be held at a site to which we and you mutually agree. The Panel will have no authority to select a different hearing locale other than as described in the prior sentence. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.) and not by any state arbitration law.

5. Governing Law. The following language is added to the end of Section 19.F of the Standard Franchise Agreement and Section 17.F of the Non-Traditional Store Franchise Agreement:

Notwithstanding the foregoing, to the extent required by applicable law, North Dakota law applies.

6. Consent to Jurisdiction. The following language is added to the end of Section 19.G of the Standard Franchise Agreement and Section 17.G of the Non-Traditional Store Franchise Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, and subject to your arbitration obligations, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

7. Waiver of Punitive Damages and Jury Trial. To the extent required by the North Dakota Franchise Investment Law, Section 19.H of the Standard Franchise Agreement and Section 17.H of the Non-Traditional Store Franchise Agreement is deleted.

8. Limitation of Claims. The following language is added to the end of Section 19.J of the Standard Franchise Agreement and Section 17.J of the Non-Traditional Store Franchise Agreement:

The statutes of limitations under North Dakota law applies with respect to claims arising under North Dakota Law.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

AGILE PURSUITS FRANCHISING, INC., an Ohio corporation

By:_____
_____, President and CEO

DATED*:_____
(*Effective Date of this Rider)

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Franchisee Entity]

By:_____
[Signature of person signing on behalf of entity]

Title of Signatory:_____

DATED:_____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

RIDER TO THE AGILE PURSUITS FRANCHISING, INC.
FRANCHISE AGREEMENTS
FOR USE IN RHODE ISLAND

THIS RIDER (the "Rider") is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 ("APFI," "we," "us," or "our"), and _____, a _____ having its principal business address at _____ ("Franchisee," "you," or "your") as of the date signed by us and set forth opposite our signature on this Rider (the "Effective Date").

1. Background. We and you are parties to that certain Franchise Agreement (for a "Plant Store" or "Drop Store" model Tide Cleaners Outlet, as applicable) (the "Standard Franchise Agreement") or that certain Franchise Agreement for a "Non-Traditional Store" model Tide Cleaners Outlet (the "Non-Traditional Store Franchise Agreement") that has been signed at the same time as the signing of this Rider. This Rider is annexed to and forms part of the Standard Franchise Agreement or Non-Traditional Store Franchise Agreement (as applicable). This Rider is being signed because (a) the offer or sale of the franchise for the Outlet that you will operate under the Standard Franchise Agreement or Non-Traditional Franchise Agreement was made in the State of Rhode Island, and/or (b) you are a resident of Rhode Island and the Outlet will be located in Rhode Island.

2. Governing Law. Section 19.F of the Standard Franchise Agreement and Section 17.F of the Non-Traditional Store Franchise Agreement is deleted and replaced with the following:

> ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, AND EXCEPT AS OTHERWISE REQUIRED BY APPLICABLE LAW WITH RESPECT TO CLAIMS ARISING UNDER THE RHODE ISLAND FRANCHISE INVESTMENT ACT, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF THE STATE OF OHIO, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY OHIO LAW REGULATING THE SALE OF FRANCHISES OR BUSINESS OPPORTUNITIES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION.

3. Consent to Jurisdiction. Section 19.G of the Standard Franchise Agreement and Section 17.G of the Non-Traditional Store Franchise Agreement is deleted and replaced with the following:

SUBJECT TO SECTION 19.E ABOVE AND THE PROVISIONS BELOW, AND EXCEPT AS OTHERWISE REQUIRED BY APPLICABLE LAW WITH RESPECT TO CLAIMS ARISING UNDER THE RHODE ISLAND FRANCHISE INVESTMENT ACT, YOU AND YOUR OWNERS AGREE THAT ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN YOU AND US MUST BE COMMENCED IN THE STATE OR FEDERAL COURT OF GENERAL JURISDICTION IN CINCINNATI, OHIO, AND YOU (AND EACH OWNER) IRREVOCABLY SUBMIT TO THE JURISDICTION OF THOSE COURTS AND WAIVE ANY OBJECTION YOU (OR THE OWNER) MIGHT HAVE TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS. NONETHELESS, YOU AND YOUR OWNERS AGREE THAT WE MAY ENFORCE THIS AGREEMENT AND ANY ARBITRATION ORDERS AND AWARDS IN THE COURTS OF THE STATE OR STATES IN WHICH YOU ARE DOMICILED OR THE OUTLET IS LOCATED.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

AGILE PURSUITS FRANCHISING, INC., an Ohio corporation

By:_____
_____, President and CEO

DATED*:_____
(*Effective Date of this Rider)

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Franchisee Entity]

By:_____
[Signature of person signing on behalf of entity]

Title of Signatory:_____

DATED:_____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

RIDER TO THE AGILE PURSUITS FRANCHISING, INC.
FRANCHISE AGREEMENTS
FOR USE IN SOUTH DAKOTA

THIS RIDER (the "Rider") is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 ("APFI," "we," "us," or "our"), and _____, a _____ having its principal business address at _____ ("Franchisee," "you," or "your") as of the date signed by us and set forth opposite our signature on this Rider (the "Effective Date").

1. Background. We and you are parties to that certain Franchise Agreement (for a "Plant Store" or "Drop Store" model Tide Cleaners Outlet, as applicable) (the "Standard Franchise Agreement") or that certain Franchise Agreement for a "Non-Traditional Store" model Tide Cleaners Outlet (the "Non-Traditional Store Franchise Agreement") that has been signed at the same time as the signing of this Rider. This Rider is annexed to and forms part of the Standard Franchise Agreement or Non-Traditional Store Franchise Agreement (as applicable). This Rider is being signed because (a) the offer or sale of the franchise for the Outlet that you will operate under the Standard Franchise Agreement or Non-Traditional Franchise Agreement was made in the State of South Dakota, and/or (b) you are a resident of South Dakota and the Outlet will be operated in South Dakota.

2. Initial Fees. The following language is added to the end of Section 3.A of the Standard Franchise Agreement and Non-Traditional Store Franchise Agreement:

> Payment of all initial fees (including the initial franchise fee, Project Management Fee, Start-up Assistance and Training Fee, extension fee and the New Store Marketing Expense) are postponed until after all of our initial obligations are complete and the Outlet is open for business.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

AGILE PURSUITS FRANCHISING, INC., an Ohio corporation

By:_____
_____, President and CEO

DATED*:_____
(*Effective Date of this Rider)

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Franchisee Entity]

By:_____
[Signature of person signing on behalf of entity]

Title of Signatory:_____

DATED:_____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

RIDER TO THE AGILE PURSUITS FRANCHISING, INC.
DEVELOPMENT RIGHTS AGREEMENT
FOR USE IN SOUTH DAKOTA

THIS RIDER (the "Rider") is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 ("APFI," "we," "us," or "our"), and _____, a _____ having its principal business address at _____ ("Developer," "you," or "your") as of the date signed by us and set forth opposite our signature on this Rider (the "Effective Date").

1. Background. We and you are parties to that certain Development Rights Agreement that has been signed at the same time as the signing of this Rider (the "Development Rights Agreement"). This Rider is part of the Development Rights Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Tide Cleaners Outlet(s) that you will develop under the Development Rights Agreement was made in the State of South Dakota, and/or (b) you are a resident of South Dakota and all or part of the Area is located in South Dakota.

2. Initial Fees. The following language is added to the end of Section 3 of the Development Rights Agreement:

> Payment of all initial fees (including the Development Rights Fee, Project Management Fee, Start-up Assistance and Training Fee, extension fee and the New Store Marketing Expense) are postponed until after all of our initial obligations are complete and your first Tide Cleaners Outlet is open for business.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

AGILE PURSUITS FRANCHISING, INC.,
an Ohio corporation

By:_____
_____, President and CEO

DATED*:_____
(*Effective Date of this Rider)

DEVELOPER

(IF CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP):

_____
[Name]

By:_____
Title:_____

(IF INDIVIDUALS):

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

RIDER TO THE AGILE PURSUITS FRANCHISING, INC.
FRANCHISE AGREEMENTS
FOR USE IN VIRGINIA

THIS RIDER (the "Rider") is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 ("APFI," "we," "us," or "our"), and _____, a _____ having its principal business address at _____ ("Franchisee," "you," or "your") as of the date signed by us and set forth opposite our signature on this Rider (the "Effective Date").

1. Background. We and you are parties to that certain Franchise Agreement (for a "Plant Store" or "Drop Store" model Tide Cleaners Outlet, as applicable) (the "Standard Franchise Agreement") or that certain Franchise Agreement for a "Non-Traditional Store" model Tide Cleaners Outlet (the "Non-Traditional Store Franchise Agreement") that has been signed at the same time as the signing of this Rider. This Rider is annexed to and forms part of the Standard Franchise Agreement or Non-Traditional Store Franchise Agreement (as applicable). This Rider is being signed because the Outlet will be located in Virginia.

2. Initial Fees. The following language is added to the end of Section 3.A of the Standard Franchise Agreement and Non-Traditional Store Franchise Agreement:

> 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 us until we have completed our pre-opening obligations under the Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

AGILE PURSUITS FRANCHISING, INC., an Ohio corporation

By:_____
_____, President and CEO

DATED*:_____
(*Effective Date of this Rider)

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Franchisee Entity]

By:_____
[Signature of person signing on behalf of entity]

Title of Signatory:_____

DATED:_____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

RIDER TO THE AGILE PURSUITS FRANCHISING, INC.
DEVELOPMENT RIGHTS AGREEMENT
FOR USE IN VIRGINIA

THIS RIDER (the "Rider") is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 ("APFI," "we," "us," or "our"), and _____, a _____ having its principal business address at _____ ("Developer," "you," or "your") as of the date signed by us and set forth opposite our signature on this Rider (the "Effective Date").

1. Background. We and you are parties to that certain Development Rights Agreement that has been signed at the same time as the signing of this Rider (the "Development Rights Agreement"). This Rider is part of the Development Rights Agreement. This Rider is being signed because the Area will be located in Virginia.

2. Initial Fees. The following language is added to the end of Section 3 of the Development Rights Agreement:

> The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the Development Rights Fee, initial franchise fee and other initial payments owed by franchisees to us until we have completed our pre-opening obligations under each franchise agreement. Payment of the Development Rights Fee will be due to us, on a pro-rata basis, upon our completion of our pre-opening obligations for each franchise opened under the Development Rights Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

AGILE PURSUITS FRANCHISING, INC.,
an Ohio corporation

By:_____
_____, President and CEO

DATED*:_____
(*Effective Date of this Rider)

DEVELOPER

(IF CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP):

_____
[Name]

By:_____
Title:_____

(IF INDIVIDUALS):

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

RIDER TO THE AGILE PURSUITS FRANCHISING, INC.
FRANCHISE AGREEMENTS
FOR USE IN WASHINGTON

THIS RIDER (the "Rider") is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 ("APFI," "we," "us," or "our"), and _____, a _____ having its principal business address at _____ ("Franchisee," "you," or "your") as of the date signed by us and set forth opposite our signature on this Rider (the "Effective Date").

1. Background. We and you are parties to that certain Franchise Agreement (for a "Plant Store" or "Drop Store" model Tide Cleaners Outlet, as applicable) (the "Standard Franchise Agreement") or that certain Franchise Agreement for a "Non-Traditional Store" model Tide Cleaners Outlet (the "Non-Traditional Store Franchise Agreement") that has been signed at the same time as the signing of this Rider. This Rider is annexed to and forms part of the Standard Franchise Agreement or Non-Traditional Store Franchise Agreement (as applicable). This Rider is being signed because (a) the offer or sale of the franchise for the Outlet that you will operate under the Standard Franchise Agreement or Non-Traditional Franchise Agreement was made in the State of Washington, (b) you are a resident of Washington, and/or (c) the Outlet will be located or operated in the State of Washington.

2. Initial Franchise Fee. The following language is added to the end of Section 3.A of the Standard Franchise Agreement and Non-Traditional Store Franchise Agreement:

> Pursuant to an order by the Washington Department of Financial Institutions, Securities Division, we have posted a surety bond in the amount of $100,000.

3. Addition of Paragraphs. The following paragraphs are added to the end of the Standard Franchise Agreement and Non-Traditional Store Franchise Agreement:

> In recognition of the requirements of the Washington Franchise Investment Protection Act (the "Act") and the rules and regulations promulgated thereunder, the Franchise Agreement of Agile Pursuits Franchising, Inc. shall be modified as follows:
>
> The State of Washington has a statute, RCW 19.100.180, which might supersede this Agreement in your relationship with us, including the areas of termination and renewal of your franchise. There also might be court decisions which supersede this Agreement in your relationship with us, including the areas of termination and renewal of your franchise.
>
> In any arbitration involving a franchise purchased in Washington, the arbitration site shall be in the State of Washington, or in a place mutually agreed upon by the parties at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, to the extent required by the Act, the provisions of the Act, Chapter 19.100 RCW, shall prevail.

To the extent required by the Act, a release or waiver of rights executed by a franchisee shall not include rights under the Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act, such as a right to a jury trial, might not be enforceable; however, we and you agree to enforce them to the maximum extent the law allows.

To the extent required by the Act, transfer fees are collectable only to the extent that they reflect our reasonable estimate or actual costs in effecting a transfer.

The undersigned does hereby acknowledge receipt of this Rider.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

AGILE PURSUITS FRANCHISING, INC., an Ohio corporation

By:_____
_____, President and CEO

DATED*:_____
(*Effective Date of this Rider)

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Print Name of Franchisee Entity]

By:_____
[Signature of person signing on behalf of entity]

Title of Signatory:_____

DATED:_____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

_____
[Signature of individual franchisee]

Print Name:_____

DATED:_____

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 Agile Pursuits Franchising, Inc. offers you a franchise for a Tide Cleaners Outlet, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the Franchisor or an affiliate in connection with the proposed franchise sale. New York requires that Agile Pursuits Franchising, Inc. give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires that Agile Pursuits Franchising, Inc. give you this disclosure document at the earlier of the first personal meeting or 14 days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that Agile Pursuits Franchising, Inc. 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 Agile Pursuits Franchising, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The names, principal business addresses, and telephone numbers of each franchise seller offering the franchise are as follows: Clare Moore, Director of Franchising, Agile Pursuits Franchising, Inc. (513) 405.8436, 2 Procter & Gamble Plaza, TE-16, Cincinnati, Ohio 45202; and _____
_____.

The issuance date of this Franchise Disclosure Document is October 24, 2019.

Agile Pursuits Franchising, Inc. authorizes the respective state agents identified on Exhibit A to receive service of process on its behalf in the particular states.

I received a disclosure document for a Tide Cleaners franchise from Agile Pursuits Franchising, Inc. dated October 24, 2019, that included the following Exhibits:

A	List of State Agencies/Agents for Service of Process	I	Lease Rider
B	Development Rights Agreement	J	Business Reference Manual Table of Contents
C	Plant Store Franchise Agreement	K	General Release
D	Drop Store Franchise Agreement	L	List of Franchisees and List of Franchisees Who Left the System
E	Non-Traditional Store Franchise Agreement	M	Financial Statements
F	Locker Services Addendum	N	Franchisee Questionnaire
G	Development Incentive Addendum	O	State-Specific Additional Disclosures and Riders
H	Conversion Incentive Addendum		

_____ _____
Date Received Prospective Franchise Owner [Print Name]

_____
Prospective Franchise Owner [Signature]

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 Agile Pursuits Franchising, Inc. offers you a franchise for a Tide Cleaners Outlet, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the Franchisor or an affiliate in connection with the proposed franchise sale. New York requires that Agile Pursuits Franchising, Inc. give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires that Agile Pursuits Franchising, Inc. give you this disclosure document at the earlier of the first personal meeting or 14 days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that Agile Pursuits Franchising, Inc. 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 Agile Pursuits Franchising, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The names, principal business addresses, and telephone numbers of each franchise seller offering the franchise are as follows: Clare Moore, Director of Franchising, Agile Pursuits Franchising, Inc. (513) 405.8436, 2 Procter & Gamble Plaza, TE-16, Cincinnati, Ohio 45202; and _____
_____.

The issuance date of this Franchise Disclosure Document is October 24, 2019.

Agile Pursuits Franchising, Inc. authorizes the respective state agents identified on Exhibit A to receive service of process on its behalf in the particular states.

I received a disclosure document for a Tide Cleaners franchise from Agile Pursuits Franchising, Inc. dated October 24, 2019, that included the following Exhibits:

A	List of State Agencies/Agents for Service of Process	I	Lease Rider
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F	Locker Services Addendum	N	Franchisee Questionnaire
G	Development Incentive Addendum	O	State-Specific Additional Disclosures and Riders
H	Conversion Incentive Addendum		

_____ Date Received

_____ Prospective Franchise Owner [Print Name]

_____ Prospective Franchise Owner [Signature]

Please sign, date, and return this page to us.