(Modified)

VANGUARD®

Cleaning Systems

FRANCHISE DISCLOSURE DOCUMENT

Prestige Worldwide a California Corporation
DBA Vanguard Cleaning Systems of the Southern Valley
5301 Office Park Drive Suite 220
Bakersfield, CA 93309
661-395-3009
jsorrell@vanguardsv.com
www.vanguardcleaning.com

Our franchisees operate independent businesses (VCS Businesses) providing commercial janitorial services using the Vanguard Cleaning Systems® service marks.

The total estimated investment necessary to begin operation of a VCS Business franchise is between $5,500 to $37,100. This includes between $5,000 and $27,900 (if a Business Plan is chosen) that must be paid to us

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Vanguard Cleaning Systems of the Southern Valley at 5301 Office Park Drive Ste. 220 Bakersfield, CA 93309 and 661-395-3009.

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

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

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

Issuance Date: ~~May 1~~November 8, ~~2020~~2021

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider about *This* Franchise

Certain states require the following risks be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with us by arbitration only in California. Out-of-state arbitration may force you to accept a less favorable settlement for disputes. It may also cost you more to arbitrate with us in California than in your own state.
2. **Territory.** You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own or from other channels of distribution or competitive brands that we control.
3. **Spousal Guarantee**. Franchisees and spouses may be required to sign a personal guarantee, making your spouse individually liable for your financial obligations under the agreement if you are married. The guarantee will place your and your spouse's marital and personal assets at risk if your franchise fails.
4. **Accounts**. The size, number, and location of accounts offered to you are solely within the franchisor's discretion. If you reject an account that the franchisor offers you, the franchisor is under no obligation to replace that account.
5. **Location of Accounts**. You may have to accept and service more than one account at a time even though the accounts may be located far apart from each other or from you. You may lose any accounts you can't properly service and the franchisor is under no obligation to replace them.
6. **No Obligation to Provide More Accounts**. Once the franchisor's contractual obligation to offer your initial business has been fulfilled, the franchisor is under no contractual obligation to expand your business with additional accounts, even if you are willing to pay for them.
7. **Account Billing**. The franchisor performs billing and collection for all services that you provide your accounts, whether you obtain the account or the franchisor provides that account to you. If accounts you service do not pay, you suffer the loss of nonpayment. If the franchisor takes action to enforce account payments, it does so solely at your expense.
8. **Pricing**. The franchisor determines the amount to be charged for your services by bidding on customer accounts. You have no say in that determination. If the franchisor prices a customer account too low, even by mistake, you still must service the customer under the price the franchisor negotiates, even if you will lose money doing so.

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

TABLE OF CONTENTS

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

The Franchisor, Its Predecessor

In this Disclosure Document "We," "Us" or "the Region" means Prestige Worldwide Inc. dba Vanguard Cleaning Systems of the Southern Valley, the company offering this franchise. "You" means the corporation or limited liability company that buys the franchise and each shareholder or member of that franchisee entity. ~~Capitalized terms not defined in this Disclosure Document have the meaning described~~For ease of understanding, various capitalized terms are explained in general terms in this disclosure document at the first instance where they appear in this document. Legal definitions of capitalized terms appear in the Franchise Agreement ~~("Franchise Agreement" or "Agreement") attached as Exhibit A to this Disclosure Document~~.

We are a Corporation formed in the State of California on April 6, 2009 We do business under the name Vanguard Cleaning Systems of the Southern Valley. Our principal office is located at 5301 Office Park Drive Ste 220 Bakersfield, CA 93309.

Our agent for service of process is Jeff Sorrell whose address is 5301 Office Park Drive Ste. 220 Bakersfield, CA 93309.

We have no parent or predecessor required to be disclosed in this Item.

We do not have any affiliates that offer goods or services to our franchisees or that offer or sell franchises in any line of business.

Business of the Franchisor and the Franchise Offered

Our business is the offer and sale of franchises for independently owned and operated businesses that specialize in commercial janitorial services ~~under the form of Franchise Agreement attached as Exhibit A~~ and are licensed to operate under the Vanguard Cleaning Systems service marks at VCS customer sites (each, a "VCS Business"). Neither we nor our employees perform commercial cleaning services.

We have a Master Franchise Agreement with Vanguard Cleaning Systems, Inc. ("Vanguard") to offer these VCS Business franchises in our Development Area, which consists of Kern County, Tulare County, Kings County, Fresno County and a portion of northern Los Angeles County. Our Master Franchise Agreement is dated March 9, 2009 has an initial term of 20 years and is renewable by us for an additional 20 years, subject to certain conditions. If we grant you a franchise, your contractual relationship will be with us. Vanguard does not sign and is not a party to the agreements we make with our franchisees.

Our franchisees are sublicensed to use Vanguard Cleaning Systems® processes, standards, know-how and other proprietary information, called the "System", as well as the Vanguard Cleaning Systems® service marks, logo and other commercial symbols (the "Marks.") We are licensed by Vanguard to grant these sublicenses.

There are no regulations specific to the commercial janitorial services business known to us in California, other than the California Property Service Workers Protection part of the Labor Code, which imposes certain registration, reporting and training requirements on janitorial businesses in the state. Some of these requirements include payment of an initial $500 filing fee and annual renewal fees, submission of contact and other personal information for owners and principals of the janitorial business, submission of information related to workers compensation insurance coverage and certification of periodic sexual harassment training. Like other businesses, you also may be subject to generally applicable laws like worker's compensation, OSHA regulations, environmental regulations, privacy and data protection laws and others. These regulations may require you to undertake measures for the protection of employees and the public. You should contact local and state authorities for detailed information on these requirements. We recommend you consult with your attorney.

The market for your VCS Business, commercial janitorial services, is fairly well developed. Additional growth is expected from new business construction and the trend toward outsourcing janitorial and maintenance work. Accounts include owners or operators of business and professional offices, as well as commercial, industrial ~~and~~, medical and educational facilities. Competition includes nationally franchised and local commercial janitorial and building maintenance businesses. Customers can be lost for various reasons, such as poor service, better competitor pricing, a poor economy, and other company specific business reasons.

Prior Business Experience

We have offered VCS Business franchises since June 25, 2009. We have never offered franchises in any other line of business.

The Franchised Business

If you ~~become our franchisee~~sign a franchise agreement and pay the initial franchise fee, you will be a franchisee of a VCS Business. You will be licensed to use the Vanguard Cleaning Systems business System to offer commercial janitorial services under the Vanguard Cleaning Systems Marks to ~~VCS Accounts~~customer accounts on Account sites~~.~~

in a designated Area (each a "VCS Account"). You may obtain VCS Accounts on your own or accept VCS Accounts we offer to you under one of two models, the payment for which is in addition to the initial franchise fee. Each VCS Account we offer to you will give you the option to accept that account under either a Shared Revenue model where you split a percentage of the Service Billings on the account with us, or a Multiple Pricing model, where you pay us up to 4 times the Service Billings. Servicing Billings generally refers to the price contracted between the Region and VCS Account customer for the Account services. Under either model, the terms for each VCS Account are negotiated between you and us. Most often a written contract for cleaning services has been signed with the VCS Account customer for a specific price and this is an important factor in valuing the VCS Account for negotiating purposes but the terms will vary depending on the size of the premises, volume, location, services to be provided, and other factors. This Disclosure Document summarizes certain key features of our VCS Business franchise offering. You must refer to the Franchise Agreement attached as Exhibit A to this Disclosure Document for complete information. ~~You should understand that if you become an owner of a Vanguard Cleaning Systems franchisee, you will be an independent business owner and solely responsible for the day to day operations of that business, including the hiring, firing, managing, compensating, scheduling and disciplining of your own employees and all of the terms and conditions of their employment. The people you select to work in your VCS Business will be your agents and employees. They will not be our or Vanguard's employees or agents.~~

~~Owning a franchised business also involves economic risks. These risks may be greater for a new business with limited experience, such as a new franchise business. Any revenue, sales volume, profit and possible success you achieve are primarily dependent on your financial, management and other resources; your business, marketing, management judgment and other personal skills; your willingness to work hard~~

~~and your proper use of the Vanguard Cleaning Systems franchised System. We cannot and do not guarantee your success or any income level. Note that as of the date of this Disclosure Document the novel coronavirus pandemic is ongoing. While it is anticipated to have a limited life, its duration is uncertain, as are the economic consequences that may result from the event. A Vanguard Cleaning Systems franchised business may be negatively impacted by these circumstances through commercial building closures, a limited labor pool, biological risks, an inability to provide the special services an account may require, a downturn in the economy and a variety of other factors. These kinds of uncertainties exist across the globe and across industries.~~

Master Franchisor Information

Our Master Franchisor, Vanguard~~,~~ is a California corporation incorporated in April 1984. Vanguard does business under the name "Vanguard Cleaning Systems" and "Vanguard." Vanguard's principal office is located at 655 Mariners Island Blvd., Suite 303, San Mateo, California, 94404. Vanguard offers a Master Franchise for qualified persons to operate as Vanguard's subfranchisors (like the Region) within certain geographic markets. The Master Franchise is not being offered to you. It is the subject of a separate Disclosure Document. The System and the Marks belong to Vanguard, and the Region has a license to use them in offering and supporting our franchises. Vanguard is engaged exclusively in the business of licensing the System and providing support services to master franchisees like us. Neither it nor its employees perform commercial cleaning services.

Vanguard offered VCS Business franchises from April 1984 through June 2013, but no longer does so. Vanguard has never offered or sold any other franchises.

ITEM 2
BUSINESS EXPERIENCE

Our Management:

Jeff Sorrell: Vice President

Jeff Sorrell is the Region's Director, Vice President and is in charge of business development. Prior to the Region's formation Mr. Sorrell was President of Accurate Appraisal Service, Bakersfield, California, where he was a licensed real estate appraiser involved in valuation, report writing, consulting, marketing and sales of residential real estate since 1991.

Carol Sorrell: President

Carol is the President and Secretary of the Region. Ms. Sorrell began her career at Kern Health Systems in 1994 as Chief Operating Officer and was promoted to Chief Executive Officer in 1996. Ms. Sorrell left Kern Health Systems in September of 2011 to join Bakersfield Family Medical Care in February 2012. Ms. Sorrell is currently the Chief Operation Officer for Bakersfield Family Medical Care.

Casey Sorrell: Sales, Marketing and Operations

Casey Sorrell joined the region in May of 2012 and is in charge of sales and marketing for the Kern County area. Mr. Sorrell graduated from Fort Hays State University in Hays Kansas June~~,~~ 2013.

Michelle Schulz: Office Manager and Field Representative

Michelle Schulz is the Office Manager and is active in operations and training for the region. Ms. Schulz has extensive prior experience as an office manager, business owner and book keeping methods. Ms. Schulz joined Vanguard Cleaning Systems of the Southern Valley in January of 2018. Prior to joining us, Ms. Schulz worked for over 10 years as an office manager, business owner, and bookkeeper.

Joanna Hearron Franchise Development/Brand Services Representative

Joanna Hearron joined Vanguard Cleaning Systems of the Southern Valley February of 2015 as a Brand Services Representative. In 2017, Ms. Hearron was promoted to Head of Franchise Development and is responsible for Franchise sales and is active in training opportunities for the region. Prior to joining Vanguard Cleaning Systems of the Southern Valley Ms. Hearron was active with Global Family Care Network as the Overseas Network Facilitator.

Vanguard's Management:

Raymond Lee: President; Director; Chief Financial Officer

Mr. Lee has been the President and Chief Financial Officer for and a Director of Vanguard since February 1995, and Chief Financial Officer and a Director of RR Franchising, Inc. since its inception in February~~,~~ 2013.

Jim Foley: Senior Vice President, Master Franchise Development

Mr. Foley is Senior Vice President, Master Franchise Development. He joined Vanguard in January 2009 as Director, Master Franchise Operations, and was promoted to Vice President Master Franchise Operations in May 2009 and to his current position in August 2014.

Steve McConnell: Vice President, Marketing

Mr. McConnell joined Vanguard in April 2014. From January 2012 to March 2014, he was Vice President, Marketing for Talk-Free Inc. in San Mateo, California.

Margaret Narodick: Chief Legal Officer

Ms. Narodick has been our Chief Legal Officer since August 2018. From June 2002 until that time she served as Senior Counsel with Holmes Lofstrom, PC (previously Holmes Lofstrom, LLP) in Long Beach, California.

Eric Last: Franchise Development Director

Mr. Last has been Vanguard's Franchise Development Director since January 2005.

ITEM 3
LITIGATION

The Region

No litigation is required to be disclosed in this Item by us.

Master Franchisor

Pending Litigation:

Alida Mazariegos, Paula Gonzalez, and Jaime Amaya, Plaintiffs, on behalf of themselves and all others similarly situated v. Vanguard Cleaning Systems, Inc.; RR Franchising, Inc. d/b/a Vanguard Cleaning Systems of Southern California and d/b/a Vanguard Cleaning Systems of Northern California; Buddha Capital Corporation, d/b/a Vanguard Cleaning Systems of Sacramento, d/b/a Vanguard Cleaning Systems of the Central Valley, and d/b/a Vanguard Cleaning Systems of the Central Coast; and Wine Country Ventures, Inc., d/b/a Vanguard Cleaning Systems of the North Bay, and DOES 1 through 10, inclusive (Superior Court of the State of California County of San Mateo, Case No. 20-CIV-04267 (Filed October 1, 2020)).

Alida Mazariegos is a former franchisee of Wine Country Ventures ("WCV"). Paula Gonzalez is a franchisee of RR Franchising, Inc. ("RR"). Jaime Amaya originally signed a franchise agreement with a predecessor of Buddha Capital Corporation ("Buddha"), which Buddha later assumed, and Mr. Amaya currently operates his janitorial franchise business under D & J Cleaning, LLC. Plaintiffs filed this action on behalf of themselves and seeking to represent a class of franchisees in California under the theory that they were or are employees of WCV, RR, and Buddha, respectively, as well as master franchisor, Vanguard Cleaning Systems, Inc. ("VCS"). Ms. Gonzalez and Mr. Amaya have also filed an initial Private Attorneys General Act ("PAGA") complaint with the California Labor and Workforce Development Agency on behalf of themselves and other California franchisees. Plaintiffs claim in this action and in the PAGA complaint to have been misclassified as independent contractors in violation of California law. Plaintiffs in this action have made seven wage-based claims, alleging Wage Order violations, Labor Code violations, and a violation of the state unfair competition law. They seek class certification, declaratory judgments with respect to the purported violations and the nature of the defendants' liability, attorneys' fees and costs, as well as an order for unspecified damages, penalties and restitution of all amounts owed plaintiffs under the Labor Code. Plaintiffs in the PAGA representative action seek enforcement of fourteen alleged Labor Code violations against VCS and all California master franchisees, including Prestige Worldwide, Inc. d/b/a Vanguard Cleaning Systems of the Southern Valley and an unspecified amount of related penalties, liquidated damages and interest. Each of the named defendants has independently indicated its intention to defend these matters vigorously. Discovery in the matter is ongoing.

Concluded Litigation:

Luiz Tomaz Da Costa, Flavio Melo Filho, Geraldo Dimas Figueiredo and Sebastiao Matos, Dominga Almonte, Laura Abreu, and Rafael Abreu on behalf of themselves and all others similarly situated v. Vanguard Cleaning Systems, Inc., and Ztico, Inc. d/b/a Vanguard Cleaning Systems of Southern New England (Commonwealth of Massachusetts Superior Court, Middlesex County, Docket No. 1581CV04743 (Filed June 26, 2015). A First Amended Class Action Complaint was filed on August 19, 2015.

The plaintiffs are former unit franchisees of Ztico, Inc. ("Ztico"). They filed this action seeking to represent a class of franchisees in Massachusetts and/or Connecticut under the theory that they were employees of Ztico and Vanguard Cleaning Systems, Inc. ("Vanguard") who had been misclassified as independent contractors in violation of Massachusetts and Connecticut law and other wage-based claims. They sought statutory trebling (in Massachusetts) and doubling (in Connecticut) of damages. Ztico, which was an independently owned and operated Rhode Island-based master franchisee of Vanguard, with regional rights in Massachusetts and Connecticut as well, was dismissed from the lawsuit with prejudice on November 12, 2015 when Ztico reached an independent settlement agreement with the plaintiffs. On September 29, 2017 there was a finding against Vanguard regarding liability for certain test case plaintiffs. Vanguard vigorously defended this action for some time thereafter, and while the court did not make any findings on class-wide liability or certify a class, and while there was no final judgment as to whether Ztico or Vanguard misclassified any franchisee, Vanguard ultimately chose to enter into a settlement agreement as well, which was approved by the court on March 6, 2019. Vanguard agreed in its settlement agreement to pay approximately $559,450 as payments to the named plaintiffs and any possible class members, in exchange for full releases and other consideration. As part of the settlement, Vanguard paid $275,550 to plaintiffs' counsel in legal fees. A stipulation of dismissal was filed with the court on April 2, 2019.

Other than ~~this one action~~these two actions, no litigation is required to be disclosed in this Item about Vanguard or the Region.

ITEM 4
BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

~~You~~Unless the criteria described below related to specific discounts is satisfied, new franchisees must pay us a $5,000 initial franchise fee in full ~~at the time that you sign the Franchise Agreement~~when signing a franchise agreement. The initial franchise fee is non-refundable except in the following instance: You have a right to terminate the Franchise Agreement on written request within 30 days of the Effective Date of the Agreement. In that case, we will return the amount of the initial franchise fee we received from you before the refund date if you sign our then current form of general release. The initial franchise fee is otherwise non-refundable. ~~The~~Upon signing a franchise agreement and paying the initial franchise fee ~~is payable regardless of whether~~ you ~~obtain~~will be a franchisee of a VCS Business ~~Plan or not. Optional Business Plans are described below in this Item 5 and in Item 6 of this Disclosure Document.~~and licensed to use the Vanguard Cleaning Systems business System to offer commercial janitorial services under the Vanguard Cleaning Systems Marks to VCS Accounts on Account sites. These VCS Accounts are commercial accounts obtained by you or accepted by you from us under one of two models we offer you in exchange for payment of a negotiated Marketing Fee, in addition to the initial franchise fee.

We offer qualified Veterans of the U.S. Armed Forces a 10% reduction on the initial franchise fee. In addition to meeting our standard franchisee qualifications, you must have received an honorable discharge and must own at least 50% of the franchisee Business Entity. You must advise us of your veteran status and provide evidence satisfactory to us that you meet applicable qualifications before signing any Franchise Agreement.

Additionally, we may in our discretion waive or discount the initial franchise fee to $3,500 for franchise candidates who are currently conducting commercial cleaning business operations.

We may on occasion be asked to offer a franchise to someone who is relocating to our region and who is an existing franchisee of a Vanguard master ~~franchisee~~franchise in a different region in the Vanguard Cleaning Systems franchise organization. In those cases, the franchisee will have already received start up assistance from the master franchisee. Under those circumstances we may choose to waive or to offer a discounted initial franchise fee.

~~After they have met their pre-opening obligations, new franchisees also are offered the opportunity to select an optional Business Plan that includes 1 or more commercial janitorial account (each a "VCS Account") Transfers you accept from us. A "Transfer" of an Account gives you ownership and control of the Account, subject to certain conditions and our right to perform Business Support Services for the Account. A description of when an Account might revert to us is provided in Item 12 of this Disclosure Document. You are not required to obtain a Business Plan. If you decide to select a Business Plan, you will pay us a Business Plan Referral Fee for your chosen Plan when you and we sign Exhibit A of the Franchise Agreement. We set the Business Plan Referral Fee according to the dollar amount of annual services billings ("Service Billings") anticipated to be generated by the Business Plan Accounts we Transfer to you. The various Business Plans and applicable fulfillment periods (each, a "Fulfillment Period") are identified on Exhibit A of the Franchise Agreement. The Business Plan Referral Fees range from $7,000 to $31,000. If you select a Business Plan and pay the full Business Plan Referral Fee in a lump sum when you select your plan, we discount the applicable Business Plan Referral Fee by 10%. In the fiscal year ended December 31, 2019, of the 7 (seven) franchisees who purchased franchises in that year had either received 100% of the Business Plan Account commitment from the Region or were still in their fulfillment period at the end of the fiscal year. 1 (one) franchisee(s) had their original initial franchise fee refunded after completing the VCS Business System Program and not wanting to receive Accounts.~~

~~Refer to Items 6 and 10 for more detailed information on possible Business Plan selections. Business Plan Referral Fees are partially refundable, as described in Item 6.~~

The fees described in this Item are uniform as to all new franchisees who receive ~~this~~an offer under this disclosure document. We have the right to change the amount of the initial franchise fees that we charge new franchisees or in specific circumstances in the future, but have no immediate plans to do so.

ITEM 6
OTHER FEES

The fees described below are paid to us and none are collected on behalf of any third party. The fees listed below are currently uniform as to all new franchisees who receive this offer~~. However, we may negotiate different rates or fees with other franchisees when we think appropriate and to the extent permitted under applicable law. Additionally, we may permit renewing franchisees to carry forward certain fees/percentages under their expired franchise agreement for the term of their renewal franchise agreement~~, except for certain negotiated Marketing Fees, as described in the chart below. We ~~also~~ may change the type and amount of fees ~~offered~~, as well as the programs we offer, to new or renewing franchisees in the future.

NAME OF FEE (See Note ~~5~~4.)	AMOUNT	DUE DATE	REMARKS
~~**Business Plan Referral Fee**~~	~~$7,000 – $31,000~~	~~If you select a Business Plan, payable when you sign Exhibit A of the Franchise Agreement.~~	~~See Note 1.~~ ~~If any portion of the fee is financed, your note payments are deducted on the 28th day of each month from amounts collected from Accounts your VCS Business services. (See Note 2 and Item 10 on financing.)~~

NAME OF FEE (See Note ~~5~~4.)	AMOUNT	DUE DATE	REMARKS
Royalty	15% of your monthly gross revenues.	Deducted on the 25th day of each month from amounts collected from VCS Accounts your VCS Business services and deposited to the VCS Clearing Account. (See Note ~~2~~1.)	Monthly gross revenues include all amounts due from VCS Accounts your VCS Business services, including any amounts you collect. Balance of amounts we collect remitted to you on the 28th day of each month after deduction of amounts due to us. Revenue from any ancillary services/products sold to VCS Accounts in compliance with the Franchise Agreement is not subject to royalty, Business Support Services fees or other compensation due us.
Business Support Fee	5% of your monthly gross revenues.	Deducted on the 25th day of each month from amounts collected from VCS Accounts your VCS Business services and deposited to the VCS Clearing Account. ~~(See Note 2.)~~	See remarks above regarding gross revenues. We handle all billing and collection services for any VCS Account you service.
Marketing Fee (Note ~~3~~2)	The Marketing Fee is established between you and us ~~when an Additional~~if a VCS Account is offered and is negotiated, so can vary. ~~We may at our option offer an Additional~~For each VCS Account you accept on a Multiple Pricing basis, ~~which is with a~~the Marketing Fee is calculated as a multiple of ~~first month's gross~~the Service Billings (currently ~~generally~~up to 4 times Service Billings). Currently, the Region receives negotiated Marketing Fees under the Multiple	The Marketing Fee for accounts accepted on a Multiple Pricing basis is due in full at the time you accept ~~an Additional Business Transfer. Financing may be offered and, if so, payments due are~~the VCS Account unless you finance the payments which will be deducted on the 25th day of each month from amounts collected from VCS Accounts your VCS Business services and deposited to the VCS Clearing Account. (See Note ~~2~~1.) (See Item 10 on financing.)	We are obligated to offer VCS Accounts to you, you are not obligated to ~~supply Additional Business. You are not obligated to accept Additional Business. After we have met any initial Business Plan obligations, this~~accept every account offered to you. This fee is for marketing and related services performed by us related to obtaining new VCS Account business that you choose to accept from us. This Fee also applies to any increase in existing VCS Account business that expands its service requirements; however, the fee does not apply to ~~Vanguard Cleaning Systems~~VCS Accounts you solicit and obtain. (See Note ~~3~~2.) ~~The Fulfillment Period for~~

NAME OF FEE (See Note ~~5~~4.)	AMOUNT	DUE DATE	REMARKS
	Pricing model in the approximate range of, $2,400 to $20,000. ~~Alternatively, we may at our option offer an Additional Account on a Shared Revenue basis, with a Marketing Fee calculated as an ongoing percentage of Service Billings (currently generally a 80%/20% split). All Marketing Fees are subject to change by us, and may be negotiated by us on a case by case basis.~~For each VCS Account you accept on a Shared Revenue basis, the Marketing Fee is calculated as an ongoing percentage of Service Billings. Currently, the Region received negotiated Marketing Fees in a Shared Revenue model in the approximate range of 1% to 12% of Service Billings. Marketing Fees are subject to change by us for future franchisees and/or on renewal.		~~Additional Business Transfers is 90 days.~~
Special Services	The fee is usually set as a percentage of the Service Billings for the requested services and is subject to change by us. Currently, it is generally between 10% and 20% of the Service Billings, depending on your role in getting the business. (See Note ~~4~~3.)	Deducted on the 25th day of each month from amounts collected from VCS Accounts your VCS Business services and deposited to the VCS Clearing Account. (See Note ~~2~~1.)	Special Services are non-routine services, such as carpet cleaning, floor finishing, etc. (See Note 3.)

NAME OF FEE (See Note ~~5~~4.)	AMOUNT	DUE DATE	REMARKS
Substitute Services Reimbursement	Expenses we incur in arranging for substitute third party Account servicing to preserve Account good will.	Due on demand and deducted on the 28th day of an applicable month from amounts collected from Accounts your VCS Business services and deposited to the VCS Clearing Account. (See Note ~~2~~1.)	May be necessary for brand protection if your VCS Business does not meet Account Cleaning Services Agreement requirements or does not arrange in advance for schedule substitutions as needed. You authorize us under the Franchise Agreement to arrange for these services for the Account when necessary to preserve the good will associated with the Marks. Account Cleaning Services Agreement is the customer contract for VCS commercial cleaning services.
Indemnity	You must hold us and our related parties harmless from claims connected to you and/or your VCS Business; Amount varies with claim and related costs and fees.	Upon demand.	Includes all liability, costs of defense, obligations, damages and expenses.
Insurance	You pay the premium costs of coverage, plus our administrative fee if you participate in general liability, crime and umbrella liability insurance coverage through us, which together we estimate will not exceed 5%` of your gross revenues.	When due to insurance carrier or, if using our group policy, paid to us, with payments deducted on the 25th day of each month from amounts collected by us from Accounts your VCS Business services and deposited to the VCS Clearing Account. (See Note ~~2~~1.)	Payable if we offer franchisees an opportunity to participate in a group insurance program and you choose to obtain general liability, crime, and umbrella liability insurance coverage through the group. You can buy this insurance through other sources, and it may be less expensive from another source. Your VCS Business insurance must meet our minimum coverage standards. We are not obligated under the Franchise Agreement to offer an insurance program.
Cost of Collection and/or Enforcement	Cost of legal proceedings and other expenses to collect payments from you or to enforce other terms of the Franchise Agreement.	On demand, if we prevail.	Includes reasonable attorneys' fees.

NAME OF FEE (See Note ~~5~~4.)	AMOUNT	DUE DATE	REMARKS
Interest	1.5% per month or the highest rate allowable under applicable law, whichever is more.	On demand.	Incurred with late payments.

~~**Note 1:** After they have met their pre-opening obligations, new franchisees are offered the opportunity to select an optional Business Plan that includes 1 or more commercial janitorial account (each a "VCS Account") Transfers from us.~~

~~If you decide to select a Business Plan, you will pay us a Business Plan Referral Fee for your chosen Plan when you and we sign Exhibit A of the Franchise Agreement. We set the Business Plan Referral Fee according to the dollar amount of annual services billings ("Service Billings") anticipated to be generated by the Business Plan Accounts we Transfer to you. The various Business Plans and applicable fulfillment periods (each, a "Fulfillment Period") are identified on Exhibit A of the Franchise Agreement. The Business Plan Referral Fees range from $7,000 to $31,000. If you select a Business Plan and pay the full Business Plan Referral Fee in a lump sum when you select your plan, we discount the applicable Business Plan Referral Fee by 10%.~~

~~We offer to finance up to $7,000 of the Business Plan Referral Fee, as described in Item 10 below. In that case, you make a down payment when you select a Business Plan equal to the balance of the Business Plan Referral Fee for the chosen Plan. The table appearing on Exhibit A to the Franchise Agreement shows the schedule of Business Plan Referral Fees and the financing terms.~~

~~When you accept Account Transfers representing the selected Business Plan Service Billings our Business Plan Account obligations to you are satisfied, regardless of whether you later reject any Business Plan Accounts or choose to discontinue servicing any of them or to assign any Accounts to another VCS Business. You can request a refund if we don't Transfer VCS Accounts to you in the applicable Fulfillment Period with total Service Billings meeting your selected Business Plan. We must receive your written request for a refund within 10 days after the end of the applicable Fulfillment Period. To calculate the refund amount due, the average monthly Service Billings of the Accounts assigned to you is subtracted from the amount of the average monthly Service Billings due under the selected Business Plan to determine the difference between the amounts (the "Deficiency"). The refund due is the amount of the Deficiency multiplied by 4, subject to the following limitations: No refund will be more than i) the amount of the Business Plan Referral Fee you originally financed or, ii) if no financing was used, the amount that you could have financed under the Business Plan you selected. We keep the cash down payment or, if applicable, the amount that would have been paid as a down payment if you had not paid the Business Plan Referral Fee in a lump sum. We can offset any refund due you against any amounts you owe us.~~

~~Revenue actually generated from the Business Plan Account Transfers that you accept depends on a variety of factors, including the performance of your VCS Business and Account satisfaction and retention. The Service Billings identified with each Business Plan must not be considered an assurance that your VCS Business will actually earn that amount. We do not offer any guarantees. Also, remember that Service Billings do not take into account any sales costs and operating expenses which your VCS Business can incur and which reduce your actual revenue. (Also refer to Item 19 of this Disclosure Document.)~~

~~If you do not request a refund, we have an additional 90 days to provide the Service Billings due under your Business Plan. A refund is your only remedy if we fail to meet our Business Plan commitments.~~

~~If you accept a refund, we do not have to offer any further Business Plan Accounts to you. You can accept or reject any VCS Account Transfer offered to you. Whenever you accept an Account Transfer from us in connection with your Business Plan, you will sign an Account Transfer and Acceptance, which can include a general release of claims by you. A current version of an Account Transfer and Acceptance is attached to this Disclosure Document as Exhibit J-1, but we can change the form in the future.~~

~~We will try to replace Business Plan Accounts under certain conditions. We have no obligation to replace a Business Plan Account or make any refund on a Business Plan Account if,~~

~~i) an Account Cleaning Services Agreement is canceled or lost any time after 12 months from the date that you accept an Account Transfer, or~~

~~ii) a customer at any time terminates the Account Cleaning Services Agreement because of concerns regarding your (or your agent's/employee's) integrity and/or character, service quality, or a claimed failure to meet Account Cleaning Services Agreement requirements, or~~

~~iii) a customer requests a Transfer to an alternative VCS Business at any time because of concerns regarding your (or your agents'/employees') integrity and/or character, service quality, or a claimed failure to meet Account Cleaning Services Agreement requirements, or~~

~~iv) you choose to discontinue providing the services required under the applicable Account Cleaning Services Agreement or to transfer the Account to another VCS Business, or~~

~~v) your Franchise Agreement is terminated because you default, or~~

~~vi) you or an owner/agent of yours fails to pass any criminal background check and/or drug, chemical or physical testing required by an Account, or we have cause to send you a notice of default and termination for breach of the Franchise Agreement and send you a written demand for the Account to revert to us.~~

~~The Service Billings associated with an Account you lose for any of the above reasons is counted towards the Service Billings due you under your selected Business Plan. We will diligently try to replace a Business Plan Account that you lose for reasons other than those described above if the Account is cancelled within 12 months of its Transfer to you. Replacements will be made within 90 days of cancellation. Substituted VCS Accounts will be for the amount of the lost Service Billings, if the cancellation occurs within 6 months of the Transfer, or ½ of that amount if the cancellation occurs between 6 and 12 months of the Transfer of the lost Account.~~

Note ~~2~~1: Under the Franchise Agreement you authorize us to handle all billings and collection for the VCS Accounts your VCS Business services, and Account payments are deposited to a dedicated bank account used exclusively for receipt of all Vanguard Cleaning Systems Account funds, which is called the VCS Clearing Account. We deduct royalties, business support fees, promissory note payments, marketing fees, insurance related charges, substitute services reimbursements, special services fees, and all other amounts you owe us from amounts we collect from Accounts serviced by your VCS Business. We remit the balance to you. We may at our option defer collecting those fees and/or other charges from you for up to 60 days, if VCS Account collections in any month are insufficient to cover all amounts owed. If for any reason you collect any payment directly from a VCS Account, you must report it to us and pay the applicable royalty and business support fees, or we will deduct them from amounts we collect from other VCS Accounts you service. You have the right to discontinue servicing any VCS Account if it does not pay for services rendered by your VCS Business. We will consult with you before discontinuing to invoice a VCS Account and before settling a delinquent Account matter. While we make reasonable efforts to collect amounts billed to Accounts, we do not promise that we will file suit to collect or otherwise be able to collect from any of the Accounts your VCS Business services, so you ~~take~~have the risk of loss ~~if a VCS Account fails to~~on Uncollected Accounts which are VCS Accounts that fail to timely or fully pay ~~its~~a bill. Funds advanced to you in connection with an Uncollected Account can be deducted from amounts we owe you. If you ask us in writing, we will assign to you our rights in an Uncollected Account serviced by your VCS Business. You must follow the law in trying to collect on the Account and indemnify us if we incur any damages or other liabilities from your collection activity. You are solely responsible for billing and collection activities related to any non-Vanguard Cleaning Systems accounts you may have.

Note ~~3~~2: We ~~may, but are not required to, offer you account business in addition to any Business Plan Accounts offered to you in satisfaction of any Business Plan Service Billings obligations ("Additional Business"). Additional Business includes increases in Service Billings to existing Accounts, once we have met any Business Plan obligations to you~~will offer you VCS Accounts. You are not required to accept ~~any Additional~~all VCS Accounts ~~Business~~ that we offer to you~~. If we want to offer you Additional Business, we can require you to sign an Additional Account Business Agreement, at our option. The current form is attached to this Disclosure Document as Exhibit I, but we can change the form in the future~~, however, if you have not accepted any VCS Accounts offered to you by us within 90 days from the Effective Date, we may terminate the franchise agreement and refund any initial franchise fee paid by you. Marketing Fees calculated as a multiple of ~~monthly~~ Service Billings ~~and related Additional Business Transfers~~ generally are subject to the refund and replacement terms ~~that apply to Business Plan~~ Accounts ~~and which are described in Note 1 and in the attached Exhibits A and I. Additional Account Business~~ accepted on a shared revenue basis, e.g., an Account for which you pay us a non-refundable, ~~monthly~~ percentage share of ~~Gross~~ Service Billings ~~for such Additional Account~~ on an ongoing basis, instead of a specific Marketing Fee amount, ~~is~~are not subject to replacement or refund (a "Shared Revenue Account"). A Shared Revenue Account is an ongoing payment arrangement and your combined payments may cost you more than if you paid a standard Marketing Fee instead (typically an agreed upon multiple of monthly Service Billings for that Account). The total amount of payments you make with respect to a Shared Revenue Account ultimately will depend on how long your Vanguard Cleaning Systems® Business services that Account and the actual amount of the Account's total Service Billings during that time. We may occasionally offer ~~Additional Business~~VCS Accounts for discounted or no fees to satisfy an Account need or for other business reasons.

Note ~~4~~3: Special Services are Account orders for non-routine VCS Business services, such as carpet cleaning, floor finishing, and initial cleaning. You must notify us of any Special Services orders that you receive from your VCS Accounts. Generally, if you generate the new order and price and sell the job, the current fee to us is 10% of the invoice for the applicable service(s). If you generate the new order, but we price and sell the job, you usually pay us 15% of the invoice for the applicable service(s). In all instances, your VCS Business is responsible for furnishing the equipment, supplies and staffing necessary to complete any Special Services order accepted by you. Special Services fees can vary and are in addition to the continuing royalty and Business Support Services fees we charge on Gross Revenues.

Note ~~5~~4: If we have any fees, taxes, or other assessments imposed on us because of payments you make to us (or which are collected from Accounts that your VCS Business services) then we can require that you pay us an additional amount so that the net amount we actually receive after the deduction, payment or withholding is the full amount of the royalty, fee or other amount we are entitled to be paid under the Franchise Agreement.

None of the fees described in the above table are refundable, except as described in Notes 1 and 3 in this Item and in Item 5 above. We may pay franchisees a $500 referral fee or offer equivalent equipment items or additional Service Billings for referred candidates who acquire a franchise, but we can change this policy at any time.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	ESTIMATED AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee (See Note 1)	$0 - $5,000	Lump Sum	On Signing of Franchise Agreement	The Region
~~Business Plan Referral Fee (Cash)~~ ~~(See Note 2)~~	~~$6,300 – $27,900~~	~~Lump Sum~~	~~On Signing Exhibit A of the Franchise Agreement~~	~~The Region~~
~~Business Plan Referral Fee (financed)~~ ~~(See Note 2)~~	~~$614.79 – $24,614.79~~	~~Down Payment and then Monthly~~	~~Down Payment on Signing Exhibit A of the Franchise Agreement and Monthly Installments Thereafter~~	~~The Region~~
Equipment and Supplies (See Note ~~3~~2)	$0 - $1,300	As Arranged	As Needed To Operate The Business	Third Parties
Licenses and Permits; Business Entity formation and name registration (See Note ~~4~~3)	$100 – $2,000	Lump Sum	Before Commencing Business	Governmental Agencies
Insurance (See Note ~~5~~4)	$200 – $600	As Arranged; typically monthly	Minimum Required Coverage Must Be Obtained Before Commencing Business	The Region or Insurance Carriers
Real Property/Leases	$0			(See Note ~~6~~5)
Additional Funds – 3 months (See Note ~~7~~6)	$200 – $300	As Arranged	As Required	Third Parties
TOTAL (See Note 7)	$5,500 – $~~37,100~~9,200			

Note 1: Refer to Item 5 for instances in which the initial franchise fee may be discounted from the amount provided above.

~~**Note 2**: If you choose to obtain a Business Plan, you will sign Exhibit A of the Franchise Agreement. We anticipate that franchisees selecting Business Plans will sign Exhibit A within 90 days of the Effective Date of their Franchise Agreement. The range for Business Plan Referral Fees paid in cash reflects a 10% discount on the price of the Plan, as described in Exhibit A. You can also choose to finance $7,000 of the applicable Business Plan Referral Fee, in which case your down payment will be the balance of the full Business Plan Referral Fee applicable to your selected Business Plan. The range for financed Business Plan Referral Fees includes the down payment (if any) and the first three monthly installment payments ($204.93/month) you will make to us, based on the smallest to the largest Business Plans available. (Refer to Item 10 for loan terms and other financing information.)~~

Note ~~3~~2: You need to ensure that your VCS Business maintains the equipment and products necessary to provide the services specified by the Accounts you accept. Your actual costs will vary depending on the products and equipment you require and the vendor you select.

Note ~~4~~3: You must have all business licenses/permits required under the laws applicable to your VCS Business before operating it. If you are not already a registered janitorial business, you will need to pay an initial registration fee (currently $500) and register to meet the requirements of the California Property Service Workers Protection part of the Labor Code. The above range also includes an estimate of costs you may incur in forming a corporation or limited liability company to conduct your VCS Business and in filing a fictitious business name, if required. Professional fees, like legal or accounting fees, are not included in this range, but ~~would be~~are additional expenses and would vary significantly depending on the firms engaged to perform the services and on your particular ownership circumstances.

Note ~~5~~4: You must have insurance coverage meeting our then current minimum coverage/policy requirements, unless you and we agree otherwise~~.~~. If you don't already have the minimum required coverage when you become a franchisee, then you must purchase it, and the minimum required coverage can change. As of the date of this Disclosure Document, you must have insurance coverage meeting these minimum coverage requirements: crime insurance coverage of $1,000,000; commercial general liability coverage of $1,000,000 per occurrence and $2,000,000 in the aggregate or, if higher, the statutory minimum required by state law; automobile liability insurance coverage for owned or leased vehicles used in the VCS Business in an amount at least as great as the statutory minimum required under the state in which your VCS Business will operate; and commercial umbrella coverage of $10,000,000. We and Vanguard Cleaning Systems, Inc. must be named as additional insured on each of the previously named policies. You also must maintain workers' compensation insurance as required under the law of the state in which you will operate your VCS Business. We currently offer you the opportunity to participate in the Vanguard Cleaning Systems group program for commercial liability, umbrella liability and crime insurance coverage and to make monthly payments, which includes costs of coverage and our administrative charges. The estimated range provided is based upon what participants in this group program typically pay us for the described general liability, crime, and umbrella liability insurance coverage (plus our administrative fees), from the time they begin their VCS Business and during the first 90 days of operation. If you have or obtain this coverage through another source, your costs may be different and could be less than our insurance program costs, depending on the carrier you select, your negotiating skills, your policy limits and other variables. The Vanguard Cleaning Systems group program does **not** offer coverage for the following: Automobile, Medical, Dental, Plan Deductibles, Workers Compensation and any items excluded under the particular group policies. You also have to maintain an unemployment insurance account as required under the laws of the state in which your VCS Business will operate. In all cases, insurance industry rates can change and you may need to pay more for coverage if they do. An estimated worker's compensation coverage is not included in the range provided~~.~~ above. More insurance rate information is available online from the California Insurance Commissioner, including forms at https://www.wcirb.com/ratesheet/request-form.

If you are required to have this coverage under local law, then your costs will be higher. Lastly, you also must maintain vehicle liability insurance in the minimum amounts noted. No amount is included for vehicle coverage in the estimated range since most franchisee owners already own their vehicle and are required by law to maintain liability coverage meeting statutory minimums. Therefore, this is an ongoing expense most franchisee owners have before they obtain the franchise.

Note ~~6~~5: Most franchisee owners manage their VCS Business operations from their homes. If you choose to operate your business from leased space, you will incur additional expenses depending on the size of space you select, local rent conditions and other site specific variables.

Note ~~7~~6: Additional funds are the estimated amounts you will need for the expenses of operation during the initial phase of the business, which is the initial 3 months after you begin operating your business as a VCS Business. These expenses will be mainly for transportation (gas and vehicle maintenance) from your VCS Business location to Account locations. This estimate does not include any owner's draw or salary. It also does not include payroll processing fees and employer matching tax contributions and other employment related fees for employers because we do not predict how many employees you may hire to meet Account requirements. Additional funds were estimated on the basis of experience with franchisees' operations and ~~Vanguard's~~ general knowledge of the industry.

Note ~~8~~7: Most franchisee owners have an existing means of transportation sufficient to operate the business, so no vehicle costs are included in the range provided. If you choose to purchase a vehicle specifically for your VCS Business, you will incur additional insurance and vehicle expenses and your costs of doing business will be higher than those reflected in the estimated range provided. Since franchisee owners live within driving distance of the Vanguard Business System Program facilities, the estimated cost range also does not include any travel or lodging expenses in connection with participation in the Vanguard Cleaning Systems Business System Program, should you choose to attend. You may incur some minimal additional commuting expenses, depending on where you live. This range is only an estimate, and we cannot guarantee that the amounts specified will be adequate. You may need additional funds during the first 3 months of initial operation and afterwards. In addition, the estimates presented relate only to certain costs associated with the franchised business and do not cover any personal, "living," expenses or certain other business expenses you may have, such as royalty payments, support services fees and other amounts paid to us, debt service on any loans or financing arrangements, tax expenses and a variety of other amounts not described in the above charts.

We ~~offer financing on a portion of the Business Plan Referral Fees, as described in Item 10 of this Disclosure Document. We also~~ may offer to finance ~~Additional Business in the future~~all or some of the Marketing Fee associated with certain VCS Accounts, as described in Item 10. Otherwise, we do not offer, either directly or indirectly, financing to our franchisees for any of the items described in the above chart. All amounts paid to us are nonrefundable, except as described in Items 5 and 6. Typically, amounts paid to third parties will not be refundable unless otherwise agreed.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

As of the issuance date of this Disclosure Document you are free to purchase products and services from suppliers of your choice. We offer you a list of suppliers of certain products, but you currently are not required to purchase those products or to use those suppliers. Under the Franchise Agreement we can require that you purchase and use in your VCS Business certain products and equipment and use certain suppliers to protect the Vanguard Cleaning Systems reputation and good will and to maintain the uniform quality and ~~Brand~~VCS System Standards associated with the Marks, which we refer to as the "Brand Standards". We may do so in the future.

Other than VCS Account billing and collection services, as described in Item 6 of this Disclosure Document, you currently are not required to purchase or lease any equipment or other goods or services from us, from Vanguard or from our respective affiliates.

As of the date of this Disclosure Document, you can choose to participate in commercial liability, umbrella liability and crime insurance meeting the minimum requirements through a Vanguard Cleaning Systems group coverage program. Vanguard negotiates rates with the applicable carrier(s), and we arrange for coverage through them. Vanguard does not derive revenue from insurance purchases under this program. If you obtain this coverage through us, you pay us the cost of coverage plus an administrative fee (refer to Item 6 of this Disclosure Document). These administrative fees are revenue to us. If you participate in the group coverage program, we may require you to sign our Insurance Request Form/Payment Authorization. A sample of the current form is attached as Exhibit B to this Disclosure Document, but we can change the form periodically. You may be able to buy the minimum required commercial liability, umbrella liability and crime insurance coverage for less than the prices we offer you.

We also make a profit if you buy or rent products or equipment from us. We discontinued selling products and equipment to franchisees ~~in~~towards the end of 2020. These items typically were purchased by ~~a Region~~us at wholesale and the Region received a mark up on their resale to you.

In the ~~2019~~2020 fiscal year, the revenue we received from franchisee insurance and sales of equipment to franchisees totaled $~~89,119.00~~198,034 for a total of ~~8~~7.2% of our total revenue from all sources, which was $~~1,169,980.00~~2,748.153 according to our audited financial statements.

Otherwise, we ~~currently~~ do not currently derive revenue from any required purchase by or lease to you. Vanguard does not derive revenue from insurance purchases under our program or any other product purchases by you.

Under the Franchise Agreement we, Vanguard and our/their respective affiliates have the right to make and keep any revenues, mark ups, profits and other economic benefits received in connection with sales of products and services made to you and other franchisees or received from ~~third~~their party suppliers to franchisees.

~~Owners~~Our owners or officers ~~of the Region or~~and those of Vanguard may have minority ownership interests in a variety of publicly traded companies. Some of these publicly traded companies or their affiliates could be approved or designated suppliers to our franchisees. Other than this type of minority ownership and our executive officers' ownership interest in the Region, no officer or owner of ~~the Region or Vanguard~~ours has any ownership interest in any of your suppliers.

Purchases or leases which you must make according to franchise specifications total between 1% and 18% of the cost of all purchases or leases to establish the business, and between 8% and 9% of the cost of all purchases and leases to operate the business.

There are no purchasing or distribution cooperatives as of the date of this Disclosure Document. ~~The Region~~We may negotiate discounted rates from certain chemical and equipment supply companies for the benefit of its franchisees, but is not required to do so.

We do not provide material benefits to you (for example, renewal or offering ~~Additional~~VCS Account Business) based on your purchase of particular products or services or the use of particular suppliers.

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 FRANCHISE AGREEMENT	ITEM IN THIS DISCLOSURE DOCUMENT
a.	Site Selection and Acquisition/Lease	N/A	Item 11
b.	Pre-Opening Purchases/Leases	Sections 2 and 16	Items 5, 7 and 8
c.	Site Development and Other Pre-Opening Requirements	Section 2	Items 7 and 11
d.	Initial and Ongoing Training	Sections 3 and 5	Items 7 and 11
e.	Opening	Sections 2 and 16	Item 11
f.	Fees	Sections 2, 4, 5, 11, 12, 13, 14, 15, 16, 17, 20, 25, 28, and 32 ~~and Exhibit A of the Franchise Agreement~~ Section 2 of the Account ~~Cleaning Services Agreement –~~ Business Transfer ~~and Acceptance (Business Plan Account) and the Additional Account Transfer and~~ Acceptance forms (FDD Exhibits J-1~~,~~ and J-2 ~~and J-3~~) Insurance Request Form/Payment Authorization (FDD Exhibit B) Unit Franchisee Account Assignment Agreement	Items 5, 6 and 11
g.	Compliance With Standards and Policies/Manual	Sections 2, 6, 7, 8, 10, 12, 16, 17 and Exhibit ~~D~~C Section 4 of the ~~Additional~~VCS Account Business Transfer and Payment Agreement	Items 8 and 11
h.	Trademark and Proprietary Information	Section 6	Items 13 and 14
i.	Restrictions On Products/Services Offered	Sections 5, 6, 8 and 12	Items 8 and 16

	OBLIGATION	SECTION IN FRANCHISE AGREEMENT	ITEM IN THIS DISCLOSURE DOCUMENT
j.	Warranty and Customer Service Requirements	Sections 8 and 12	Item 6
k.	Territorial Development and Sales Quotas	Section 12	Items 12 and 17
l.	Ongoing Product/Service Purchases	Section 12 ~~Additional~~VCS Account Business Transfer and Payment Agreement and ~~Additional~~VCS Account Transfer ~~and~~ Acceptance Terms (FDD Exhibits I, J~~-2~~-1 and J~~-3~~-2)	Item 6
m.	Maintenance, Appearance and Remodeling Requirements	N/A	N/A
n.	Insurance	Sections 2, 16, and Exhibit ~~D~~C Insurance Request Form/Payment Authorization (FDD Exhibit B)	Items 6, 7 and 8
o.	Advertising	Section 9	Item 11
p.	Indemnification	Sections 5 and 15	Item 6 and 13
q.	Owner's Participation Management/Staffing	Sections 7, 8, 30 and Exhibit ~~D~~C	Item 15
r.	Records/Reports	Section 10	Not Applicable
s.	Inspections/Audits	Section 8	Not Applicable
t.	Transfer	Sections 5, 18 and 21 VCS Account Business Transfer and ~~Acceptance~~Payment Agreement (Exhibit I.) Franchise Transfer Agreement	Items 6 and 17
u.	Renewal	Section 18 Renewal Addendum to Franchise Agreement	Item 17
v.	Post-Termination Obligations	Sections 6 and 20	Item 17
w.	Non-Competition Covenant	Sections 6 and 20 Section 6 of Franchise Transfer Agreement	Item 17
x.	Dispute Resolution	Sections 31 and 32	Item 17

	OBLIGATION	SECTION IN FRANCHISE AGREEMENT	ITEM IN THIS DISCLOSURE DOCUMENT
y.	Personal Guaranty of Owners	Sections 13 and 30 and ~~Exhibits A and C~~Exhibit B Section 9 of the ~~Additional~~VCS Account Business Transfer and Payment Agreement Section 4 of the Renewal Addendum to Franchise Agreement Section 5 of Franchise Transfer Agreement	Item 15

ITEM 10
FINANCING

~~If a Business Plan is selected, the Region offers financing for up to $7,000 of the selected Business Plan Referral Fee as provided below.~~

Business Plan	~~Business~~ Plan Referral	~~Minimum Down Payment~~	~~Maximum Amount~~	~~Monthly Payments*~~

~~* These payments are based on financing $7,000 for 42 months at 10% interest per annum. The 42 payments total $8,607.06.~~

~~You must enter into a promissory note attached as Exhibit B to the Franchise Agreement which requires payment of the balance (the amount of which will depend on the volume of the Business Plan that you buy) in 42 equal monthly installments commencing the month after you sign the note. The interest rate on notes is currently 10% per annum simple interest, but is subject to change.~~

~~Whether you sign a promissory note for a portion of your Business Plan Referral Fee or in connection with an additional business Transfer, as described below, you may prepay the balance without penalty. If you default in payment or breach your Franchise Agreement or if certain other events occur like suspension of your business, the entire balance can be declared immediately due and we can terminate your Franchise Agreement and recover from you our costs of collection, including attorneys' fees. The Region requires the individual shareholders, members and other equity owners of the franchisee to personally guarantee the franchisee's obligations and performance under the note. The Region has no practice or present intent to assign or discount the note to a third party, but can do so. In that case, you would lose the ability to raise claims against us as defenses to payment of the note.~~

If you ~~are offered and accept additional business Transfers~~accept VCS Accounts with Marketing Fees calculated as a ~~monthly~~ multiple of Service Billings, the Region may offer, in its sole discretion, to finance a portion of the marketing fee. The amount financed and terms of financing are negotiated between you and us, but in most cases payments of the amount financed will be made in equal monthly installments ~~bearing 10% simple~~with no interest ~~beginning the first month following the month in which the service on the new Account begins.~~.

You are responsible for repayment of all amounts due for such an Account under an Account Transfer ~~and~~ Acceptance Terms Agreement (Exhibit J-~~2~~-1 of this FDD)~~, regardless of whether you keep the Account or not~~. However, we may choose to forgive the outstanding balance in circumstances that we think warrant it. Our current policy regarding a promissory note or other payment agreement for ~~Additional~~VCS Account business under the Multiple Pricing model is as follows: if ~~an Additional~~any VCS Account requests that a VCS Business other than yours assume the service obligations under the Account Cleaning Services Agreement, the ~~Additional~~VCS Account reverts to us and is transferred to another VCS Business. If the applicable Account Cleaning Services Agreement is in effect more than 60 days after the transfer and if you are in good standing, we typically forgive the balance of any then outstanding note amount you owe us in connection with the reverted Account.

Your note payments and any other amounts due to us are deducted each month from the amounts collected from the VCS Accounts that your VCS Business services.

Except for the financing described above, we do not offer direct or indirect financing. ~~The Region does~~We do not place financing with anyone, and ~~does~~do not receive any payment for the placement of financing. However, ~~it~~we may choose to do so in the future. ~~All policies and note terms are subject to change or elimination in the future by us.~~Policy and/or Note terms offered by us in the future to new franchisees or to you under a new Policy or Note, may contain different terms than those offered under this disclosure document and we may no longer offer some or all of these programs in the future.

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

Except as listed below, Prestige Worldwide Inc. dba Vanguard Cleaning Systems of the Southern Valley is not required to provide you with any assistance.

Pre-Opening Obligations

1. The Region will make the VCS Business System Program available to new franchisees (not renewing franchisees) for attendance at their option. (Section 3 of Franchise Agreement.)

2. ~~The Region~~WE will loan you a copy of the confidential Vanguard Cleaning Systems Manuals for you to use in your VCS Business for as long as you are a franchisee. (Section 6 of Franchise Agreement.)

After your VCS Business Has Met Pre-Opening Obligations

1. ~~The Region~~We will provide certain accounting, collection and back office support services to your VCS Business (excluding Non-Vanguard Accounts). We must make reasonable efforts to collect on all VCS Business Accounts, although collection cannot be guaranteed and ~~the Region is~~we are not required to engage attorneys or to file suit to collect. If we have tried but been unable to collect on a VCS

~~Business~~ Account (an "Uncollected Account") and you give us a written request for the right to collect, we will transfer that right to you. (Section 5 of Franchise Agreement.)

2. ~~The Region~~We will offer you ~~an opportunity to select a Business Plan at your option. If you select one, you and the Region will sign Exhibit A of the Franchise Agreement and the Region will offer you Business Plan Accounts within the 120 or 180 day Fulfillment Period, depending on your Business Plan. You are not required to purchase a Business Plan. If any Business Plan Account is cancelled by the customer in the 12 months following your acceptance of the Business Plan Account Transfers, we will diligently try to replace the lost Account business within 90 days of the cancellation as follows:~~VCS Accounts which may be accepted by you under either a Shared Revenue or Multiple Pricing model and as negotiated between you and us. You are not required to accept all VCS for Accounts we offer to you. If you do not accept any VCS Accounts offered to you within 90 days from the Effective date, we may terminate the franchise agreement and refund any initial franchise fee paid by you to us.

~~i) If cancellation occurs within 180 days of Account acceptance, we will offer you more Account business with the same Service Billings as the lost Account.~~
~~ii) If cancellation occurs within 181 to 365 days of Account acceptance, we will offer you more Account business representing 50% of the Service Billings of the lost Account.~~
~~Regardless of the above, we have no obligation to try to replace any Account business or to offer any refund for Accounts lost by you, for the reasons described in Item 6 of this Disclosure Document. (Exhibit A of the Franchise Agreement.)~~

~~Subject to the exceptions described in Item 6 of this Disclosure Document, if the Region does not Transfer the Business Plan Accounts specified under your selected Business Plan within the applicable Fulfillment Period, we will either provide you with a partial refund or Transfer more Business Plan Accounts within 90 more days to fulfill the minimum Service Billings due under your Business Plan. The Fulfillment Period for Additional Account Transfers is 120 days. (Exhibit A of Franchise Agreement and Exhibit I of this Disclosure Document.)~~

Advertising

You are not required to participate in any advertising program administered by ~~the Region or to pay~~ us ~~or Vanguard any advertising fees~~. There are no local or regional advertising cooperatives.

You ~~are encouraged to~~may develop new VCS Account business and can use your own advertising materials. All advertising must be in good taste and conform to legal and ethical standards. ~~The Region~~We can require you to first submit samples of advertising and promotional materials intended for any media, including the Internet, to us for advance approval of your use of the Marks. If we do not approve any submitted materials, you must not use them in your VCS Business. (Section 9 of the Franchise Agreement.)

You have to meet the requirements we set for identifying your franchised business and operations as independently owned and operated and to include notices of your independent ownership on prescribed materials, such as business cards, forms and advertising. You cannot use the Marks on the Internet, social media or apps without our prior approval. (Sections 6 and 9 of the Franchise Agreement.)

Site Selection and Service Opening

You are not required to find a site or office to provide your VCS Business services. Your VCS Business ~~services~~Services Accounts at their commercial locations to meet the requirements specified in the applicable Account Cleaning Services Agreements. Most franchisee owners prefer to operate their VCS Businesses from their homes. Therefore, the Region provides no assistance or guidelines in site selection.

The typical length of time between signing the Franchise Agreement and beginning VCS Business operations is approximately 6 to 8 weeks. Factors affecting this time period include whether or not you choose to participate in the VCS Business System Program~~ or to obtain a Business Plan~~, as well as how long it takes you to get all required business licenses and at least the minimum required insurance coverage.

VCS Business System Program and Manuals

~~The Region conducts~~We conduct an optional initial program (the "Vanguard Cleaning Systems Business System Program" or "VCS Business System Program") for you when you purchase your Franchise, if you choose to participate in it. The VCS Business System Program includes information on certain of our System standards ("Brand Standards") and other information and is designed to promote maintenance of the quality and goodwill associated with the System and the Marks. It also offers guidance to you on new business development and practical, on-site activities designed to demonstrate technical procedures. It lasts up to 15 days and typically is offered to you within 30 days after signing the Franchise Agreement. Classroom portions of the VCS Business System Program are typically conducted at our ~~headquarters~~regional offices in Northern and Southern California and the field portion of the Vanguard Business System Program is typically performed at various commercial locations we select for that purpose. (Section 3 of the Franchise Agreement.) ~~100% of our new franchisees in~~In the last 12 months ~~participated~~, none of our new franchisees chose to participate in the optional VCS Business System Program.

In addition to the Manuals described below, we may give you supplementary informational materials on various products and other matters pertinent to the VCS Business operation. We may offer you web-based modules, which are in addition to the VCS Business System Program. The modules may be viewed at our regional offices when available at no charge to you. This additional material also is optional as of the date of this Disclosure Document, and you do not have to complete the modules to our satisfaction.

The following table summarizes the content of the VCS Business System Program:

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF FIELD TRAINING	LOCATION
Beginning Your VCS Franchise	2-4 hours	2-4 hours	~~*Region's offices in Bakersfield*~~Our regional office in Northern or Southern California and designated location~~.~~
Fundamental Concepts	2-3 hours	2-4 hours	~~*Region's offices in Bakersfield*~~Our regional office in Northern or Southern

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF FIELD TRAINING	LOCATION
			California and designated location~~.~~
Brand Standards	2-4 hours	2-4 hours	~~*Region's offices in Bakersfield*~~Our regional office in Northern or Southern California and designated location~~.~~
Bidding and Selling Basics	2-3 hours	None	~~*Region's offices in Bakersfield*~~ Our regional office in Northern or Southern California

Instructors for the VCS Business System Program will be the Region's personnel and independent contractors. All will have a minimum of 12 months experience in the janitorial service industry and a minimum of 12 months experience with the Region.

You will have an opportunity to review the Manuals before you sign the Franchise Agreement. We will loan you a copy of the Manuals for you to use as long as you are a Franchisee. (Franchise Agreement, Section 6.) The Manuals are a part of the VCS System and are a compilation of information on various subjects pertinent to your VCS Business. ~~The Manual contents do not control the day to day aspects of your VCS Business; you have that control as an independent business owner. You are free to conduct your VCS Business as you think best, so long as your operations remain consistent with the Franchise Agreement, any required Brand Standards and all applicable codes, laws, regulations, ordinances and other legal requirements.~~

You are solely responsible for supervising, managing and controlling the day-to-day operations of your VCS Business, and you determine the methods and hours necessary to meet Account Cleaning Services Agreement terms and requirements. You are exclusively in charge of scheduling, hiring, firing, disciplining, promoting, compensating, and managing your VCS Business employees and contractors, the terms of their employment and their compliance with any required Brand Standards and the Account Service Agreement requirements. Brand Standards do not include any security-related policies or personnel policies or procedures. Absent any prior written consent to the contrary, neither we nor Vanguard intend nor agree to employ or engage the people you select to work in your VCS Business. You also are solely responsible for state, federal and/or local taxes, fees and withholdings of every kind, including business and/or personal self-employment taxes and income taxes; payroll and payroll taxes for VCS Business employees; and social security and other amounts required to be paid or withheld, as well as for worker's compensation insurance as required by law. Neither we nor Vanguard are responsible for any item or expense associated with your VCS Business payroll or for any other compensation or benefits related to your VCS Business employees or independent contractors.

ITEM 12
TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control. We do not own or control any unit franchises or outlets that provide competitive services to janitorial accounts or any competitive brands, but could do so in the future. We sometimes may choose to engage non-Vanguard subcontractors to service Accounts.

The franchise is not granted for a specific location. You will be licensed to conduct your VCS Business within an Area designated in your Franchise Agreement. The Area is usually a designated Standard Metropolitan Statistical Area as derived from U.S. Census Bureau statistics, but could be defined as a city or cities or a county or counties. The Area is not exclusive and ~~the Region~~we may grant other VCS Business franchises in the Area in its sole discretion. We can, and can license others to, operate under the Marks or other brands and sell any product or service in the Area.

You may operate your VCS Business and solicit Vanguard Cleaning Systems Accounts within your Area. Your VCS Business may not offer or provide services under the Marks outside of your Area without our prior consent. You may provide services to accounts outside of your VCS Business ("Non-Vanguard Accounts") inside and outside of your Area.

Continuation of an Account Transfer is not dependent on the achievement of a certain sales volumes or market penetration. When you accept an Account Transfer from us, you receive ownership and control of the VCS Account. However, that ownership can revert back to us and be lost to you if the Account Cleaning Services Agreement is cancelled, if the Account requests that an alternative VCS Business fulfill the requirements, if you choose to discontinue working with the Account, if your Franchise Agreement is terminated or expires, if you or an owner/agent of yours fails to pass any criminal background check and/or drug, chemical or physical testing required by an Account, or if we have cause to send you a notice of default and termination under the Franchise Agreement and we send you a written demand for the Account to revert to us. If you lose an Account as provided above, we can Transfer the Account to another VCS Business.

~~We have no obligation to make additional Account Transfers to you beyond Transfers associated with an initial Business Plan if you select one, and you have no obligation to accept any Additional Business Accounts. If any are offered to and accepted by you, you will pay a Marketing Fee. (Refer to Item 6 of this Disclosure Document.)~~

~~The Region does~~We do not operate or franchise, and ~~has~~have no current plans to operate or franchise, a competitive cleaning service or related business under a different trade name or trademark in your Area. Vanguard does not operate or franchise, and has no current plans to operate or franchise, a competitive cleaning service or related business under a different trade name or trademark in your Area.

ITEM 13
TRADEMARKS

Registrations, Litigation, Infringing Uses

We are licensed by Vanguard to offer franchises under Vanguard's principal service marks, which include the words "Vanguard Cleaning Systems" and the registered logo shown on the cover page of this Disclosure Document (the "Principal Marks"). We also are licensed to use and to sublicense your use of other Vanguard Marks. The following Marks are registered on the Principal Register of the United States Patent and Trademark Office as follows:

Mark	Registration Date	Registration Number	Class
VANGUARD CLEANING SYSTEMS	October 27, 1998; Renewed on October 31, 2018	2200583	37 (as amended 2020)
VANGUARD CLEANING SYSTEMS And Design (logo)	February 8, 2005; Renewed on March 20, 2014	2925071	37
VANGUARD CLEANING SYSTEMS and design (logo)	November 1, 2011	4048280	37 (as amended 2020)
THE STANDARD OF CLEAN	December 13, 2011	4070385	35, 37 (as amended 2020)
VANGUARD (word only)	March 26, 2013	4308795	35, 37 (as amended 2019)
VANGUARD CLEANING SYSTEMS and design (logo)	February 25, 2014	4488511	35 (as amended 2020)
VANGUARD CLEANING SYSTEMS & Design (color logo)	July 14, 2015	4772976	35, 37(as amended 2020)

Vanguard has filed all affidavits that have become due to maintain rights in the Principal Marks.

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board or any other trademark administrator or any court, pending interference, opposition, or cancellation proceeding, or any pending material litigation involving the Principal Marks.

Vanguard has granted us under our master franchise agreement the right to use and subfranchise the Marks to VCS Businesses in our Master Franchisee Territory for a 20 year term with certain renewal rights. Vanguard can terminate our master franchise agreement if we commit an incurable default or fail to cure another breach of the master franchise agreement or any other agreement we have with Vanguard. Under the terms of our master franchise agreement, if the master franchise is terminated or expires without renewal we will lose our right to use and sublicense the Marks and System. If that occurs and Vanguard or another company does not assume your Franchise Agreement, which occurs only at Vanguard's option, you will no longer be authorized to use the Marks and the System and will have to stop doing so. (Refer to Item 17 of this Disclosure Document.)

Other than the master franchise agreement, there are no agreements currently in effect which significantly limit Vanguard's or the Region's rights to use or license the use of the Principal Marks in any manner material to the franchise.

Vanguard and the Region are not aware of any infringing or prior superior uses of the Marks that could materially affect your use of them in this state.

Franchisee's Rights and Obligations with Respect to the Marks

You must use the Marks only in the operation and promotion of the franchised business and in a manner that complies with the Franchise Agreement. You will obtain an assumed name registration if we ask you to do so or if you are legally required to do so. You are not permitted to use the Marks or the System in connection with any Non-Vanguard Accounts, or with any unauthorized products or services, or in any manner that is not specifically permitted under the Franchise Agreement. You must not use the Marks in your legal Business Entity name.

You may not change or add to the Marks when you use them unless you have received our written permission to do so. You cannot alter or use any other identifying words in connection with the Marks. You must follow the requirements of the Franchise Agreement and Brand Standards in using the Marks. You cannot authorize anyone else to use the Marks.

You must notify us on learning of any alleged trademark infringement by you and involving your use of the Marks. You must also notify us of any use of the Marks by an unauthorized third party. The Region and Vanguard are not obligated to take affirmative action in response to an alleged infringement of the Marks, but Vanguard intends to take whatever action it considers appropriate, if any, and will have the right to control any litigation or settlement of these matters. You have the right to participate at your expense in the defense or settlement of any claim or suit alleging infringement by you, subject to Vanguard's rights.

~~The Region~~We and Vanguard are not obligated to protect or indemnify you for any damages or costs of defense if you are sued or made a party to any proceeding because of the Marks.

Vanguard reserves the right under the Master Franchise Agreement to modify or cease using its Marks and to adopt new or substitute trade names and Marks, and the Region and you would need to comply with any changes implemented by Vanguard. Your changes would be made at your own expense.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents material to the franchise owned by Vanguard or the Region. Vanguard claims common law copyrights in the Manuals, which are not your property and are loaned to you. All VCS Accounts must have an Account Cleaning Services Agreement. We give you ownership and control of your VCS Accounts, but your ownership is conditional. Account ownership reverts back to us if your Franchise Agreement terminates or expires and under other conditions explained in the Franchise Agreement (Section 19 B.) and in Item 12 of this Disclosure Document. Under the Franchise Agreement, you are free to operate any businesses outside of your VCS Business and can own any Non-Vanguard Accounts. We have no rights in any Non-Vanguard Accounts.

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

Your Designated Owner must manage and operate the VCS Business and supervise the performance of services by your employees. A "Designated Owner" is someone with an ownership interest in the Franchisee. You must give us advance notice of a proposed change in Designated Owner. Each VCS Business is an independent contractor and must be conducted as a limited liability company or a corporation. You have to give to us before you begin operating your VCS Business a copy of your articles of incorporation or operating agreement, as applicable, your business license and other related information. You control the day to day operations of your VCS Business as an independent business owner so long as your operations remain consistent with the Franchise Agreement, any required Brand Standards and all applicable codes, laws, regulations, ordinances and other legal requirements. We can at our option require you to sign an independent contractor acknowledgement form. The current form is attached to the Franchise Agreement as Exhibit D, but we can change the form in the future.

You must form a corporation or limited liability company to operate your VCS Business and are responsible for having a minimum of 1 employee and for maintaining sufficient personnel to staff your VCS Business, for the terms of their employment and compensation, and for providing ongoing crew development to meet VCS Business Brand Standards. ~~You should note that prior to 2014 we did not require franchisees operating VCS Businesses to be a corporation or a limited liability company. We may not require them to form a corporation or limited liability company if they renew, at our option.~~ Occasionally, we permit individuals to sign the Franchise Agreement as individuals on the understanding that they will assign the franchise to their VCS Business as soon as it is formed and cannot begin receiving any VCS Accounts until they do so. In these cases, a sample of the assignment and consent agreement used for this purpose is attached to this Disclosure Document as Exhibit K and is subject to change by us in the future.

Each Designated Owner must have an equity interest in the VCS Business. We can require that Owners with a direct or indirect interest in the franchisee and their spouses guarantee the performance of the franchisee under the Franchise Agreement if we ask them to do so. The current form is attached to the Franchise Agreement as Exhibit ~~C~~B, but we can change the form in the future.

~~You are solely responsible for supervising, managing and controlling the day to day operations of your VCS Business, and you determine the methods and hours necessary to meet Account Cleaning Services Agreement terms and requirements. You are exclusively in charge of scheduling, hiring, firing, disciplining, promoting, compensating, scheduling and managing your VCS Business employees and contractors, the terms of their employment and their compliance with any required Brand Standards and the Account Service Agreement requirements. Brand Standards do not include any security-related policies or personnel policies or procedures. The people you select to work in your VCS business are exclusively your agents and employees. They are not our or Vanguard's agents or employees and neither we nor Vanguard are joint employers of theirs. You also are solely responsible for state, federal and/or local taxes, fees and withholdings of every kind, including business and/or personal self-employment taxes and income taxes; payroll and payroll taxes for VCS Business employees; and social security and other amounts required to be paid or withheld, as well as for worker's compensation insurance as required by law. Neither we nor Vanguard are responsible for any item or expense associated with your VCS Business payroll or for any other compensation or benefits related to your VCS Business employees or independent contractors.~~

You and your owners must maintain the confidentiality of our Confidential Information during the term of the Franchise Agreement and for 2 years after it ends for any reason, and for an unlimited period of time for trade secrets. "Confidential Information" means information know how, data, trade secrets and proprietary material relating to the System and VCS Businesses which is not generally known publicly or was not already known by Franchisee/Owner before becoming a VCS Business Franchisee/Owner. It includes Manuals, certification programs and instructional materials; strategic marketing and other business plans, bidding and pricing practices financial performance data, and all VCS Account agreements and related customer information, including statistical and/or financial information and all related lists as well as other items. Each Franchisee Owner will sign the Franchise Agreement. They and the person signing on behalf of the Franchisee as a Franchisee Representative are parties to the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You and your VCS Business operations must meet any required Brand Standards published in the Manuals or otherwise established because they are essential to the ~~consistent quality and~~sale of services associated with the Marks and their good will. Brand Standards can be changed from time to time. Your VCS Business can only offer services approved for use under the Marks, which currently include certain commercial janitorial services as specified by ~~the Region~~us. Your VCS Business may not offer or provide any other services without advance consent. For example, if you wish to provide any "Special Services" (non-routine services like carpet cleaning or floor finishing) you must notify us before accepting the order. We can condition acceptance of the order on your satisfying us that your VCS Business can meet any required Brand Standards applicable to the requested service. These procedures are necessary to reinforce the services and quality associated with the Marks.

Your VCS Business may not bid on any account that is being bid on by ~~the Region~~us or solicit any Accounts that are doing business with us or any other VCS Business or that are outside of your Area. Otherwise, you ~~are encouraged to~~may adopt business development strategies that meet your business objectives and to generate VCS Business Accounts. We have resources available to assist you in meeting the business development goals you establish for your VCS Business. You can identify, determine pricing and submit bids for prospective Accounts. Each of these VCS Accounts must enter into an Account Cleaning Services Agreement with us and ownership of the Account is then Transferred to you, subject to certain conditions, as described in the Franchise Agreement and Item 12 of this Disclosure Document. We can decline an Account if we reasonably believe that it is a credit risk and/or one for which your VCS Business is not adequately insured, or which we believe is likely to have a negative impact on the goodwill associated with the Vanguard Cleaning Systems brand. You can only assign a VCS Account to another VCS Business.

You can independently solicit and service janitorial accounts as Non-Vanguard Accounts as long as the Vanguard Cleaning Systems Marks, the System, forms and other materials are not used in or connected with these activities in any manner. You will perform all billing and collection services for Non-Vanguard Accounts.

You also can choose to market and deliver independently to VCS Accounts services/products that are ancillary to the services provided under the Account Cleaning Services Agreement. These ancillary services/products may include services such as plant care and replacement and minor handyman services. You must notify us in writing before offering/delivering any ancillary services/products to VCS Accounts. We can require i) that any ancillary services/products be offered/sold to a VCS Account by a Business Entity separate and distinct from Franchisee so as to ensure that there is no confusion regarding the scope of services provided under the VCS brand; ii) that you fully indemnify and hold us harmless from any costs, damages, claims, expenses or liabilities arising or of or related to the offer/delivery of any ancillary services; and iii) that you provide evidence of insurance coverage sufficient to permit you to meet these indemnification obligations. Our Business Support Services, including billing and collection activities, will not be provided for any ancillary services or any Non-Vanguard Accounts.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

	PROVISION	SECTION IN AGREEMENT	SUMMARY
a.	Length of Franchise Term	Sections 1 and 18 Section 3 of the Renewal Addendum	5 years from date of Agreement. Renewing franchisee may have a 10 year renewal term based on their expired franchise agreement.
b.	Renewal or extension of the term	Section 18 Section 3 of the Renewal Addendum	Three additional 5-year terms, if renewal conditions met, for new franchisees. Subject to applicable state law. Renewing franchisees may not have renewal rights, based on the terms of their expired agreement, subject to applicable law.
c.	Requirements for you to renew or extend	Section 18 Sections 1-9 of the Renewal Addendum	When this term is to expire you will be required at our option to sign a term extension addendum or new form of Franchise Agreement (including any applicable renewal addendum), either of which may include materially different terms and conditions than your original contract. Our current form of renewal addendum is attached as Exhibit G, but we can change the form over time. Additionally, you must not be in default under the franchise agreement or any other agreement with us, give written notice of renewal election 90 to 180 days before agreement expires, pay amounts owed to ~~the Region~~us, and sign a general release of claims against ~~the Region, subject to applicable law~~us. Refer to Ex. H of this Disclosure Document for the current version of General Release, which we can change in the future. Subject to applicable state law.
d.	Termination by you	Section 19 E.	You may terminate within 30 days of the Effective Date of the Agreement by written request. You sign a general release of claims to receive a refund of any initial franchise fee you paid us, subject to state law. If you terminate after 30 days of the Effective Date, no refund will be due to you. You must comply with post termination rights and duties.

	PROVISION	SECTION IN AGREEMENT	SUMMARY
e.	Termination by ~~the Region~~us without cause	Section 21	Your agreement will end if you have not accepted any VCS Account offered by us to you within 90 days from the Effective Date or our master franchise is terminated or ends and your agreement is not assigned to another person/Business Entity with rights to use the Marks and System.
f.	Termination by ~~the Region~~us with cause	Section 19	Section 19 provides some grounds for immediate termination; other defaults require prior notice and opportunity to cure the default. Subject to applicable state law. A default under any other agreement or Promissory Note with us is a default under your Franchise Agreement and vice versa.
g.	"Cause" defined defaults – curable	Section 19	Termination if default under Agreement is not cured within the time given after notice, except where immediate termination provisions apply as described in (h) below. Subject to applicable state law.
h.	"Cause" defined defaults - non-curable	Section 19	Bankruptcy or insolvency; unauthorized transfer; material misrepresentation or omission in the application for the Franchise; failure to pay debts to ~~the Region~~us within 15 days after notice (or such other period as provided in the applicable note or agreement); failure to pay other VCS Business debts within 15 days of due date or any shorter specified cure period, as applicable; criminal conviction or no contest plea to offense material to performance or likely to damage reputation; abandonment of franchise; violation of safety, health, workplace protection law, or other ordinance or regulation and failure to correct the violation within 3 days or shorter required time period; failure to maintain minimum required insurance coverage; failure to stop violating non-solicitation requirements within 5 days after notice; misuse of Marks or proprietary material/information; your or your owner's or agent's conduct likely to have significant adverse impact on VCS Business, Marks, System and/or us; and failure to cure any other default under Agreement within 30 days from issuance of default notice. Uncured default under other notes or agreements with us. ~~The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)~~Subject to applicable state law.

	PROVISION	SECTION IN AGREEMENT	SUMMARY
i.	Your obligations on termination or nonrenewal	Sections 6 and 20	Cease operating the VCS Business and VCS Business Accounts; stop using Marks, including in web sites, web pages and social media, and de-identify; pay all amounts due ~~the Region~~us, including notes according to their terms; return or destroy Manuals and confidential materials at our option; honor post term non-compete; cease use of ~~the Region~~ trade secrets and Account lists, cancel any fictitious business name license using VCS or all or part of the Marks; pay amounts due to ~~Region and Licensor~~us or Vanguard for costs incurred as a result of your breach of the Agreement. Certain obligations, including indemnification and confidentiality and dispute resolution continue. Subject to applicable state law.
j.	Assignment of contract by ~~the Region~~us	Section 21	~~The Region~~We can assign contract or any note without your consent.
k.	Transfer by you – defined	Section 21	Assign, transfer, share or divide any interest in the Franchise Agreement, the Business Entity Franchisee, the VCS Business or the VCS Business assets. Subject to applicable state law.
l.	~~The Region's~~Our approval of transfer by franchisee	Section 21 Unit Franchisee Account Assignment Agreement and Master Franchisee Consent (Exhibit ~~L~~M of Disclosure Document)	~~Advance~~Our advance written consent ~~of the Region~~ required. Subject to applicable state law. Your assignment of your rights in an Account to another VCS Business requires our approval.
m.	Conditions for ~~the Region~~our approval of transfer	Section 21 Franchise Transfer Agreement	You must be in compliance with Franchise Agreement and all agreements with us; assignee must meet current qualification requirements to the extent we require and be in compliance with all laws, regulations and ordinances governing the operation of a commercial cleaning business; payment of amounts due; at our option, assignee must (1) agree to by bound to your Franchise Agreement for the remainder of the term, or (2) or execute the current form of franchise agreement for the remainder of the term of your Agreement or the full term generally granted to new franchisees; execution of consent to transfer (Refer to Exhibit K of this Disclosure

	PROVISION	SECTION IN AGREEMENT	SUMMARY
			Document for current version of Franchise Transfer Agreement, which we can change in the future); execution of general release, to the extent permitted under applicable law; your indemnification and post terms obligations must survive transfer; you may not have a security interest in the Franchise after the assignment without our consent. Terms of assignment cannot in our estimation jeopardize business viability or system standards. Additional requirements for assignment to a commonly controlled company, including Business Entity owner's personal guaranty and selection of Designated Owner. Refer to Ex. H of this Disclosure Document for current version of General Release, which we can change in the future. Subject to applicable state law.
n.	~~The Region's~~Our right of first refusal to acquire your business	Section 23	We have right to match offer. Subject to applicable state law.
o.	~~The Region's~~Our option to purchase your business	Section 20	We have a right to purchase your business or its assets according to prescribed price formula if agreement is Terminated or expires and to obtain a general release from you~~, subject~~. Subject to applicable law.
p.	Your death or disability	Section 22	Assignment to third party within 180 days. Subject to all assignment requirements and restrictions. Until assignment occurs, the VCS Business must be operated by a qualified person approved by us. During interim period we may assign your Accounts to an alternate VCS services provider without you having any right to the revenues received for the services provided if business is not being operated to Brand Standards.
q.	Non-competition covenants during the term of the franchise	Section 6	You may provide janitorial services to accounts outside of the franchised business, which are non-Vanguard accounts, but may not do so using Vanguard's or our name or marks or materials and may not compete against ~~the Region~~us or any other Vanguard business or franchisee for their accounts.
r.	Non-competition covenants after the franchise is terminated or expires	Not Applicable	Not Applicable

	PROVISION	SECTION IN AGREEMENT	SUMMARY
s.	Modification of the agreement	Section 29	Agreement amendments must be written and signed by parties~~, but we can make changes in the Manuals and Brand Standards. You have to implement any required changes we make~~.
t.	Integration/merger clauses	Section 29 Section 9 of the Renewal Addendum Section 9 of the Franchise Transfer Agreement	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 32	Except claims that are specifically excluded in Section 32 (see below): i) disputes are subject to informal negotiation for a minimum of 30 days; and ii) if not resolved through this informal negotiation, the dispute will be resolved by binding arbitration (with limited exceptions). Either party can bring an action ~~in court~~ that can be heard in small claims court. Provision survives termination or expiration of the Franchise Agreement. Excluded claims include claims: i) for workers compensation, state disability insurance or unemployment insurance benefits; ii) that, as a matter of law, may not be subject to a mandatory arbitration agreement; iii) that may be adjudicated in small claims court; iv) pending in a state or federal court or arbitration as of your receipt of the Franchise Agreement.
v.	Choice of forum	Section 31	The arbitration proceeding will be no more than 45 miles from the geographical area in which your VCS Business performed commercial janitorial services. Please see state specific addendum to the Disclosure Document. Subject to Section 32, venue for any litigation will be in an appropriate state or federal court with jurisdiction in Orange County, California. Class actions waived to the extent permitted under applicable law. Please see state specific addendum.
w.	Choice of Law	Section 31	California law applies. Please see state specific addendum, if applicable.

ITEM 18
PUBLIC FIGURES

The Region does not use any public figure to promote its franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

~~The optional Business Plans available to you are:~~

__	______	____________________________ ____________________________________
__	______	____________________________ ____________________________________
__	______	____________________________ ____________________________________
__	______	____________________________ ____________________________________
__	______	____________________________ ____________________________________

~~Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.~~

~~You are not required to choose a Business Plan. If you select a Business Plan, we will provide you with enough accounts to fulfill the total Service Billings associated with that plan. However, if an account cancels or fails to pay, we may not be able to promptly replace it. In 2017, the last year in which we had new franchisees, we offered 100% of those that selected a Business Plan enough accounts to fulfill the total annual Service Billings associated with the plan they selected.~~

~~Apart from the anticipated Service Billings associated with the optional Business Plans which you may purchase upon signing a franchise agreement, the Region does not furnish or authorize its salespersons to furnish any information about the actual or potential sales, costs, income or profits of a franchise.~~ We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet from us, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Jeff Sorrell Prestige Worldwide Inc. dba Vanguard Cleaning Systems of the Southern Valley 5301 Office Park Drive Ste. 220 Bakersfield, CA 93309, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

The first set of tables (1-5), below, includes information specific to our Region, called Vanguard Cleaning Systems of the Southern Valley, and our unit franchisees. The second set of tables (6-10) includes statistics on all unit franchises within the Vanguard system. Unit franchise data for other regions is provided by and relates to unit franchising activities of master franchisees in other regions.

Table 1
Vanguard Cleaning Systems of the Southern Valley Outlet Summary
For the Fiscal Years of ~~2017,~~ 2018, ~~and~~ 2019, and 2020

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2018	49	49	0
	2019	49	~~49~~45	~~0~~-4
~~Company-Owned~~	~~2017~~2020	~~0~~45	~~0~~44	~~0~~-1
Company-Owned	2018	0	0	0
	2019	0	0	0
~~Total Outlets~~	~~2017~~2020	~~41~~0	~~49~~0	~~8~~0
Total Outlets	2018	49	49	0
	2019	49	~~49~~45	~~0~~-4

Table 2
Transfers of Unit Outlets from Franchisees to New Owners
(other than Vanguard Cleaning Systems of the Southern Valley)
For the Fiscal Years of ~~2017,~~ 2018, ~~and~~ 2019, and 2020

State	Year	Number of Transfers
~~**CA-Bakersfield**~~	2018	0
CA	2019	0
~~**Total**~~	~~2017~~2020	0
Total	2018	0
	2019	0

Table 3
Status of Franchised Outlets of Vanguard Cleaning Systems of the Southern Valley
For Years ~~2017~~2018 To ~~2019~~2020

State	Year	Outlets at Start of the Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
CA	2018	49	3	0	0	~~3~~0	~~0~~3	49
	2019	49	7	0	0	~~7~~0	~~0~~3	~~49~~45
~~**Total**~~	~~2017~~2020	~~41~~45	~~9~~3	0	0	0	~~1~~4	~~49~~44
	2018	49	3	0	0	~~3~~0	~~0~~3	49
Total	2019	49	7	0	0	~~7~~0	~~0~~3	~~49~~45

Table 4
Status of Franchised Outlets of Vanguard Cleaning Systems of the Southern Valley
For Years ~~2017~~2018 To ~~2019~~2020

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
CA	~~2017~~2018	~~41~~0	~~9~~0	0	0	0	~~1~~0	~~49~~0
	~~2018~~2019	~~49~~0	~~3~~0	0	0	~~3~~0	0	~~49~~0
	~~2019~~2020	~~49~~0	~~7~~0	0	0	~~7~~0	0	~~49~~0
Total	~~2017~~2018	~~41~~0	~~9~~0	0	0	0	~~1~~0	~~49~~0
	~~2018~~2019	~~49~~0	~~3~~0	0	0	~~3~~0	0	~~49~~0
	~~2019~~2020	~~49~~0	~~7~~0	0	0	~~7~~0	0	~~49~~0

Table 5
Projected Openings for Vanguard Cleaning Systems of the Southern Valley
as of ~~12/31/19~~12/31/20

State	Franchise Agreements Signed but Outlets Not Opened	Projected New Franchised Outlets in Next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
CA	0	~~3~~1	0
Total	0	~~3~~1	0

SYSTEM STATUS SUMMARY

Table 1
Systemwide Unit Outlet Summary of All Regions
For the Fiscal Years of ~~2017,~~ 2018, ~~and~~ 2019, and 2020

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2018	2,998	2,916	-82
	2019	2,916	2,822	-94
~~Company-Owned~~	~~2017~~2020	~~0~~2,822	~~0~~2,726	~~0~~-96
Company-Owned	2018	0	0	0
	2019	0	0	0
~~Total Outlets~~	~~2017~~2020	~~2,929~~0	~~2,998[1,2]~~0	~~+69[1,2]~~0
Total Outlets	2018	2,998	2,916	-82
	2019	2,916	2,822	-94

~~[1] Revised due to a clerical error in the number of Northern California outlets in 2017.~~

~~[2] Revised due to a clerical error in the number of Minnesota outlets in 2017 and 2018.~~

Table No. 2

Transfers of Unit Outlets from Franchisees to New Owners (other than their Franchisor) For the Fiscal Years of 2017, 2018, and 2019

State	Year	Number of Transfers
AL-Birmingham	2018	0
	2019	0
~~AR-Ozarks~~	~~2017~~2020	0
AR-Ozarks	2018	1
	2019	0
~~CA-Bakersfield~~	~~2017~~2020	0
CA-Bakersfield	2018	0
	2019	1
~~CA-Northern California~~	~~2017~~2020	0
CA-Northern California	2018	2
	2019	2
~~CA-Southern California~~	~~2017~~2020	~~1~~7
CA-Southern California	2018	1
	2019	~~2~~1
~~CA-Northbay~~	~~2017~~2020	0
CA-Sacramento	2018	0
	2019	1
~~CA-Sacramento~~	~~2017~~2020	0
CA-Stockton	2018	~~0~~1
	2019	1
~~CA-Stockton~~	~~2017~~2020	0
CO-Denver	2018	~~1~~0
	2019	~~1~~0
~~DE-Wilmington~~	~~2017~~2020	~~0~~1
DE-Wilmington	2018	0
	2019	1
~~FL - Jacksonville~~	~~2017~~2020	0
FL - Jacksonville	2018	1
	2019	0
~~FL-Miami~~	~~2017~~2020	~~4~~2
FL-Miami	2018	0
	2019	0
~~FL-North Port~~	~~2017~~2020	~~3~~0
FL-North Port	2018	1
	2019	0
~~FL-Orlando~~	~~2017~~2020	~~1~~2
FL-Orlando	2018	2
	2019	1

State	Year	Number of Transfers
~~FL-Tampa~~	~~2017~~2020	~~3~~0
FL-Tampa	2018	2
	2019	3
~~IL-Chicago~~	~~2017~~2020	~~2~~1
IL-Chicago	2018	3
	2019	0
~~MD - Baltimore~~	~~2017~~2020	~~2~~1
MD - Baltimore	2018	1
	2019	0
~~MI – Detroit~~	~~2017~~2020	0
MI – Detroit	2018	0
	2019	1
~~MN-Minneapolis~~	~~2017~~2020	~~1~~0
~~St. Paul~~MN-Minneapolis	2018	0
St. Paul	2019	1
~~NC – Charlotte~~	~~2017~~2020	0
NC – Charlotte	2018	0
	2019	1
~~NC-Triad~~	~~2017~~2020	~~1~~0
NC-Triad	2018	0
	2019	2
~~NJ-Central~~	~~2017~~2020	~~2~~0
NJ-Central	2018	0
	2019	0
~~NJ-Northern~~	~~2017~~2020	~~5~~1
NJ-Northern	2018	1
	2019	2
~~NM-Albuquerque~~	~~2017~~2020	~~0~~4
NM-Albuquerque	2018	2
	2019	0
NY-Hudson Valley	~~2017~~2018	~~2~~0
NY-Long Island	2018	0
	2019	0
~~NY-Rochester~~	~~2017~~2020	1
NY-Rochester	2018	0
	2019	0
~~OR-Portland~~	~~2017~~2020	~~1~~0
OR-Portland	2018	0
	2019	3
~~PA-Allentown~~	~~2017~~2020	~~4~~0
PA-Allentown	2018	1
	2019	2
~~PA-Central~~	~~2017~~2020	~~1~~6

State	Year	Number of Transfers
PA-Central	2018	3
	2019	6
~~PA-Philadelphia~~	~~2017~~2020	~~1~~5
PA-Philadelphia	2018	0
	2019	0
~~TX-Austin~~	~~2017~~2020	~~2~~1
TX-Austin	2018	0
	2019	2
~~TX-Houston~~	~~2017~~2020	~~2~~0
TX-Houston	2018	0
	2019	0
~~TX-San Antonio~~	~~2017~~2020	~~0~~1
TX-San Antonio	2018	1
	2019	0
~~UT–Salt Lake City~~	~~2017~~2020	~~0~~1
UT–Salt Lake City	2018	2
	2019	1
~~VA–Chesapeake~~	~~2017~~2020	1
VA–Chesapeake	2018	0
	2019	1
~~VA-Richmond~~	~~2017~~2020	~~2~~1
VA-Richmond	2018	0
	2019	1
~~WA–Seattle~~	~~2017~~2020	~~2~~0
WA–Seattle	2018	0
	2019	4
~~WA-Spokane/~~	~~2017~~2020	~~2~~0
~~Kennewick~~WA-Spokane/	2018	6
Kennewick	2019	5
~~WI-Milwaukee~~	~~2017~~2020	~~1~~3
WI-Milwaukee	2018	1
	2019	0
~~Total~~	~~2017~~2020	~~50~~1
Total	2018	32
	2019	45

Table No. 3
Status of Unit Franchised Outlets
For the Fiscal Years of ~~2017,~~ 2018 ~~and~~, 2019 and 2020

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations For Other Reasons	Outlets at End of Year

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations For Other Reasons	Outlets at End of Year
AL-Birmingham	2018	122	7	0	0	0	4	125
	2019	125	9	0	0	0	6	128
~~AZ – Phoenix~~	~~2017~~2020	~~54~~128	~~3~~7	~~4~~0	0	0	~~0~~10	~~53~~125
AZ – Phoenix	2018	53	2	2	0	0	2	51
	2019	51	6	0	0	0	9	48
~~AZ-Tucson~~	~~2017~~2020	~~20~~48	~~3~~0	~~2~~6	0	0	0	~~21~~42
AZ-Tucson	2018	21	3	3	0	0	0	21
	2019	21	4	0	0	0	0	25
~~AR-Ozarks~~	~~2017~~2020	~~40~~25	~~6~~1	~~0~~4	0	0	~~2~~0	~~44~~22
AR-Ozarks	2018	44	7	0	0	0	2	49
	2019	49	1	0	0	0	1	49
~~CA-Bakersfield~~	~~2017~~2020	~~36~~49	~~6~~2	~~1~~0	0	0	0	~~41~~51
CA-Bakersfield	2018	41	4	2	0	0	2	41
	2019	41	5	7	0	0	0	39
~~CA-Northern California~~	~~2017~~2020	~~121~~39	~~7~~0	~~2~~0	0	0	~~14~~3	~~112~~[2]36
CA-Northern California	2018	112	0	2	0	0	13	97
	2019	97	0	4	0	0	10	83
~~CA-Southern California~~	~~2017~~2020	~~124~~83	~~8~~0	~~3~~6	0	0	9	~~120~~68
CA-Southern California	2018	120	6	3	0	0	13	110
	2019	110	5	9	0	0	7	99
~~CA-North Bay~~	~~2017~~2020	~~43~~99	~~4~~2	~~0~~7	0	0	~~4~~11	~~43~~83
CA-North Bay	2018	43	3	0	0	0	4	42
	2019	42	4	0	0	0	2	44
~~CA-Sacramento~~	~~2017~~2020	~~36~~44	~~1~~0	~~2~~0	0	0	~~3~~0	~~32~~44

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations For Other Reasons	Outlets at End of Year
CA-Sacramento	2018	32	2	0	~~2~~0	0	1	31
	2019	31	1	0	5	0	7	20
~~CA-Stockton~~	~~2017~~2020	~~50~~20	~~3~~0	~~3~~0	~~0~~5	0	~~4~~2	~~46~~18
CA-Stockton	2018	46	3	0	0	0	3	46
	2019	46	5	0	1	0	8	42
~~CO-Denver~~	~~2017~~2020	~~0~~42	0	0	0	0	0	~~0~~42
CO-Denver	2018	0	2	0	0	0	0	2
	2019	2	3	0	0	0	0	5
~~DE–Wilmington~~	~~2017~~2020	~~8~~5	~~2~~0	0	0	0	~~2~~0	~~8~~5
DE–Wilmington	2018	8	0	0	0	0	1	7
	2019	7	4	0	0	0	0	11
~~FL-Jacksonville~~	~~2017~~2020	~~32~~11	~~13~~0	~~2~~0	0	0	~~0~~2	~~43~~9
FL-Jacksonville	2018	43	10	3	0	0	0	50
	2019	50	4	7	0	0	0	47
~~FL-Miami~~	~~2017~~2020	~~40~~47	~~11~~4	~~0~~3	0	0	~~5~~0	~~46~~48
FL-Miami	2018	46	7	0	0	0	2	51
	2019	51	2	0	0	0	4	49
~~FL-North Port~~	~~2017~~2020	~~99~~49	~~8~~2	0	0	0	~~2~~5	~~105~~46
FL-North Port	2018	105	2	0	0	0	4	103
	2019	103	5	0	0	0	3	105
~~FL-Orlando~~	~~2017~~2020	~~41~~105	~~10~~0	0	0	0	~~5~~8	~~46~~97
FL-Orlando	2018	46	11	0	0	0	13	44
	2019	44	6	0	0	0	6	44
~~FL-Tampa~~	~~2017~~2020	~~96~~44	~~20~~6	0	0	0	~~21~~6	~~95~~44

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations For Other Reasons	Outlets at End of Year
FL-Tampa	2018	95	10	0	0	0	26	79
	2019	79	9	0	0	0	8	80
~~GA-Atlanta~~	~~2017~~2020	~~61~~80	~~7~~10	~~1~~0	~~1~~0	0	8	~~58~~82
GA-Atlanta	2018	58	12	5	0	0	5	60
	2019	60	5	0	0	0	4	61
~~IL-Chicago~~	~~2017~~2020	~~52~~61	~~5~~8	~~0~~5	0	0	~~12~~0	~~45~~64
IL-Chicago	2018	45	7	1	0	0	6	45
	2019	45	10	0	0	0	4	51
~~IA-Des Moines~~	~~2017~~2020	~~0~~51	~~0~~10	0	0	0	~~0~~4	~~0~~57
IA-Des Moines	2018	0	0	0	0	0	0	0
	2019	0	3	0	0	0	0	3
~~KY-Louisville~~	~~2017~~2020	~~53~~3	~~5~~3	0	0	0	~~5~~0	~~53~~6
KY-Louisville	2018	53	5	4	0	0	13	41
	2019	41	2	0	0	0	5	38
~~MD-Baltimore~~	~~2017~~2020	~~61~~38	~~11~~0	0	0	0	2	~~70~~36
MD–Baltimore	2018	70	5	0	0	0	8	67
	2019	67	7	0	0	0	7	67
~~MI-Detroit~~	~~2017~~2020	~~84~~67	~~5~~9	0	0	0	~~5~~7	~~84~~69
MI–Detroit	2018	84	5	2	0	0	8	79
	2019	79	9	0	3	0	13	72
~~MN–Minneapolis/ St. Paul~~	~~2017~~2020	72	~~11~~3	~~3~~0	~~1~~0	0	5	~~74[3]~~70
MN–Minneapolis/ St. Paul	2018	74	10	5	0	0	5	~~74[3]~~74
	2019	74	6	0	3	0	5	72

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations For Other Reasons	Outlets at End of Year
~~MO-St. Louis~~	~~2017~~2020	~~3~~72	~~0~~6	~~0~~6	~~0~~1	0	~~0~~3	~~0[1]~~68
	——	–	–	–	–	–	–	–
	——	–	–	–	–	–	–	–
————	——	—	–	–	–	–	–	—
NC-Charlotte	2018	37	2	0	0	0	4	35
	2019	35	1	0	1	0	3	32
~~NC-Raleigh~~	~~2017~~2020	~~73~~32	~~10~~2	1	~~0~~1	0	~~1~~3	~~81~~30
NC-Raleigh	2018	81	4	~~0~~1	0	0	8	77
	2019	77	8	4	0	0	0	81
~~NC-Triad~~	~~2017~~2020	~~40~~81	~~7~~4	~~1~~7	0	0	~~6~~0	~~40~~78
NC-Triad (Greensboro)	2018	40	3	2	0	0	2	39
	2019	39	5	2	0	0	1	41
~~NE-Omaha~~	~~2017~~2020	~~13~~41	~~5~~2	1	0	0	~~0~~3	~~17~~39
NE-Omaha	2018	17	2	1	0	0	0	18
	2019	18	3	3	0	0	0	18
~~NJ-Central~~	~~2017~~2020	~~103~~18	~~10~~2	0	0	0	~~17~~0	~~96~~20
NJ-Central	2018	96	2	0	0	0	11	87
	2019	87	3	0	0	0	9	81
~~NJ-Northern~~	~~2017~~2020	~~115~~81	5	~~5~~0	0	0	~~2~~7	~~113~~79
NJ-Northern	2018	113	8	4	0	0	0	117
	2019	117	6	7	1	0	0	115
~~NM-Albuquerque~~	~~2017~~2020	~~25~~115	~~7~~4	~~1~~3	0	0	~~1~~0	~~30~~116

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations For Other Reasons	Outlets at End of Year
NM-Albuquerque	2018	30	3	3	0	0	0	30
	2019	30	2	2	~~0~~1	0	0	30
~~NV-Las Vegas~~	~~2017~~2020	~~27~~30	~~6~~2	~~3~~2	0	0	0	30
NV-Las Vegas	2018	30	5	4	0	0	0	31
	2019	31	0	1	0	0	0	30
~~NY-Hudson Valley~~	~~2017~~2020	~~24~~30	0	0	0	0	0	~~24~~30
NY–Hudson Valley	2018	24	0	0	0	0	1	23
	2019	23	0	0	1	0	0	22
~~NY-Long Island~~	~~2017~~2020	~~34~~22	~~3~~0	0	0	0	1	~~36~~20
NY-Long Island	2018	36	4	0	0	0	7	33
	2019	33	1	0	0	0	4	30
~~NY-Rochester~~	~~2017~~2020	~~22~~30	~~4~~0	~~1~~0	~~0~~1	0	~~0~~1	~~25~~29
NY–Rochester	2018	25	2	0	0	0	0	27
	2019	27	0	0	0	0	2	25
~~OH-Cincinnati~~	~~2017~~2020	~~23~~25	~~17~~1	~~2~~0	0	0	~~3~~0	~~35~~26
OH-Cincinnati	2018	35	7	1	0	0	7	34
	2019	34	2	1	0	0	4	31
~~OR-Portland~~	~~2017~~2020	~~36~~31	2	~~0~~12	0	0	~~2~~5	~~36~~16
OR-Portland	2018	36	2	1	0	0	1	36
	2019	36	2	3	0	0	1	34
~~PA-Allentown/ Scranton/ Wilkes Barre~~	~~2017~~2020	~~104~~34	~~10~~2	~~5~~2	~~0~~1	0	~~3~~0	~~106~~33
PA-Allentown/ Scranton/ Wilkes Barre	2018	106	6	7	0	0	0	105
	2019	105	10	9	0	0	0	106

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations For Other Reasons	Outlets at End of Year
~~PA-Central (Harrisburg)~~	~~2017~~2020	~~105~~106	~~11~~7	~~10~~3	0	0	~~2~~0	~~104~~110
PA-Central (Harrisburg)	2018	104	11	7	0	0	0	108
	2019	108	14	11	0	0	0	111
~~PA-Philadelphia~~	~~2017~~2020	~~66~~111	~~9~~4	~~0~~8	0	0	~~7~~0	~~68~~107
PA-Philadelphia	2018	68	7	0	0	0	0	75
	2019	75	6	0	0	0	9	72
~~TN–Nashville~~	~~2017~~2020	~~33~~72	~~4~~2	~~1~~0	0	0	~~1~~8	~~35~~66
TN–Nashville	2018	35	5	0	0	0	3	37
	2019	37	4	0	0	0	2	39
~~TX-Austin~~	~~2017~~2020	~~57~~39	~~4~~0	0	0	0	~~8~~2	~~53~~37
TX-Austin	2018	53	3	4	0	0	0	52
	2019	52	3	0	0	0	1	54
~~TX-Dallas~~	~~2017~~2020	~~72~~54	~~6~~1	~~5~~2	0	0	~~0~~1	~~73~~52
TX-Dallas	2018	73	6	5	0	0	0	74
	2019	74	7	6	0	0	0	75
~~TX-Houston~~	~~2017~~2020	~~32~~75	~~14~~6	~~9~~3	0	0	~~2~~0	~~35~~78
TX-Houston	2018	35	6	1	0	0	1	39
	2019	39	1	0	0	0	4	36
~~TX–San Antonio~~	~~2017~~2020	~~81~~36	~~6~~5	~~1~~0	0	0	2	~~84~~39
TX–San Antonio	2018	84	4	10	0	0	1	77
	2019	77	2	1	0	0	4	74
~~UT–Salt Lake City~~	~~2017~~2020	~~122~~74	~~10~~4	2	0	0	~~0~~4	~~130~~72
UT–Salt Lake City	2018	130	8	5	0	0	8	125
	2019	125	5	8	0	0	15	107

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations For Other Reasons	Outlets at End of Year
~~VA-Central Virginia~~	~~2017~~2020	~~25~~107	~~3~~	~~0~~	~~0~~	~~0~~	~~3~~	~~25~~
VA-Central Virginia	2018	25	3	0	0	0	3	25
	2019	25	1	0	0	0	2	24
~~VA–Chesapeake~~	~~2017~~2020	~~67~~24	~~8~~2	0	0	0	~~8~~1	~~67~~25
VA–Chesapeake	2018	67	6	0	0	0	7	66
	2019	66	3	0	0	0	7	62
~~WA–Seattle~~	~~2017~~2020	~~112~~62	~~3~~4	~~1~~0	0	0	~~2~~7	~~112~~59
WA–Seattle	2018	112	1	0	2	0	12	99
	2019	99	2	4	0	0	10	87
~~WA–Spokane/Kennewick~~	~~2017~~2020	~~118~~87	~~3~~2	3	~~3~~0	0	~~2~~3	~~113~~83
WA–Spokane/Kennewick	2018	113	3	12	2	0	0	102
	2019	102	3	2	0	0	13	90
~~WI-Milwaukee~~	~~2017~~2020	~~29~~90	~~2~~6	~~0~~8	~~0~~4	0	1	~~30~~83
WI-Milwaukee	2018	30	4	1	0	0	3	30
	2019	30	5	0	0	0	2	33
~~**UNITED STATES Total**~~	~~2017~~2020	~~2,929~~33	~~338~~1	~~75~~2	~~5~~0	0	~~191~~[3]1	~~2,998~~[2,3] 31
UNITED STATES Total	2018	2,998	237	99	6	0	214	2,916
	2019	2,916	214	94	12	0	202	2,822

Attached to this Disclosure Document as a part of Exhibit C is a list of all of our active unit franchisees as of 12/31/2020.

A list of active unit franchisees for certain other regions is attached as Exhibit C-1.

As of December 31, 2020, 4 of our unit franchises had been transferred, not renewed, reacquired, or otherwise left the system in 2020 or failed to communicate with the franchisor during the 10 week period prior to the filing application date. A list of all of our unit franchisees who left the system in the fiscal year ended December 31, 2020, is attached as Exhibit E.

~~[1] The Master Franchise covering St. Louis, Missouri was mutually terminated in 2017.~~

~~[32] Revised due to a clerical error in the number of Northern California outlets in 2017.~~

~~[3] Revised due to a clerical error in the number of Minnesota outlets in 2017 and 2018.~~

Table No. 4
Status of Company-Owned Unit Outlets
For Fiscal Years of 2017, 2018, and 2019

Neither ~~the Region~~we, Vanguard~~,~~ nor any other Master Franchisee has owned or operated a Unit Outlet for the years of ~~2017,~~ 2018, ~~or~~ 2019, or 2020.

State	Year	Outlets At Start Of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold To Franchisees	Outlets At End Of The Year
Total Outlets	~~2017~~2018	0	0	0	0	0	0
	~~2018~~2019	0	0	0	0	0	0
	~~2019~~2020	0	0	0	0	0	0

Table No. 5
Projected New Franchised Unit Outlets As of December 31, ~~2019~~ 2020

State	Unit Franchise Agreements signed But Outlet Not Opened as of December 31, ~~2019~~2020	Projected New Unit Franchised Outlets in the Next Fiscal Year (~~2020~~2021)	Projected New Company-Owned Outlet In the Next Fiscal Year (~~2020~~2021)
AL-Birmingham	~~0~~1	~~5~~3	0
AZ– Phoenix	0	~~4~~2	0
AZ-Tucson	0	2	0
AR-Ozarks	~~1~~0	~~5~~2	0
CA-Bakersfield	0	2	0
CA-Northern California	0	~~3~~1	0
CA-Southern California	0	~~3~~0	0
CA-North Bay	0	~~3~~0	0
CA-Sacramento	0	~~3~~0	0
CA-Stockton	0	~~1~~0	0
CO-Denver	0	~~4~~2	0
DE–Wilmington	0	2	0
FL-Jacksonville	0	~~5~~4	0
FL-Miami	0	~~5~~8	0
FL-North Port	0	~~3~~2	0
FL-Orlando	0	~~15~~8	0
FL-Tampa	0	~~15~~12	0
GA-Atlanta	0	~~8~~6	0
IL–Chicago	1	~~10~~6	0
IA-Des Moines	0	~~4~~3	0

State	Unit Franchise Agreements signed But Outlet Not Opened as of December 31, ~~2019~~2020	Projected New Unit Franchised Outlets in the Next Fiscal Year (~~2020~~2021)	Projected New Company-Owned Outlet In the Next Fiscal Year (~~2020~~2021)
KY-Louisville	0	~~5~~3	0
MD–Baltimore	0	6	0
MI–Detroit	0	~~8~~0	0
MN–Minneapolis/St. Paul	1	~~7~~4	0
NC-Charlotte	0	~~8~~2	0
NC-Raleigh	1	~~5~~4	0
NC-Triad (Greensboro)	~~0~~1	4	0
NE-Omaha	0	~~3~~2	0
NJ-Central	0	~~8~~5	0
NJ-Northern	0	~~5~~4	0
NM-Albuquerque	0	~~2~~3	0
NV-Las Vegas	0	~~4~~2	0
NY–Hudson Valley	0	2	0
NY-Long Island	0	~~4~~3	0
NY-Rochester	0	~~2~~3	0
OH-Cincinnati	0	~~5~~6	0
OR-Portland	0	~~4~~3	0
PA-Allentown/Scranton/Wilkes Barre	0	~~6~~5	0
PA-Central (Harrisburg)	0	~~10~~6	0
PA-Philadelphia	~~1~~0	~~8~~4	0
TN–Nashville	0	~~4~~2	0

State	Unit Franchise Agreements signed But Outlet Not Opened as of December 31, ~~2019~~2020	Projected New Unit Franchised Outlets in the Next Fiscal Year (~~2020~~2021)	Projected New Company-Owned Outlet In the Next Fiscal Year (~~2020~~2021)
TX-Austin	~~1~~0	~~5~~4	0
TX-Dallas	~~0~~1	6	0
TX-Houston	~~1~~0	5	0
TX–San Antonio	1	5	0
UT–Salt Lake City	0	7	0
VA-Central Virginia	0	~~4~~5	0
VA–Chesapeake	0	~~5~~1	0
WA–Seattle	0	4	0
WA–Spokane/Kennewick	0	6	0
WI-Milwaukee	~~1~~0	~~5~~4	0
United States Total	9	264	0

~~Attached to this Disclosure Document as Exhibit C is a list of all active unit franchisees of our Region as of 12/31/19.~~

~~A list of active unit franchisees for certain other regions is attached as Exhibit C-1.~~

~~Attached to this Disclosure Document as Exhibit E is a list of all unit franchisees of our Region that have left the Vanguard Cleaning Systems franchise organization in the year ending 12/31/19, or have failed to communicate with us during the 10 week period prior to the date of this Disclosure Document or any applicable filing date.~~

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

In the last three fiscal years, no franchisees of the Region have signed confidentiality clauses that would restrict their ability to speak openly about their experience with the Region or the Vanguard Cleaning System franchise system.

There are no independent franchisee organizations that have asked to be included in this disclosure document.

ITEM 21
FINANCIAL STATEMENTS

Attached as part of Exhibit D ~~is the~~are out audited financial ~~statement of the Region for the period ended~~statements as of December 31, 2018, 2019 ~~The Region's~~and 2020. Our fiscal year end is December 31.

Also included in Exhibit D are the audited financial statements of Vanguard Cleaning Systems, Inc. for the fiscal years ending December 31, 2020, 2019, and 2018~~, and 2017~~. These statements are provided for your information only. Vanguard Cleaning Systems, Inc. does not guaranty the performance of the Region and undertakes no obligations to you.

ITEM 22
CONTRACTS

The following Exhibits to this Disclosure Document are the contracts we use in offering franchises:

Exhibit A Franchise Agreement with Exhibits

~~Exhibit A – Business Plans, Business Plan Referral Fees and Business Plan Accounts/Terms~~

Exhibit ~~B~~A – Promissory Note

Exhibit ~~C~~B – Form of Personal Guaranty

Exhibit ~~D~~C – Independent Contractor Acknowledgement

Exhibit B Insurance Request Form/Payment Authorization

Exhibit G Renewal Addendum to the Franchise Agreement

Exhibit H General Release of Claims

Exhibit I ~~Additional~~VCS Account Business Transfer and Payment Agreement

Exhibit J-1 VCS Account Transfer and Acceptance ~~(Business Plan Accounts)~~

~~Exhibit J-2~~ ~~Account Transfer and Acceptance~~and Payment Terms (Multiple Pricing ~~Option)~~Accounts

Exhibit J-~~3~~-2 VCS Account Transfer ~~and~~ Acceptance and Payment Terms (Shared Revenue Option)

Exhibit K Assignment to Wholly Owned Business Entity and Consent

Exhibit ~~K~~L Franchise Transfer Agreement

Exhibit ~~L~~M Unit Franchisee Account Assignment Agreement and Master Franchisee Consent

Exhibit ~~M~~N Receipt of Franchise Related Documents

ITEM 23
RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear as Exhibit P. Please sign and date one copy and return it to us. Retain the other copy for your records.

EXHIBIT A

TO THE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

PRESTIGE WORLDWIDE INC. DBA VANGUARD CLEANING SYSTEMS OF THE SOUTHERN VALLEY
FRANCHISE AGREEMENT

Table of Contents

FRANCHISE AGREEMENT

THIS AGREEMENT is made by and between Prestige Worldwide Inc. dba Vanguard Cleaning Systems of the Southern Valley ("Franchisor") and____[a corporation] [a limited liability company] with a principal place of business located at______________________________(hereinafter collectively called "You" or "Franchisee").

RECITALS

A. ~~A.~~ Vanguard Cleaning Systems® franchisees operate independent businesses that provide commercial janitorial services under the "Vanguard Cleaning Systems" brand (each a "VCS Business").

B. ~~B.~~ A VCS Business is licensed to use the processes, standards, know-how and other proprietary information (the "System") for conducting and developing a VCS Business in a manner that preserves the quality and goodwill associated with the Vanguard Cleaning Systems trademarks, service marks, logos, and other identifiers (the "Marks").

C. ~~C.~~ Franchisor has been granted a master franchise by Vanguard Cleaning Systems, Inc. (the "Licensor") to award VCS Business franchises using the System and the Marks. Licensor is not a party to this Agreement or responsible for Franchisee's or Franchisor's performance under this Agreement or otherwise.

D. ~~D.~~ Franchisee applied for a franchise to operate a commercial cleaning business as a VCS Business and to obtain the advantages associated with the System and Franchisor's support services, and Franchisee's application has been approved by Franchisor in reliance upon the information Franchisee has provided.

For and in consideration of the performance of each and every one of the promises, covenants, benefits and obligations contained in this Agreement, the parties agree as follows:

TERMS OF AGREEMENT

1. ~~1.~~ Grant to Franchisee

A. ~~A.~~ Franchise Awarded. Franchisor hereby grants to Franchisee a nonexclusive license upon the terms and conditions contained in this Agreement to use the VCS Business System and the Marks in the operation of a VCS Business franchise. Franchisee's franchise is for a term of five (5) years from the effective date of this Agreement, if not earlier terminated as provided in Sections 19 and 21, below. Franchisee is licensed under this Agreement to operate a commercial janitorial service business that offers to business accounts select commercial cleaning services under the Marks (each a "VCS Account") only in the following geographic area (the "Area"):
____
____.

Franchisee's VCS Business may not offer or provide services to VCS Accounts outside of the Area without Franchisor's prior consent, although Franchisee may provide services to Non-Vanguard Accounts inside and outside of the Area, as provided in Section 5 D. of this Agreement.

B. ~~B.~~ No Exclusivity Granted. Franchisee is not granted any exclusivity in the Area, including marketing or customer exclusivity. Franchisee can only solicit and generate VCS Accounts that are physically located in the Area. Each VCS Account involves a commercial cleaning services customer relationship established and maintained under a contract for VCS commercial cleaning services (an "Account Cleaning Services Agreement"). Franchisor has the right to subcontract with others and to license others to operate under the Marks or other brands and to sell any product or service in the Area, including other VCS Businesses. Franchisor reserves all rights not expressly granted to Franchisee under this Agreement.

2. ~~2.~~ Franchisee's Initial Franchise Fee and Pre-Operating Commitments

A. ~~A.~~ Initial Franchise Fee. Franchisee will pay to Franchisor in a lump sum on or before the effective date of this Agreement an initial franchise fee of $5,000 (the "Initial Franchise Fee"). The Initial Franchise Fee is due in full and fully earned when paid. The Initial Franchise Fee is non-refundable unless Franchisor terminates the Franchise Agreement for Franchisee's failure to accept within 90 days of the Effective Date of the Franchise Agreement, any VCS Account offered to Franchisee or Franchisee exercises its right to terminate this Agreement within thirty (30) days of the effective date of this Agreement, as provided in Section 19 E., below. The effective date of this Agreement is specified on the signature page (the "Effective Date"). Payment of the Initial Franchise Fee enables Franchisee to use the System and the Marks, subject to the terms of this Agreement~~, and must be made regardless of whether Franchisee obtains a VCS Business Plan or not. Optional Business Plans are described on Exhibit A of this~~. We may, at our discretion, reduce the Initial Franchise Fee to $3,500 for a new Franchise that operates a commercial cleaning business at the time of signing the Franchise Agreement and/or we may reduce or waive the Initial Franchise Fee for existing Vanguard Cleaning Systems Franchisees relocating to the Region from another VCS region. We offer qualified Veterans of the U.S. Armed Forces a 10% reduction on the initial franchise fee. In addition to meeting our standard franchise qualifications, you must have received an honorable discharge and must own at least 50% of the franchisee Business Entity. You must advise us of your veteran status and provide evidence satisfactory to us that you meet applicable qualifications before signing any Franchise Agreement.

B. ~~B.~~ Documents and Actions Required. Before Franchisee may begin operating its business as a VCS Business, Franchisee must deliver to Franchisor the items described below.

i) certificates of insurance or comparable evidence of coverage as provided in Section 16, below, demonstrating that Franchisee has obtained at least the minimum insurance coverage for Franchisee's VCS Business;

ii) a copy of the Franchisee's current Business License. Franchisee must ensure that a current Business License is on file with Franchisor at all times during the term of this Agreement; and

iii) a copy of Franchisee's articles of incorporation as filed with the state or Franchisee's operating agreement, as applicable, and the related state-issued entity/file number and federal employer identification number~~.~~ ;

iv) proof of current registration with the California Department of Industrial Relations.

3. ~~3.~~ Franchisor's Pre-Operating Commitments

A. ~~A.~~ VCS Business System Program.

1. ~~1.~~ Franchisor will make the VCS Business System Program available for a Designated Owner and other owners of Franchisee. The VCS Business System Program is attended at Franchisee's option and includes information on certain VCS System standards and other information. All VCS System standards are collectively, the "Brand Standards". The VCS Business System Program is designed to promote maintenance of the quality and goodwill associated with the System and the Marks, as well as to give guidance to Franchisee on new business development. A "Designated Owner" is a person with an ownership interest in Franchisee and is identified on the signature page of this Agreement.

2. ~~2.~~ The Business System Program may be delivered at various locations within reasonable proximity to the Area identified in Section 1, above, and Franchisor will use reasonable efforts to accommodate Franchisee's schedule. Franchisee is responsible for any travel, incidental costs, and other expenses that Franchisee Owners may incur in participating in the VCS Business System Program or in any additional programs. A Franchisee Owner is any person with an ownership interest in Franchisee.

4. ~~4.~~ VCS Account Business Plan Accounts

An "Assignment" of a VCS Account under this Agreement grants to Franchisee's VCS Business the right to fulfill the services requirements specified in the applicable Account Cleaning Services Agreement. Franchisee will sign Franchisor's then current version of a VCS Account Business Transfer and Payment Agreement upon signing the Franchise Agreement. Franchisee will also sign the applicable VCS Account Business Transfer Acceptance Terms for each Account Franchisee accepts. The forms used as of the Effective Date of this Agreement are attached as Exhibits J-1 and J-2 of Franchisee's Franchise Disclosure Document.

~~After Franchisee satisfies the pre-opening commitments described in Section 2, above, and within forty-five (45) days of the Effective Date, Franchisor will offer Franchisee an opportunity to select with Franchisor one of the VCS Business Plans identified on Exhibit A of this Agreement. Franchisee is not required to purchase a Business Plan. If a Business Plan is selected Franchisor and Franchisee will sign Exhibit A and Franchisor will offer Franchisee within the applicable fulfillment period (the "Fulfillment Period") VCS Accounts according to the terms and conditions contained in Exhibit A. Franchisee will sign Franchisor's then current version of an Account Transfer and Acceptance for Business Plan Accounts for each Account Franchisee accepts, which includes a general release of claims by Franchisee. The form used as of the Effective Date of this Agreement is attached as Exhibit J-1 of Franchisee's Franchise Disclosure Document.~~

5. Franchisor Services to VCS Businesses

A. ~~A.~~ Business Support Services for VCS Business Accounts.

Franchisor has devoted substantial time, effort and resources to developing and maintaining the capabilities required to deliver the Vanguard Cleaning Systems business System to Franchisees, which includes certain accounting, collection and back office support services (collectively, the "Business Support Services"). Business Support Services allow Franchisees to concentrate on management operations and business development for their VCS Businesses. Therefore, Franchisee gives Franchisor the exclusive right to perform the Business Support Services on Franchisee's behalf for all of Franchisee's VCS Business Accounts (each, a "VCS Account"), including those obtained by Franchisee. Non-Vanguard Accounts, which are described in Section 5 D., are excluded from this requirement. VCS Business Accounts secured by Franchisee will be offered an Account Cleaning Services Agreement with Franchisor. Franchisor can reject an Account that Franchisor reasonably believes is an unacceptable credit risk or for which Franchisee's VCS Business is inadequately insured, or which is likely to have a negative impact on the goodwill associated with the Vanguard Cleaning Systems brand. Franchisor's rejection of any such an Account as a VCS Account does not in any way limit Franchisee's ability to contract with the rejected Account as a Non-Vanguard Account, as provided in Section 5 D., below.

B. ~~B.~~ Collections and Accounting.

1. ~~1.~~ Each month, Franchisor makes commercially reasonable efforts to collect amounts owed by Franchisee's VCS Business Accounts for services provided by Franchisee's employees or contractors under the applicable Account Cleaning Services Agreement. Such collected amounts shall be deposited to a dedicated bank account established by Franchisor exclusively for receipt of payments from all VCS Business Accounts (the "VCS Clearing Account"). Franchisor will remit to Franchisee by the 28th of each calendar month (the "Payment Date") the balance of collected amounts remaining after appropriate deductions are made. Franchisor will deduct from funds collected from Franchisee's VCS Business Accounts and paid into the VCS Clearing Account all amounts then due from Franchisee to Franchisor, including the amounts identified below (the "Deductions").

i) Business Support Services fees described in Section 11;
ii) Royalty fees described in Section 11;
iii) Any Promissory Note installments owed in connection with ~~a Business Plan selection as provided on Exhibit A, Additional Accounts,~~ equipment purchases or otherwise;
iv) Any Marketing Fee (or portion thereof) then due, as described in Section 12;
v) Any amounts due Franchisor for Special Services, as described in Section 12, or for Services Reimbursements incurred by Franchisor under Section 12;
vi) Any insurance or bond payments and any related administrative charges due, if Franchisee chooses to participate in such coverage through Franchisor; and
vii) Any other amounts payable to Franchisor.

2. ~~2.~~ Franchisor may, but is not obligated to, advance Franchisee monies uncollected from one or more VCS Accounts for up to sixty (60) days. Franchisor does not guarantee Franchisee that Accounts will timely pay amounts owed for services performed by Franchisee's VCS Business. Franchisee can discontinue servicing any VCS Account that fails to pay on time for services provided by Franchisee under the applicable Account Cleaning Services Agreement. Franchisor will consult with Franchisee before discontinuing invoices to any of Franchisee's VCS Accounts. Franchisor is not required to engage attorneys or collection agencies or to file suit to collect amounts owed by an Account. Franchisor will consult with Franchisee before settling a delinquent Account matter with the Account, which may result in the acceptance of less than the amount owed by the Account. Franchisor can discontinue Account collection activity after expending reasonable efforts. Funds advanced to the Franchisee applicable to such an Account (an "Uncollected Account") can be deducted by Franchisor from amounts payable to Franchisee. All funds deposited to the VCS Clearing Account for Account services performed under an Account Cleaning Services Agreement are subject to the royalty and other Franchisor compensation requirements described in Section 11, below.

3. ~~3.~~ On written request by Franchisee, Franchisor will assign to Franchisee the right to collect the outstanding balance on an Uncollected Account. Franchisee agrees to comply with all applicable laws and regulations governing debt collection practices and to indemnify and hold harmless Franchisor from any costs, expenses, fines, damages, suits or liabilities of any kind or nature arising out of, or in connection with, the assigned rights in the Uncollected Account and/or Franchisee's related acts or failures to act in connection with an Uncollected Account.

C. ~~C.~~ Account Changes. If ownership of an Account serviced by Franchisee's VCS Business reverts to Franchisor, as provided in Section 19 B., below, then Franchisor can arrange for an alternative VCS Business to handle the services specified under the applicable Account Cleaning Services Agreement. Franchisee shall not be entitled to any replacement of such an Account or to any refund. Franchisee will cooperate in the Account transition and is not entitled to Account payments made for services provided by another VCS Business.

D. ~~D.~~ Non-Vanguard Accounts. Franchisee can independently own janitorial accounts solicited by Franchisee outside of the VCS Business ("Non-Vanguard accounts"), if the services provided are not connected in any way with the Vanguard Cleaning Systems Marks or System or any Vanguard Cleaning Systems forms or materials. Franchisee is solely responsible for the administration of and billing/collection services for all Non-Vanguard accounts, which accounts are not covered under any insurance or bonding coverage that may be available through Franchisor. Franchisee must not refer to Vanguard Cleaning Systems in dealing with any Non-Vanguard accounts or any other business that Franchisee or any Franchisee Affiliate or Owner may operate separately from the VCS Business. An Affiliate is a company that owns, is owned by or is under common control with another company.

E. ~~E.~~ Other Support. Franchisor may provide general guidance and suggestions to Franchisee on subjects such as business development, marketing, operational efficiencies, and financial performance if and to the extent and in the manner Franchisor considers appropriate. Franchisor also may offer consulting to Franchisee from time to time to familiarize Franchisee with updated standards and other information relating to the System and intended to promote the uniform quality of services offered under the Marks.

F. ~~F.~~ Ancillary Account Services. Franchisee can choose to market and deliver independently to VCS Accounts services/products that are ancillary to the services provided under the Account Cleaning Services Agreement, such as plant care and replacement and minor handyman services. Franchisee shall notify Franchisor in writing before offering/delivering any ancillary services/products to VCS Accounts. Franchisor can require i) that any such services/products be offered/sold to a VCS Account by a limited liability company, corporation or other type of legal entity (a "Business Entity") separate and distinct from Franchisee so as to ensure that there is no confusion regarding the scope of services provided under the VCS brand; ii) that Franchisee fully indemnify and hold Franchisor harmless from any costs, damages, claims, expenses or liabilities of any kind directly or indirectly arising or of or related to the offer/delivery of any such ancillary services; and iii) that Franchisee provide evidence of insurance coverage sufficient to permit Franchisee to meet such indemnification obligations. Franchisor's Business Support Services, including billing and collection activities, will not be provided in connection with any such ancillary services. Revenue from ancillary services/products sold to VCS Accounts in compliance with this paragraph is not subject to royalty, Business Support Services fees or other compensation due Franchisor under this Agreement.

6. Vanguard Cleaning Systems Intellectual Property and System Protections

A. ~~A.~~ Vanguard Cleaning Systems Marks and System.

1. ~~1.~~ Franchisee is licensed under this Agreement to use the Vanguard Cleaning Systems Marks and System only for Franchisee's VCS Business and only in a manner that is consistent with Brand Standards. The goodwill and positive public perception associated with the Marks and System are valuable components of the VCS Business Franchise that Franchisee has been awarded. The Marks and System must not be used in connection with Non-Vanguard accounts, or unauthorized products or services, or in any manner not specifically permitted under this Agreement.

2. ~~2.~~ Franchisee must not add any accompanying words or symbols to the Marks or otherwise alter or display the Marks in any way not approved by Franchisor in advance and in writing. Franchisee may not use

the Marks as part of its legal Business Entity name. Franchisee will obtain at Franchisee's expense a fictitious or assumed name registration if required under local law or by Franchisor to protect the VCS brand.

3. ~~3.~~ Franchisee must not authorize or license any other person or entity to use the Marks or System. As a licensee, Franchisee has no right, ownership or interest in or to the Marks/System, Vanguard Cleaning Systems Intellectual Property or the goodwill associated with any of them. For purposes of this Agreement, "Intellectual Property" includes, regardless of the form or medium involved, any Vanguard Cleaning Systems software and data, the Marks, Confidential Information, as described in Section 6 C., below, and all other proprietary, copyrightable and/or trade secret information and materials incorporated into the System. Franchisee agrees not to assert any claim to any goodwill, reputation or ownership of the Marks or other Intellectual Property or to act in conflict with Licensor's rights in the Marks or other Intellectual Property, either during the term of this Agreement or afterwards. Franchisee agrees to provide Franchisor such information as Franchisor may reasonably request to demonstrate Franchisee's compliance with any data protection and/or cybersecurity requirements Franchisor may establish from time to time. Franchisee and its shareholders and/or members shall not conduct themselves or the VCS Business in any manner that reflects unfavorably upon the goodwill and public image associated with the Marks.

4. ~~4.~~ Additional or substitute Marks may be incorporated into the System and Marks may be modified or discontinued (collectively "changes") by Licensor. Uniformity in the use and display of the Marks in connection with VCS Business operations is important to the integrity of the brand and all persons/entities licensed to use it. Franchisee will adopt and comply with the changes at Franchisee's expense as required.

5. ~~5.~~ Franchisee must immediately notify Franchisor in writing on learning or receiving notice of any alleged trademark infringement involving Franchisee's use of the Marks. Franchisor shall take such action as Franchisor deems appropriate, if any. Franchisor and Licensor are not obligated to indemnify or hold Franchisee harmless from any costs, expenses or damages incurred by Franchisee in connection with any trademark infringement proceeding or action arising out of Franchisee's use of the Marks.

6. ~~6.~~ Franchisee shall notify Franchisor on learning that any unauthorized third party is or may be using any mark that is the same as or confusingly similar to the Marks. Franchisor, or Licensor, as applicable, have the exclusive right to determine which, if any, action to take with respect to any potential infringement of the Marks~~.~~

7. ~~7.~~ Franchisor and/or Franchisor's Licensor, as applicable, can defend and settle any claim or suit relating to the Marks using their selected counsel. Franchisee shall cooperate in the defense of such actions at Franchisor's expense. Franchisee shall have the right to participate at Franchisee's own expense in the defense or settlement of any claim or suit alleging infringement by Franchisee, subject to Franchisor's right to control the defense and any settlement. Franchisor and Licensor are not obligated to protect or defend Franchisee for any damages or costs of defense if Franchisee is sued or made a party to any proceeding because of Franchisee's use of the Marks.

B. ~~B.~~ Manuals. During the Term of this Agreement, Franchisor will loan Franchisee one copy of the Manuals, which are a component of the VCS System. "Manuals" means the compilation of VCS System information contained in one or more publications on various subjects. Manuals can be communicated to Franchisee in different mediums, including electronic. Franchisee has no right or interest in the Manuals other than a license to use them while this Agreement is in effect. The Manuals do not, nor are they intended to, control day to day operation of Franchisee's VCS Business. Franchisor and Licensor can make additions, deletions or modifications to the Manuals.

C. ~~C.~~ Confidential and/or Proprietary Information.

1. ~~1.~~ "Confidential Information" means information, know how, data, trade secrets and proprietary material relating to the System and VCS Businesses which is not generally known publicly or was not already known by Franchisee/Owner before becoming a VCS Business Franchisee/Owner. It includes Manuals,

certification programs and instructional materials; strategic marketing and other business plans, bidding and pricing practices; financial performance data; and all VCS Account agreements and related customer information, including statistical and/or financial information and all related lists.

2. ~~2.~~ Both during the Term of this Agreement and for two (2) years after it expires or is terminated, Franchisee and each Owner must use the Confidential Information only for Franchisee's VCS Business, keep it confidential, and not make or distribute any unauthorized copies of any Confidential Information or permit others to do so. Franchisee will ensure that its employees and agents treat Confidential Information in the same manner as Franchisee is required to protect it. Franchisee and Owners agree to protect System trade secrets in the manner described in this paragraph both during and after the term of this Agreement, without regard to any time period limitation.

D. ~~D.~~ Domain Names, E-mail Addresses and Internet Usage. The domain name www.vanguardcleaning.com is Licensor's sole property. Franchisee shall not register or use any domain name or URL that contains, uses or displays the words "Vanguard Cleaning Systems" or "Vanguard", or the initials "VCS," or any Marks, or other related or confusingly similar words or symbols, unless Franchisee first receives Franchisor's written consent. Franchisee may not use the Marks or any derivation of the Marks on the Internet, or in any electronic advertising or social media, including Facebook, LinkedIn, Twitter, YouTube, or other social media or applications, without Franchisor's prior written consent.

E. ~~E.~~ Terms of Franchisee's Use of Intellectual Property. Franchisee's ownership of Franchisee's VCS Accounts and Franchisee's license to use the Confidential Information, the Marks, the System, the Manuals and other Vanguard Cleaning Systems Intellectual Property and to provide services to VCS Accounts ends when this Agreement is assigned, terminated or expired, whichever occurs first, and as provided under Section 19 B., below.

F. ~~F.~~ Accounts and System Protections; Non-solicitation.

1. ~~1.~~ Franchisor and VCS Businesses share a mutual interest in enhancing Vanguard Cleaning Systems® companies' competitive advantages and market share. Franchisee acknowledges that the System protections described in this Section 6 F. are essential elements of the bargain between Franchisee and Franchisor, can enhance the value of a VCS Franchise and represent a reasonable balancing of Franchisee's and Franchisor's respective interests. Under this Agreement, Franchisee is free to operate businesses outside of and in addition to Franchisee's VCS Business, while Franchisor can ensure that ownership of VCS Business Accounts and the related Account Cleaning Services Agreements revert to Franchisor under the circumstances described in Section 19 B., below.

2. ~~2.~~ During the term of this Agreement, Franchisee may solicit and provide janitorial services to Non-Vanguard Accounts independently of the VCS Business, so long as Franchisee and Franchisee Owners and Affiliates do not in their dealings with Non-Vanguard Accounts use or refer to Franchisor, the Marks, Vanguard Cleaning Systems, or any materials or forms provided by or through Franchisor. Franchisee and its Affiliates can identify, solicit and bid on new accounts that are not currently being bid on by Franchisor. However, Franchisee, Franchisee Owners and Franchisee Affiliates shall not independently solicit janitorial business from Accounts that are already doing business with Franchisor or with any VCS Business, or otherwise interfere with the ongoing services provided by other VCS Businesses.

G. ~~G.~~ Remedies. If Franchisee does not meet any of the requirements of this Section 6 Franchisor's remedies will include, but not be limited to, the right to obtain injunctive and other equitable relief. If any of the restrictions of this Section are determined to be unenforceable to an extent because of duration, the scope of geographic and/or business coverage or otherwise, they will be reduced to the level that provides the greatest protection to Franchisor and the Vanguard Cleaning Systems Marks and System, but which is still enforceable.

7. ~~7.~~ Nature of the Franchise Relationship; Franchisee's Independent Business and Related Responsibilities

A. Franchisee is an Independent Contractor; Legal Compliance.

1. ~~1.~~ Franchisee is and shall remain a completely independent contractor in business for itself. Franchisee will hold itself out as an independent business in all dealings and communications with Accounts and the public, including suppliers, lessors, government agencies, employees, and contractors. Franchisee and Franchisor are not, and shall not hold themselves out as, an agent, representative, employee, officer, director, partner, owner or Affiliate of the other. Neither Franchisee nor Franchisor has the authority to bind the other to any agreement or obligation without their written consent. Franchisee's VCS Business is, and shall remain, totally separate from any business that Franchisor or Licensor operates. Franchisee acknowledges and agrees that nothing in this Agreement or in the parties' course of conduct is intended as, or shall be construed to create, state or imply, an employer-employee, co-employer or joint employer relationship, partnership, joint venture, agency or any fiduciary or special relationship between Franchisor and Franchisee, or between Licensor and Franchisee. Franchisee agrees that it and Franchisee Owners are not entitled to participate in Franchisor's health, medical or similar plans or to receive any health, medical or similar coverage from or through Franchisor under this Agreement, nor are Franchisee's employees covered employees under Franchisor's workers' compensation insurance benefit program. Franchisee further acknowledges as an independent business entity that this Agreement will not require Franchisor to carry or provide workers' compensation or reemployment insurance for Franchisee, Franchisee's employees or Franchisee Owners, nor will Franchisor be obligated to provide Franchisee with insurance or protection from liability to any third party that may arise out of your VCS Business operations. Franchisee shall identify the VCS Business and its operations as independently owned and operated and include notices of Franchisee's independent ownership on VCS Business forms, business cards, stationery, advertising, signs and other materials as Franchisor requires. In entering into this Agreement, both Franchisee and Franchisor are relying upon the other to ensure that their respective actions remain consistent with the independent nature of their relationship and that their respective employees and other third parties understand that each is entirely independent of the other. Franchisee has no relationship with Franchisor's or Licensor's employees, and Franchisor and Licensor have no relationship with Franchisee's employees.

2. ~~2.~~ Franchisee shall remain a corporation or limited liability company, as applicable, in good standing under local law. Franchisee is otherwise free to conduct its independent VCS Business as Franchisee deems best so long as Franchisee's operations remain consistent with this Agreement, any required Brand Standards and all applicable codes, laws, regulations, ordinances and other legal requirements, including to the extent applicable privacy and data security laws pertaining to Account, employee and transactional information, as well as the Fair Labor Standards Act, the Occupational Safety and Health Act, any state wage and hours or workers compensation act, any state unemployment compensation benefit law or regulation, or any other federal, state or local employment-related or employee benefit law or regulation, including without limitation the Employment Retirement Income Security Act of 1974, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Family and Medical Leave Act, the Equal Pay Act and the National Labor Relations Act. Franchisee shall keep current all licenses and permits required by any government agency in connection with the VCS Business. Franchisee agrees to give Franchisor within three (3) days of receipt a copy of any notice from any state, local or other governmental authority alleging a failure to comply and pertaining to Franchisee or Franchisee's VCS Business.

3. ~~3.~~ Franchisee has sole authority over and shall supervise, manage and control the day to day operations of its VCS Business and determine the methods, hours and details of performance necessary to meet each Account Cleaning Services Agreement terms and requirements. Franchisee is exclusively in charge of hiring and firing, disciplining, promoting, compensating, scheduling, staffing and management of Franchisee's VCS Business employees and contractors, the terms and conditions of their employment and their compliance with any required Brand Standards. Franchisee's employees are solely employees of Franchisee's VCS Business.

4. ~~4.~~ Throughout the term of this Agreement Franchisee must employ a minimum of 1 employee and maintain sufficient, capable personnel to adequately staff the VCS Business and meet Account Cleaning Services Agreement requirements. As an independent business, Franchisee is solely responsible for Franchisee's VCS Business periodic filings and payments due in connection with all state, federal and/or local taxes, fees and withholdings of every kind, including business and/or personal self-employment taxes and income taxes; payroll and payroll taxes for VCS Business employees; and all social security and other amounts required to be paid or withheld, as well as for worker's compensation insurance as required by law. Neither Franchisor nor Licensor are responsible for any item or expense associated with Franchisee's payroll or for any other compensation or benefits related to Franchisee's employees, independent contractors or Franchisee's VCS Business.

B. ~~B.~~ Franchisor Not a Commercial Cleaning Service. Franchisee understands and acknowledges that Franchisor is engaged in the business of licensing the System and providing franchise support services to the VCS Businesses to which it has committed. Franchisor's employees do not provide commercial cleaning services.

C. ~~C.~~ Licensor Unrelated to Franchisee. Franchisee further acknowledges that Vanguard Cleaning Systems, Inc. is not a party to this Agreement, has no relationship with or to Franchisee or Franchisee's VCS Business and has made no commitments to Franchisee under this Agreement or otherwise. It has licensed the Marks and the System to Franchisor to allow Franchisor to sublicense the same to Franchisee, but does not undertake any obligation to Franchisee of any kind. Franchisee shall ensure that each of Franchisee's agents, employees, Owners, officers, directors, members and representatives fully understands that Vanguard Cleaning Systems, Inc. has no obligation to or relationship with any of them. It is engaged exclusively in the business of licensing the System and providing support services to its master franchisees, like Franchisor. Neither it nor its employees perform commercial cleaning services.

8. VCS Business Activities

A. ~~A.~~ Brand Protections.

1. ~~1.~~ Franchisee acknowledges that the Vanguard Cleaning Systems brand and image are core benefits of the Vanguard Cleaning Systems franchise network and that, like Franchisee, other Vanguard Cleaning System franchise members join the franchise network to enjoy those benefits. Franchisor and Franchisee agree that the predictability of high quality VCS Business products/services, product/service consistency of performance and similar factors are of key importance to Vanguard Cleaning Systems Accounts and prospective Accounts, to building a positive image and reputation for the Vanguard Cleaning Systems brand and franchise network, and to both individual VCS Business and Franchise network growth. Franchisee and its VCS Business operations must meet any required Brand Standards contained in the Manuals or otherwise because they are essential to the consistent quality and standards associated with Vanguard Cleaning Systems Marks and their related goodwill. Brand Standards do not, nor are they intended to, control day to day operation of Franchisee's VCS Business. Brand Standards do not include security-related policies or personnel policies or procedures, including those relating to hiring, firing, disciplining, promoting, compensating, scheduling and other terms and conditions for Franchisee's employees and contractors, as Franchisee is solely responsible for establishing such policies and procedures. To protect the Vanguard Cleaning Systems reputation, image and goodwill and to maintain uniform quality, Franchisee also agrees to comply with the following terms in conducting its VCS Business:

i) ~~i)~~ Franchisee is free to determine which Account Transfers Franchisee wishes to accept. For purposes of this Agreement, a "Transfer" of an Account to Franchisee's VCS Business gives Franchisee ownership and control of the Account and the Account relationship, subject to certain conditions as described in Section 19 B., below. In accepting an Account Transfer, Franchisee commits to meet the Account Cleaning Services Agreement requirements, as negotiated by the customer, and to follow security procedures established by the Account. Franchisee is solely responsible for the services performed at such Account locations and for the day to day operations of its VCS Business in fulfilling Account commitments until Franchisee's VCS Business no longer provides such services;

ii) ~~ii)~~ Franchisee agrees to correct promptly deficiencies identified by or through a VCS Account;

iii) ~~iii)~~ Franchisee shall operate the VCS Business in compliance with all applicable Federal, State and local laws, regulations and ordinances and provide evidence of compliance to Franchisor upon reasonable request;

iv) ~~iv)~~ Franchisee's VCS Business will offer and provide only services that Franchisor associates with the Marks;

v) ~~v)~~ Franchisee is responsible as an independent business for ensuring that Franchisee's VCS Business maintains the equipment and products necessary to provide the services specified by the Account under each Account Cleaning Services Agreement accepted by Franchisee and for providing its employees the guidance necessary to fulfill service commitments and quality standards.

9. VCS Business Marketing and New Business Development

Franchisee is encouraged to emphasize new business development for the VCS Business and to focus resources on activities that can enhance negotiation, pricing and proposal skill building. Any VCS Business advertising and promotion will be in good taste and conform to ethical and legal standards. Franchisee's uses of the Marks can impact Franchisor and other VCS Businesses, so Franchisor can require that samples of all advertising and promotional materials for any media used in marketing Franchisee's VCS Business, including on the Internet, be submitted to Franchisor for review of Franchisee's use of the Marks and approval prior to use. Franchisee agrees not to use any materials or programs for its VCS Business disapproved by Franchisor.

10. Accounts and Record Keeping; Account Summaries

Franchisee will keep complete books and records for the operation of the VCS Business reflecting income and expense items of the VCS Business and will deliver to Franchisor periodic ~~Service Billings~~VCS Account billing summaries when and in the form Franchisor requests. Books and records for any non-VCS Business activities in which Franchisee or any Franchise Owner or Affiliates engage must be separately maintained from VCS Business records.

11. Royalties and Business Support Services Fees

A. Royalties. Franchisee agrees to pay Franchisor throughout the term of this Agreement a continuing royalty of fifteen percent (15%) of Gross Revenues for the use of the System and the Marks, among other Vanguard Cleaning Systems benefits. For purposes of this Agreement, "Gross Revenues" means the total monthly billings for revenues due from all Accounts serviced by Franchisee's VCS Business, regardless of the source for such Account or the manner in which it is obtained (but excluding any Non-Vanguard Account revenue). The royalty is payable monthly based upon the prior month's Gross Revenues and is entirely non-refundable. Gross Revenues includes funds collected by Franchisee's VCS Business, rather than by Franchisor. Franchisee is not authorized to collect any such amounts, except as provided under Section 5 B. 3., above, of this Agreement or as may be separately authorized by Franchisor in writing.

B. Business Support Services Fee. Franchisee agrees to pay to Franchisor throughout the term of this Agreement a Business Support Services fee of five percent (5%) of Gross Revenues, which is payable monthly based upon the prior month's Gross Revenues for Franchisee's VCS Business and is entirely non-refundable.

12. Marketing Fees and Other Possible Fees/Payments to Franchisor

A. ~~A.~~ Marketing Fee. Franchisee will pay Franchisor a fee (a "Marketing Fee") for marketing and related services performed by Franchisor in connection with obtaining new Account business that Franchisee chooses to accept from Franchisor. New Account business ~~("Additional Business")~~ refers to Account Transfers accepted by Franchisee~~ after any initial Business Plan commitments have been met by Franchisor~~, and includes increases in ~~services billings~~Service Billings for such ~~Business Plan~~VCS Accounts~~ and for Additional Business~~, such as for expanded services to existing VCS Accounts~~ after any initial services billings commitments have been met~~. Franchisor ~~has no obligation~~is obligated to offer ~~Additional Business~~VCS Accounts to Franchisee, ~~and~~but Franchisee has no obligation to accept ~~or pay for any Additional Business Account Transfers~~any VCS Accounts that may be offered. ~~If Additional Business~~When a VCS Account is offered and accepted, Franchisor can require that the then current form of ~~Additional~~VCS Account Business Transfer and Payment Agreement or other ~~Additional~~VCS Account Business arrangement acceptable to the parties be signed by Franchisee and Franchisor, as well as an applicable Account Transfer ~~and~~ Acceptance Terms, which will specify the payments due from Franchisee in connection with the ~~Additional Business~~VCS Accounts. A Marketing Fee is payable in full when the ~~Additional Business~~VCS Account is accepted, unless Franchisor offers and Franchisee accepts financing terms or other pricing or payment arrangements, such as a shared revenue arrangement (Refer to the VCS Account Transfer ~~and~~ Acceptance forms attached as Exhibits J~~-2~~-1 and J~~-3~~-2 of Franchisor's Franchise Disclosure Document). The amount of a Marketing

Fee, availability of financing, pricing method used, as well as any amount financed, the interest rate, the number of installments and other financing terms can vary. No Marketing Fee is due on a VCS Account generated and obtained entirely by Franchisee. Each such VCS Business Account enters into an Account Cleaning Services Agreement with Franchisor and ownership of each such VCS Business Account shall be Transferred to Franchisee promptly thereafter, subject to the conditions described in Section 19 B., below.

B. ~~B.~~ Special Services. Special Services orders are Account requests for non-routine VCS Business services, such as carpet cleaning, floor finishing, and initial cleaning ("Special Services"). Franchisee must notify Franchisor of any Special Services request from a VCS Account~~,~~ if the Franchisor has not already been informed of the request by the VCS Account. Franchisor can condition the acceptance of any such order on Franchisee's demonstration of the capabilities necessary to meet any Brand Standard requirements applicable to the particular request. Franchisor can charge an additional fee for each Special Services order accepted by Franchisee. The Special Services fee generally is established as a percentage of the Service Billings associated with the Special Services and is in addition to the Business Support Services and royalty fees. Service Billings refers to an amount negotiated between Franchisor and the VCS Account customer for specified services. The generally applicable percentage is subject to adjustment by Franchisor and may vary depending upon the source for the order, among other factors. In all instances, Franchisee will be informed of the applicable Special Services fee before any acceptance by Franchisee. Franchisee's VCS Business is responsible for furnishing the equipment, supplies and staffing necessary to complete any Special Services request that Franchisee accepts. Franchisee agrees that, i) if Franchisee wishes to provide Special Services to a VCS Account, Franchisee must pay the applicable Special Services Fee, and may need to purchase additional equipment and supplies at Franchisee's expense; and ii) if Franchisee is not qualified in Franchisor's judgment to satisfy any Special Services order, the order may be fulfilled by a separate VCS Business, without payment or obligation to Franchisee.

C. ~~C.~~ Substituted Services Reimbursement. Account dissatisfaction with Franchisee's VCS Business services negatively impacts Franchisor, other VCS Businesses and the goodwill associated with the Marks and System. Franchisee's VCS Business must meet required Vanguard Cleaning Systems Brand Standards. Franchisee acknowledges that a failure to meet Account Cleaning Service Agreement requirements or to arrange schedule substitutions in advance for a VCS Business Account is a material breach of this Agreement and damaging to the Vanguard Cleaning Systems image and reputation. Franchisee hereby authorizes Franchisor to arrange for a third party to meet Account needs in order to preserve the goodwill associated with the Marks, and Franchisee agrees to reimburse Franchisor to the extent of any expenses incurred when Franchisee fails to meet Account Cleaning Services Agreement requirements.

D. ~~D.~~ Other Payments. Franchisor, Licensor, and their respective Affiliates can receive and keep rebates, incentive payments, discounts and other economic benefits from any supplier. Each of them also can earn and keep revenues, mark ups, profits and other economic benefits they will realize in connection with sales of products/services to VCS Businesses or otherwise.

13. Franchisee Payments and Franchisee Owners Guaranty

Franchisee will pay Franchisor all costs Franchisor incurs in collection of late payments from Franchisee, including reasonable attorneys' fees and other legal expenses. All current and future Franchisee Owners must personally guarantee Franchisee's performance under this Agreement and any Promissory Notes or other agreements between Franchisee and Franchisor relating to Franchisee's VCS Business by signing an Owner's Guaranty in the form then requested by Franchisor. Franchisor's current form of Owner's Guaranty is attached to this Agreement as Exhibit ~~C~~B, but Franchisor can change the form from time to time.

14. Franchisor's Right of Offset

Franchisor has the right to withhold from revenues received from Franchisee's VCS Business Accounts any amounts due from Franchisee to Franchisor under this Agreement, any Promissory Note or any other agreement between Franchisor and Franchisee. Franchisor can apply any amounts otherwise owed to Franchisee to any past due, current, or future Franchisee debt of any kind as Franchisor chooses and can set off any amount owed by Franchisor to Franchisee against any amounts owed by Franchisee to Franchisor.

15. Indemnity

Franchisee will defend with counsel of Franchisor's choosing, indemnify, reimburse, and hold Franchisor, Licensor and each of their respective Affiliates, agents, officers, members, managers, shareholders, directors, employees and representatives (the "Indemnified Parties") harmless from all fines, suits, proceedings, claims, demands, actions, losses, damages, costs, fees (including attorneys' fees and related legal costs and expenses), governmental/administrative actions or proceedings and any other liability of any kind or nature, however arising, growing out of or otherwise connected with and/or related to any Franchisee breach of this Agreement, the ownership or operation of Franchisee's VCS Business, or any act, error and/or omission by Franchisee and/or any Franchisee Affiliates, agents, officers, members, managers, shareholders, directors, employees or representatives. Franchisor will have the right to control all litigation to which it is a party and to defend and/or settle any claim in such manner as Franchisor considers appropriate, without affecting Franchisor's or the Indemnified Parties' rights under this indemnity. Franchisee acknowledges that this obligation to indemnify and reimburse Indemnified Parties for costs and expenses, as described above, applies to any action or proceeding or legal matter of any kind in which one or more Indemnified Parties is/are named or involved and which also involves this Agreement and/or Franchisee's VCS Business, including any administrative actions or investigations and appellate, post judgment or bankruptcy proceedings. Franchisee further acknowledges that this obligation to indemnify and reimburse Indemnified Parties for costs and expenses, as described above, expressly applies to claims from persons employed by or providing services to Franchisee involving allegations of a violation of the Fair Labor Standards Act, the Occupational Safety and Health Act, any state workers compensation act, any state unemployment compensation benefit law or regulation, or any other federal, state or local employment or employee benefit law or regulation, and regardless of the basis of alleged liability, whether joint employer, ostensible agency, vicarious liability or otherwise. All amounts payable by Franchisee under this Section 15 are due upon demand. Franchisee is entitled to appoint separate independent counsel to represent Franchisee's interests in such suits, proceedings, or claims, all at Franchisee's expense. Franchisee's obligations under this Section 15 survive the assignment, termination or expiration of this Agreement, except that Franchisee shall not be responsible to indemnify any Indemnified Parties for costs, expenses or other liabilities incurred by any such Indemnified Parties solely as a result of such Indemnified Parties' intentional misconduct or material breach of this Agreement.

16. Insurance and Related Policy Considerations

A. ~~A.~~ Franchisee Responsible for VCS Business. Franchisee is responsible for any losses, damage to property, and injuries to persons arising out of or connected with Franchisee's VCS Business or Franchisee Owners, officers, directors, members, employees, contractors, agents and/or representatives, including any claimed damages for breach of security, and Franchisor and Licensor have no liability for the same.

B. ~~B.~~ VCS Business Insurance Requirements.

1. ~~1.~~ Before beginning operation of the VCS Business Franchisee must have insurance coverage of the types and in the amounts then required by Franchisor as a minimum. Liability policies and crime insurance must name Franchisor and Licensor as additional insured to the extent permitted under law. Such insurance will be primary and non-contributory with respect to any insurance carried by Franchisor. Franchisor and Licensor shall receive at least thirty (30) days prior written notice of any amendment to or cancellation of a required policy. Minimum coverage requirements and policy amounts can be adjusted by Franchisor from time to time based on Franchisor's evaluation of risk factors and other matters pertinent to a VCS Business and/or the System. Minimum insurance requirements as of the Effective Date of this Agreement include the following, are subject to change, and are in addition to any requirements imposed on Franchisee under law or any applicable lease:

i) ~~i)~~ comprehensive commercial general liability insurance on an occurrence basis against claims for bodily and personal injury, death and property damage, with a minimum liability limit of $1,000,000 per occurrence and $2,000,000 in the aggregate or, if higher, the statutory minimum limit required under state law, and commercial umbrella liability insurance coverage of $10,000,000;

ii) ~~ii)~~ workers' compensation insurance as required under the law of the state in which Franchisee's VCS Business will operate;

iii) ~~iii)~~ automobile liability insurance for owned or leased vehicles used in the VCS Business, with coverage at least as great as the statutory minimum required under the law of the state in which Franchisee's VCS Business will operate;

iv) ~~iv)~~ crime insurance coverage in an amount not less than $1,000,000; and

v) ~~v)~~ an unemployment insurance account as required under the law of the state in which Franchisee's VCS Business will operate.

2. ~~2.~~ Franchisee will give Franchisor certificates of such required coverage before beginning the VCS Business, annually upon the renewal of each policy and upon request from Franchisor. Commercial liability insurance coverage and crime insurance may be available through a Franchisor program. Franchisor is not required to maintain such a program, and Franchisee can elect to buy coverage with carriers of Franchisee's choosing as long as the selected carriers meet then current Franchisor System standards. If Franchisor offers Franchisee an opportunity to participate in any group insurance program available to VCS Businesses and Franchisee chooses to purchase coverage through the group, Franchisor will charge Franchisee Franchisor's cost for the coverage, as well as the then current administrative fee, which is subject to change by Franchisor. All such payments are non-refundable and payable monthly. If Franchisee elects to participate in any available group insurance plan, Franchisor may require Franchisee to sign the then current Insurance Request Form/Payment Authorization.

3. ~~3.~~ If Franchisee fails to purchase or maintain required policies and limits or to provide proof of insurance on request, then Franchisor has the right, but not the obligation, to obtain such coverage and Franchisee must reimburse Franchisor upon demand. A failure to maintain required insurance is a material breach of this Agreement.

4. ~~4.~~ Franchisee will follow the risk management policies and requirements established by Franchisee's carriers, as well as by any Accounts Transferred to Franchisee's VCS Business, including, but not limited to drug and alcohol policies, background checks and injury or claim reporting requirements. Franchisee hereby acknowledges and agrees that Franchisor may, from time to time at Franchisor's sole discretion, obtain background checks on Franchisee and Franchisee's principals and employees for any legitimate business reason, and Franchisee, on behalf of itself and its employees and principals, expressly consents to this practice and any background check made under it.

C. ~~C.~~ Franchisee's Other Businesses. All Non-Vanguard Accounts business and operations must be separately insured by Franchisee under independent, Non-Vanguard policies.

17. Franchisee to Pay All Taxes and Comply with Notice Requirements

Franchisee agrees to pay all personal property, sales, excise, use, payroll taxes and other taxes, fees and assessments, regardless of type or nature, which may be imposed, levied, assessed or charged on or against, or in connection with, any service sold or furnished, or business conducted under this Agreement, whether imposed by any state, municipality, county or other governmental unit or agency. If any payment from Franchisee to Franchisor is subject to any taxes, fees or other assessments, regardless of type or nature, imposed on or required to be collected from or paid by Franchisor, then Franchisor can require Franchisee to pay Franchisor an additional amount, so that the amount of the payment actually received by Franchisor after such deduction, payment or withholding is equal to the full amount due from Franchisee under this Agreement. For purposes of this Section, "payments from Franchisee," also includes payments collected by Franchisor as part of its Business Support Services commitment to Franchisee in connection with Franchisee's VCS Business Accounts. Additionally, if Franchisee is required under law to withhold amounts from any payments to Franchisor, then Franchisee must timely pay the appropriate authorities all withholding and/or other such taxes/amounts due and give proof of payment to Franchisor within five (5) days of the date made. Franchisee also will take such other steps as may be reasonably necessary to enable the Franchisor to obtain any available tax credit.

18. Term of Agreement and Renewal

A. Renewal. This Agreement shall be in effect for a period of five (5) years from the Effective Date of this Agreement, unless sooner terminated under Section 19, below, or in connection with an assignment of

Franchisee's VCS Business. Franchisee may renew the franchise for Franchisee's VCS Business for one consecutive five (5) year term, if:

i) Franchisee is not in default under this Agreement or any other agreement between Franchisee and Franchisor at the time of renewal;
ii) Franchisee gives Franchisor written notice of Franchisee's decision to renew at least 90 days before, but not earlier than 180 days before, the expiration of this Agreement;
iii) Franchisee has paid in full all amounts owed to Franchisor at the time of renewal;
iv) Franchisee timely signs, at Franchisor's sole option, either a renewal term extension addendum or the form of franchise agreement and ancillary documents then used by Franchisor for renewing franchisees, which agreements can be materially different from this Agreement; and
v) Franchisee and all Franchisee Owners sign a general release in a form satisfactory to Franchisor of any claims against Franchisor, Licensor and/or their respective Affiliates, and the Owners, officers, directors, managers, employees and representatives of each of them, subject to applicable law.

Franchisee may renew the franchise for two additional five (5) year terms thereafter if Franchisee meets the conditions for renewal in effect at the time of the expiration of the applicable term.

19. Termination

A. ~~A.~~ Causes for Termination by Franchisor. If any of the following events occurs, this Agreement can be terminated by Franchisor in its discretion with written notice to Franchisee and without any further opportunity to cure.

i) ~~i)~~ If Franchisee becomes insolvent or is adjudicated bankrupt, or if Franchisee's VCS Business comes into the possession or control of any trustee in bankruptcy, or if a receiver is appointed for Franchisee, or if a general assignment for the benefit of creditors is made;
ii) ~~ii)~~ If without Franchisor's advance written consent and as otherwise required under this Agreement, Franchisee surrenders or assigns control of the VCS Business or makes or attempts to make a direct or indirect assignment of the Franchise or an ownership interest in Franchisee or in the assets of the VCS Business (other than in the ordinary course of business), or an assignment is not completed as required under this Agreement upon the death or incapacity of Franchisee or a Franchisee Owner;
iii) ~~iii)~~ If Franchisee has made any material misrepresentation or omission in the application for the Franchise;
iv) ~~iv)~~ If Franchisee or a Franchisee Owner infringes upon or uses the Marks, any Confidential Information or any other Intellectual Property in a manner not authorized under this Agreement;
v) If Franchisee or a Franchisee Owner is or has been convicted of any crime or has pleaded no contest to any criminal charge that is relevant to the operation of the VCS Business or to Franchisee's reputation, or that is likely to prevent Franchisee from securing the bonding or insurance required under this Agreement;
vi) ~~vi)~~ If Franchisee abandons the franchise, which will be considered to have occurred if Franchisee voluntarily elects to discontinue servicing all of Franchisee's VCS Business Accounts, or fails to service Franchisee's VCS Business Accounts according to their Account schedules and to communicate with Franchisor or an Account for more than seven (7) consecutive days without first having provided notice and arranged for substitute services acceptable to the Account, as applicable;
vii) ~~vii)~~ If Franchisee violates any safety, health or workplace protection law, ordinance or regulation or operates or provides services under the VCS Business in a manner that creates, or threatens to present, a significant safety or health hazard and fails to correct such conduct within three (3) days of notice from Franchisor or the applicable governmental agency (or within such shorter period as is required under law/regulation);

viii) ~~viii)~~ If Franchisee fails to maintain the insurance coverage required under this Agreement;

ix) If Franchisee defaults on any payments due Franchisor under this Agreement or any Promissory Note or other agreement with Franchisor and does not make full payment within 15 days of the issuance of a default notice by Franchisor (or within such period as may be specified under such Promissory Note or other agreement);

x) If Franchisee, or any Franchisee Owner, fails to comply with Section 6 F. 2. of this Agreement and to cease the breaching conduct within five (5) days from issuance of a written default notice by Franchisor;

xi) If Franchisee defaults in the payment of any undisputed VCS Business debts, including those to employees or suppliers or taxing authorities, and does not cure the nonpayment within a period of fifteen (15) days after the due date or within such shorter period as may be required by the applicable creditor or under law;

xii) ~~xii)~~ If Franchisee (or Franchisee's Owner/agent/representative) engages or is involved in any activity that is likely to have a significant adverse impact upon the operation or reputation of Franchisee's VCS Business, the Franchisor, the Vanguard Cleaning Systems System or the goodwill and image associated with the Marks; and

xiii) ~~xiii)~~ If Franchisee commits any other default under this Agreement and does not correct the default within thirty (30) days from issuance of a written default notice by Franchisor.

B. ~~B.~~ VCS Account Conditions. All right, title and interest in a VCS Account and Account Cleaning Services Agreement Transferred to Franchisee under this Agreement shall revert to Franchisor:

i) immediately upon a termination or expiration of this Agreement;

ii) immediately if a customer terminates such Account Cleaning Services Agreement or requests a Transfer to an alternative VCS Business because of concerns regarding Franchisee's (or Franchisee's agents'/employees') integrity and/or character, service quality, or a claimed failure to meet Account Cleaning Services Agreement requirements;

iii) immediately if Franchisee chooses to discontinue providing the services outlined in the applicable Account Cleaning Services Agreement;

iv) immediately if Franchisee (or any Franchisee Owner/agent/representative) fails to pass any criminal background check and/or drug, chemical or physical testing required by such VCS Account; or

v) if Franchisor has cause to send Franchisee a notice of default and termination under Section 19 A., above. Whenever such a cause occurs under this Agreement, Franchisor also shall have the unrestricted right to demand that all of Franchisee's right, title and interest in one or more VCS Account Cleaning Services Agreements revert to Franchisor, which reversion shall be effective immediately upon Franchisor's delivery of such a written demand to Franchisee.

Franchisee acknowledges and accepts that all such reverting VCS Accounts may be Transferred by Franchisor in its discretion to an alternative VCS Business. Whenever a VCS Account reverts to Franchisor or is Transferred to another VCS Business, Franchisee will cooperate in the transition.

C. ~~C.~~ Cross Defaults. Franchisee's default under this Agreement is a default under any other agreement or Promissory Note between Franchisee and Franchisor or any Owner and Franchisor (the "Other Agreements"). Franchisee's default under any Other Agreements is a default under this Agreement. An election not to enforce any such default is not a waiver by Franchisor of any rights or remedies available under law or equity or by contract.

D. ~~D.~~ Franchisor's Remedies Available. Franchisor's exercise of any rights under this Section 19 does not limit or diminish Franchisor's right to seek payment for all fees payable and other amounts due under this Agreement, any Promissory Note or any other agreement with Franchisee or Owners or any other remedies available under law or in equity.

E. ~~E.~~ Franchisee's Right to Terminate. Franchisee shall have a right to terminate this Agreement without cause exercisable within thirty (30) days of the Effective Date of this Agreement (the "Franchisee Termination Period"). Franchisee shall exercise the right by delivering to Franchisor a written request to terminate this Agreement within the Franchisee Termination Period. If Franchisee gives Franchisor and related parties a signed general release of claims in a form prescribed by Franchisor, subject to any applicable franchise laws or other state limitations, Franchisor shall refund to Franchisee within thirty (30) days of Franchisor's receipt of such a release of claims the amount of the Initial Franchise Fee actually received from Franchisee prior to the refund date. If this Agreement is terminated as provided in this Section 19 E., Franchisee's right to use the Marks and System and to operate as a VCS Business franchisee shall be ended and without further effect. Franchisee shall be required to comply with Franchisee's rights and duties on termination, as provided in Section 20, below.

20. Rights and Duties on Expiration or Termination

A. ~~A.~~ On Termination or Expiration of the Franchise. The following terms apply if this Agreement is terminated or expires and survive such termination or expiration:

i) ~~i)~~ Franchisee shall immediately cease operating the VCS Business and servicing VCS Accounts and shall not afterwards, directly or indirectly, represent to the public or hold itself/himself/herself out as a present or former VCS Business franchisee; Franchisee may sell and assign its VCS Business Accounts to another VCS Business franchisee subject to Franchisor's consent, as provided in Section 21 C. below, prior to the expiration or termination of this Franchise Agreement;

ii) ~~ii)~~ Franchisee shall immediately and permanently cease using a) any Confidential Information or other Intellectual Property; b) the Marks and any distinctive forms, uniforms, slogans, signs, and logos associated with the Marks or System; c) all advertising/promotional materials, stationery, forms, signage and other branded items, and any other article displaying any of the Marks; and d) any products or services proprietary to the Franchisor;

iii) ~~iii)~~ Within thirty (30) days of termination/expiration of the Franchise Agreement, Franchisee shall take such action as may be necessary to cancel or assign to Franchisor or Franchisor's designee, at Franchisor's option, any assumed name or equivalent registration filed with state, city or county authorities that contains the name Vanguard, Vanguard Cleaning Systems, VCS or any of the Marks or any derivative of any of them. Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within ten (10) days after termination or expiration of this Agreement;

iv) ~~iv)~~ Franchisee shall pay to Franchisor and Licensor, as applicable, on demand, all damages, costs and expenses, including reasonable attorneys' fees and collection costs, incurred as a result of Franchisee's (or any Owner's) breach of any term of this Agreement, including this Section 20;

v) ~~v)~~ Franchisee shall immediately discontinue any use of, and shall return or destroy at Franchisor's option, the Manuals and all Account lists and data, promotional materials and items bearing the Marks, and form agreements/templates;

vi) ~~vi)~~ -Franchisor shall have the right (but not the obligation) exercisable within thirty (30) days after termination or expiration of the Franchise Agreement and upon written notice to Franchisee to either a) purchase for cash any or all assets of the VCS Business, at Franchisee's cost or fair market value, whichever is less and as reasonably determined by Franchisor, or b) purchase Franchisee's VCS Business. The purchase price for Franchisee's VCS Business will be an amount equal to four (4) times the monthly Account volume of Franchisee's VCS Business as measured by the last full month of operation prior to the date of expiration or termination. Franchisor shall have the right to set off all amounts due from Franchisee to Franchisor against any payment to be made under this Section or otherwise and to condition a purchase under this Section upon the receipt of a general release of claims from Franchisee and Franchisee Owners;

vii) ~~vii)~~ Franchisee and its Owners shall comply with the covenants contained in Section 6 F. of this Agreement to the fullest extent permitted by law;

viii) ~~viii)~~ All obligations of Franchisor and Franchisee that expressly or by their nature survive the expiration, assignment or termination of this Agreement shall continue in full force and effect until these obligations are satisfied or by their nature expire; and

ix) ~~ix)~~ Franchisee shall pay Franchisor on or before the date of termination/expiration of the Franchise Agreement all monies due Franchisor under this Agreement, any other agreement with Franchisor and any Promissory Note or otherwise. Amounts due Franchisor under any Promissory Note shall be payable according to the terms of the note.

B. ~~B.~~ Costs of Enforcement. Franchisee agrees to pay to Franchisor upon demand all damages, costs, expenses, including costs of collection and reasonable attorneys' fees, incurred by Franchisor in enforcing these post-termination/expiration/assignment provisions.

C. ~~C.~~ Internet and Other Media. When this Agreement is assigned or terminates or expires, Franchisee will stop all use of the Marks in all media, including, but not limited to, web-sites, web pages and social media. Franchisee will instruct in writing all online directories, search engines, and other advertising publishers as necessary to take down and remove any directory listings and advertisements for Franchisee containing the Marks. Franchisee agrees that electronic commerce is a rapidly developing field and additional/modified Brand Standards can be established concerning use of the Internet and electronic media and Franchisee will follow them, as required.

21. Assignments

A. ~~A.~~ Assignment by Franchisor. Franchisor has an unrestricted right to assign or otherwise transfer this Agreement, and any or all of Franchisor's rights and/or obligations under it, in whole or in part, without Franchisee's consent. Franchisee acknowledges and agrees that Franchisor may be sold and/or sell any or all of Franchisor's VCS master franchise rights with respect to the Marks, other Intellectual Property or the System and/or other assets, and go public, merge, or acquire other entities, whether or not competitive to Franchisee or Franchisor, without Franchisee's consent. Franchisor also may transfer or assign, independently or in conjunction with this Agreement, any promissory note made by Franchisee and payable to Franchisor without Franchisee's consent. If during the term of this Agreement Franchisor is no longer authorized by Licensor to grant and support Vanguard Cleaning System franchises and this Agreement is not assumed by another person/Business Entity authorized to use the Marks, then this Agreement will terminate automatically.~~,~~ Franchisee must cease to use the Marks and other Vanguard Intellectual Property immediately upon such a termination.

B. ~~B.~~ Assignment by Franchisee. Franchisee's rights and duties under this Agreement are personal to Franchisee and its Owners. Franchisor has awarded the Franchise relying on the individual integrity, ability, experience and financial resources of Franchisee and such Owners. Therefore, this Agreement, the Franchisee and Franchisee's VCS Business (and any interest in, or the assets of, any of them) can only be assigned or otherwise transferred with Franchisor's prior written approval. Any assignment, or attempted assignment, of any interest in, or the assets of, the Franchise, the Franchisee, the VCS Business, or this Agreement without Franchisor's advance written approval is without force or effect. An assignment of ownership, possession or control of Franchisee's VCS Business, or of the VCS Business assets, can only be made with an assignment of the Franchise, unless Franchisor consents otherwise in writing or as provided in Section 21 C., below. Section 22 applies to any assignment resulting from a controlling Owner's death or disability. For purposes of this Agreement, the term "assignment" includes any voluntary or involuntary ownership assignment or transfer, sale, gift, pledge or any grant of any security or other interest (whether partial or whole, or direct or indirect), by Franchisee or a Franchisee Owner. An assignment includes any sale or assignment of stock or of any partnership or member interest, including by operation of law, and any transfer of any interest in revenues, profits or assets of the VCS Business not made in the ordinary course of the VCS Business.

C. ~~C.~~ VCS Account Assignments. Franchisee occasionally may wish to assign a VCS Account to another VCS Business or to accept an assignment of a VCS Account from another VCS Business. Franchisee agrees to follow Franchisor's then current policies and procedures applicable to such an assignment, which shall include Franchisor's prior written consent, but which consent shall not be unreasonably withheld. It is not unreasonable for Franchisor to require that outstanding payment obligations owed Franchisor under any promissory note or other agreement made by the transferor franchisee in connection with the assigned Account be assumed by the franchisee taking the Account. Franchisee shall not assign or attempt to assign a VCS Account to any person or entity that is not a VCS Business.

D. ~~D~~ Assignment Conditions.

1. ~~1.~~ Franchisor has the right to require that some or all of the following conditions be met on all assignments:

i) ~~i)~~ Franchisee must be in compliance with this Agreement and any agreements between Franchisee and Franchisor;

ii) ~~ii)~~ the assignee and its Owners must meet Franchisor's then current requirements for applying franchisees, to the extent required by Franchisor, and be in compliance with all laws, regulations and ordinances governing the operation of a commercial cleaning business;

iii) ~~iii)~~ Franchisee must have paid and satisfied all of Franchisee's outstanding obligations to Franchisor and other VCS Business creditors;

iv) ~~iv)~~ the assignee must, at Franchisor's option, a) agree to be bound by all the terms and conditions of this Agreement for the remainder of the term, or b) execute Franchisor's then current form of franchise agreement and related documents as are then customarily used by Franchisor in the grant of franchises; the term of such new franchise agreement shall, at Franchisor's option, be either for the balance of the term of this Agreement or for the full term generally granted to new franchisees as of the time of the transfer;

v) ~~v)~~ Franchisee and assignee must have signed Franchisor's consent to assignment agreement or an equivalent document in a form satisfactory to Franchisor;

vi) ~~vi)~~ Franchisee and each Owner must sign a general release of claims in a form then required by Franchisor, to the extent permitted by law;

vii) ~~vii)~~ the - assignment must be conditioned on the continuation of Franchisee's indemnification and other post termination obligations intended to survive termination of this Agreement;

viii) ~~viii)~~ Franchisee and its Owners shall not have a security interest after an assignment in the Franchise or the Franchise Agreement or any VCS Business assets without Franchisor's prior written consent. If permitted, any security interest will be subordinated to the Franchisor's rights to payment under the applicable franchise agreement and any addendum; and

ix) ~~ix)~~ the terms and conditions of sale cannot be so burdensome on the assignee in Franchisor's estimation so as to jeopardize the ongoing viability of the VCS Business and the assignee's capacity to meet System standards and to assume and perform the obligations required under this Agreement.

2. ~~2.~~ Franchisee authorizes Franchisor to discuss with Franchisee and/or the proposed assignee any matters Franchisor considers pertinent to the transaction, including the terms of sale, performance of Franchisee's VCS Business, and operating history.

3. ~~3.~~ Neither Franchisee nor any assignee shall rely on Franchisor to assist in the evaluation of the terms of any proposed assignment. Franchisee acknowledges and agrees that an approval of a proposed assignment shall not be deemed an approval of the terms or any indication as to any likelihood of success or economic viability. Franchisor has no liability to Franchisee or to any assignee for exercising its rights to approve or disapprove any proposed transaction in a manner consistent with the terms of this Section 21.

E. ~~E.~~ Consent Not a Release. Franchisor's consent to a transfer is not, and shall not be interpreted as, a consent to any future assignment or as a release of any of Franchisee's or Owner's obligations under the Franchise Agreement. Any release must be expressly stated in writing and signed by the Franchisor.

22. Death or Incapacity

If the Owner having a controlling interest in a Business Entity Franchisee, dies or is permanently disabled, then his or her interest in this Agreement, the Franchised Business and/or the Franchisee must be assigned to a third party, subject to compliance with the provisions of Section 21. A "Permanent Disability" occurs if the controlling Owner is not able to personally, actively participate in the operation of the VCS Business for 180 consecutive days.

An assignment under this Section shall be completed within 180 consecutive days from the date of death or permanent disability. Until such an assignment occurs, Franchisee's VCS Business must be operated by an individual who has the understanding and capacity to operate the VCS Business according to Brand Standards, as determined by Franchisor. If Franchisor is not satisfied that Franchisee's VCS Business is being operated according to required Brand Standards and determines that the goodwill associated with the Marks and the Vanguard Cleaning Systems organization's reputation are likely to be adversely impacted, Franchisor has the right to assign Accounts then being serviced by Franchisee's VCS Business to an alternate VCS services provider. Franchisee (or Franchisee's representative, if applicable) will have no right to revenues received in connection with services performed by the alternate VCS services provider. If no approved assignment occurs within the prescribed 180-day period, the Franchise Agreement will automatically terminate, unless Franchisor grants a written extension in its sole discretion or in compliance with local law.

23. Right of First Refusal

Franchisor has a right of first refusal to accept the terms of any proposed sale or assignment of any interest in Franchisee's VCS Business and assets. Before Franchisee accepts any offer by a third party (the "Offer"), Franchisee must first notify Franchisor in writing of the terms of the Offer. Any value attributable to the goodwill of the Marks or the System must be excluded from the purchase price. Franchisor will give Franchisee written notice of its decision of whether or not to exercise the right of first refusal within thirty (30) days from receipt of the Offer and all ancillary documents. Franchisor can substitute cash for any form of payment and condition a purchase on a general release from Franchisee and each Franchisee Owner and on acquiring clear title to all assets. Franchisor also has the right to set off against any amount of money payable by Franchisor all amounts due from Franchisee. If there is a material change in the terms an Offer, Franchisor will have an additional opportunity to exercise its right-of-first-refusal as provided in this Section.

24. Non-Waiver

No waiver or delay in enforcing a party's rights after any breach of this Agreement or any related agreement shall be construed as a waiver of any earlier or later breach of such provision or of any other provision of this Agreement or any related agreement. Acceptance of any payment or performance from the other party shall not be construed to be a waiver of any breach of this Agreement.

25. Late Payment

All amounts due to Franchisor under this or any other Agreement between the parties shall bear interest after the due date at the higher of the rate of one and one-half percent (1.5%) per month or the highest applicable legal rate for open account business credit allowed under applicable law, unless otherwise expressly stated in a separate agreement or promissory note between the parties. Franchisee acknowledges that this Section 25 is not an agreement to permit or accept payments after they are due or a commitment by Franchisor to extend credit to, or otherwise finance, Franchisee's operation of the VCS Business.

26. Application of Funds

Franchisor can i) apply any payments received from Franchisee to any Franchisee indebtedness in Franchisor's sole discretion, no matter how payment is directed by Franchisee; ii) deduct from any amount that may be owed by Franchisor to Franchisee, any amount owed by Franchisee to Franchisor; and iii) keep any amounts received for Franchisee's account, whether rebates from suppliers, payments from Accounts or otherwise, as a payment against any amounts owed by Franchisee to Franchisor.

27. Notices

Notices required or permitted under this Agreement must be sent to the applicable parties at the following addresses, shall be in writing and shall be personally delivered, delivered by messenger or delivery service, sent by certified mail, return receipt requested, or sent by facsimile or electronic mail transmission. Notices shall be effective at the earlier of i) the time of actual receipt; or ii) immediately on transmission by facsimile or email transmission; or iii) one (1) business day after being placed in the hands of a commercial delivery service for overnight delivery; or iv) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed. A change in the following addresses is effective on receipt of written notice from the changing party.

28. Addresses for Notices

Notices to Franchisor:

Prestige Worldwide Inc dba
Vanguard Cleaning Systems of the Southern Valley
5301 Office Park Drive Ste. 220
Bakersfield, CA 93309

Attn:________________________
FAX:________________________
EMAIL:____________________

Notices to Franchisee: (no PO boxes)

____
____
____

____
____
____
FAX: ___________________________
EMAIL: _________________________

29. Entire Agreement; Written Amendments; Changes Required Under Law

This Agreement, including the recitals and all addenda and ancillary agreements signed concurrently with this Agreement, make up the parties' entire agreement, and supersede any and all prior or contemporaneous negotiations, understandings, representations, disclosures and agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by Franchisor in the Disclosure Document that was furnished to Franchisee by Franchisor. Furthermore, no existing arbitration agreement between the parties shall be superseded unless disputes subject to the prior agreement are also deemed arbitrable under Section 32, it being the intention of the parties that the arbitrability of any dispute covered by the existing arbitration agreement not be limited in any manner by Section 32. This Agreement shall not be binding on either party unless executed in writing by both parties. This Agreement can only be modified with a written amendment signed by both parties; except that Franchisor reserves the right to make changes to the Manuals and Brand Standards without Franchisee's consent. Further, this Agreement will be deemed automatically modified to comply with governing law, if such law requires a greater time period for notice of termination of, or refusal to renew, this Agreement or otherwise.

30. Severability and Construction

A. ~~A.~~ Conflicts. In any conflict between this Agreement and any applicable law, the law shall prevail and the provision of this Agreement that is affected shall be modified, but only to the extent needed to be lawful. If any provision of this Agreement is held to be indefinite, overbroad, invalid or otherwise unenforceable, the remainder of this Agreement shall continue in effect.

B. ~~B.~~ Third Party Rights; Successors and Assigns. Except for any third party rights expressly provided in this Agreement, this Agreement is not intended, and shall not be deemed, to confer rights on any person or legal entity other than Franchisor or Franchisee and their respective successors and assignees. This Agreement shall be binding on the heirs, executors, administrators, conservators, nominees, and assigns of the parties, and its benefits shall extend to the successors, assigns, subsidiaries, and affiliated companies of the parties.

C. ~~C.~~ Captions and Headings; Construction and Counterparts. Captions and headings are intended solely for the convenience of the parties and shall not be deemed to affect the meaning or construction of any provision of this Agreement. Any use of a word specifying a gender shall be construed to include all genders. Use of the word, "including" shall be construed broadly, as "without limitation" and "but not limited to." This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

D. ~~D.~~ Franchisor's Exercise of Discretion. In this Agreement, when the phrases "Franchisor's sole and absolute discretion" and/or "sole discretion" are used and whenever Franchisor exercises a right, prescribes an action or thing, or otherwise makes a choice or uses discretion, Franchisee and Franchisor agree that Franchisor has the express, unrestricted right to make decisions and/or take (or refrain from taking) actions, as Franchisor considers appropriate. Franchisor shall use its judgment in exercising such discretion based on its assessment of the interests Franchisor considers relevant and will not be required to consider Franchisee's individual interests or the interests of any other particular franchisee(s). Franchisor has this right even if a particular decision/action may have negative consequences for Franchisee, a particular franchisee or a group of franchisees.

E. ~~E.~~ "Franchisee" Construed. As used in this Agreement, the term "Franchisee" includes the Business Entity identified as "Franchisee" in the introductory paragraph of this Agreement and all successors to the interests of the original Franchisee by assignment or operation of law. The signature of the Franchisee's Representative below constitutes an express representation that the representative has the authority to bind the Franchisee to the terms of this Agreement and that the Agreement is a binding obligation of Franchisee and enforceable according to its terms upon execution. The term "Franchisee" shall also include all shareholders and directors of the Business Entity that executes this Agreement (if it is a corporation), and all members or managers of the Business Entity that executes this Agreement (if it is a limited liability company).

F. ~~F.~~ Individual Undertakings. All current and future shareholders, officers, members, managers and directors of any Business Entity that signs this Agreement as Franchisee personally and individually acknowledge and accept the duties and obligations imposed on Franchisee by the terms of this Agreement. As a condition to the granting of the franchise or to the consent to an assignment under this Agreement by Franchisor, Franchisor can require each of Franchisee's Owners and each of their respective spouses or domestic partners to execute a Guaranty in the form of Exhibit ~~C~~B attached hereto. The undersigned Franchisee Owner(s) and Franchisee Representative represent and acknowledge that (i) each has received, read and understood this Agreement, and (ii) each has had ample time and opportunity to consult with advisors of their own choosing about the potential benefits and risks of entering into this Agreement. Each of the undersigned Franchisee Owner(s)/Franchisee Representative(s) agree and acknowledge that this Agreement shall apply with equal force to each of them in his or her individual capacity and each is a party for purposes of this Agreement.

G. ~~G.~~ Binding Agreement. This Agreement is binding upon and inures to the benefit of the Franchisor and the Franchisee and their respective successors and assignees.

31. Law and Venue

A. ~~A.~~ Choice of Law. Except to the extent of the applicability of the Federal Arbitration Act and/or Lanham Act, all matters arising out of or relating to this Agreement or any other agreement between the parties or a breach of any of them, or the relationship of the parties (including their subsidiaries, affiliates, shareholders, owners, officers, directors, managers, representatives, and employees), will be governed by, and construed and enforced in accordance with, the laws of the state of California without giving effect to any conflict of laws; PROVIDED, that the provisions of any California statute, regulation or law regarding franchises (including any franchise registration and disclosure law or franchise relationship law) or sales assisted marketing plans/business opportunities shall not apply unless jurisdictional, definitional, and other requirements thereof are met independently of this Section.

B. ~~B.~~ Venue. Subject to Section 32 and except to the extent prohibited by law or as otherwise provided in any state addenda applicable to Franchisee's state of residence or of Franchisee's VCS Business, the parties agree that the venue for any litigation arising under this Agreement or any other agreement between the parties will be an appropriate state or federal court with jurisdiction in Kern County, California. The parties~~'~~ consent to such jurisdiction and waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. **THE PARTIES AGREE THAT ANY SUCH LITIGATION WILL BE CONDUCTED ON AN INDIVIDUAL BASIS, AND NOT AS PART OF A CONSOLIDATED, COMMON OR CLASS ACTION. FRANCHISOR WAIVES ALL RIGHTS TO PROCEED ON A CONSOLIDATED, COMMON OR CLASS BASIS IN ANY ACTION AGAINST FRANCHISEE AND FRANCHISEE OWNERS. FRANCHISEE AND FRANCHISEE OWNERS WAIVE ALL RIGHTS TO PROCEED ON A CONSOLIDATED, COMMON OR CLASS BASIS IN ANY ACTION AGAINST FRANCHISOR OR LICENSOR, EXCEPT FOR CLAIMS UNDER THE CALIFORNIA PRIVATE ATTORNEYS GENERAL ACT ("PAGA"), WHICH ARE NOT SUBJECT TO A CONSOLIDATED, COMMON OR CLASS ACTION WAIVER.**

32. Dispute Resolution

A. ~~A.~~ Informal Negotiation. The parties to this Agreement agree that a party, prior to the filing of any arbitration or other legal action, will first attempt, in good faith, to settle the dispute with the other party. To speed resolution and reduce the cost of any dispute, controversy or claim between or among the parties, the parties agree to first attempt to negotiate any dispute informally for at least thirty (30) days before initiating any arbitration proceeding. Such informal negotiations will begin the date a party provides notice to the other that the informal negotiations are necessary.

B. ~~B.~~ Exclusive Arbitration of Claims. If a dispute between the parties occurs, the parties agree to resolve the dispute as described in this Agreement. This Agreement is governed by the Federal Arbitration Act (9 U.S.C. § 1, et seq.) and evidences a transaction involving commerce. Any disputes as to whether the Federal Arbitration Act applies to this Agreement shall be resolved exclusively by an Arbitrator, to the extent permitted by law. If the Federal Arbitration Act is held not to apply, the arbitration law of the state in which Franchisee provides commercial janitorial services under the "Vanguard Cleaning Systems®" trade name will apply. With the exception of the claims expressly carved out below, this Agreement applies to any existing or future dispute brought by Franchisee, Franchisor, any other party or any agent acting on behalf of either. Vanguard Cleaning Systems, Inc. shall be a third-party beneficiary of the arbitration agreement (the "Arbitration Requirements") contained in this Agreement. The parties agree that Vanguard Cleaning Systems, Inc. can require that claims subject to arbitration according to the Arbitration Requirements must be brought in arbitration.

THIS AGREEMENT REQUIRES ALL SUCH DISPUTES TO BE RESOLVED ONLY BY AN ARBITRATOR THROUGH FINAL AND BINDING ARBITRATION ON AN INDIVIDUAL BASIS, AND

NOT BY WAY OF A COURT OR JURY TRIAL, NOR BY WAY OF A CLASS OR COLLECTIVE ACTION OR PROCEEDING.

1. ~~1.~~ Claims Covered By the Arbitration Requirements in this Agreement: Unless carved out below, claims involving the following disputes shall be subject to arbitration under this Agreement regardless of whether brought by Franchisee, Franchisor, any other party or any agent acting on behalf of either: (1) disputes arising out of or related to Franchisee's performance of commercial janitorial services under the "Vanguard Cleaning Systems®" trade name and/or its operation as a unit franchisee for this purpose, including disputes relating to the services provided by Franchisee's workers (including any services provided by a person signing this Agreement); (2) disputes arising out of or related to Franchisee's relationship or purported relationship with Franchisor; and (3) disputes arising out of or relating to the interpretation or application of this Agreement~~,~~ or a breach thereof, including the enforceability, revocability, formation, or validity of the Agreement or any portion of this Agreement. This Agreement also applies, without limitation, to disputes regarding any city, county, state or federal wage-hour law, trade secrets, unfair competition, compensation, meal or rest periods, expense reimbursement, property damage, background checks, franchise law compliance and related franchising requirements, drug and alcohol tests, training, termination, privacy, copyright, patents, intellectual property, contracts, indemnification, insurance disputes, discrimination or harassment and claims arising under the Uniform Trade Secrets Act, Americans With Disabilities Act, Age Discrimination in Employment Act, Family Medical Leave Act, Fair Labor Standards Act, Employee Retirement Income Security Act, Genetic Information Non-Discrimination Act, and state statutes, if any, addressing the same or similar subject matters (including but by no means limited to the California Labor Code and California Wage Orders), and all other similar federal and state statutory and common law claims (excluding workers' compensation, state disability insurance and unemployment insurance claims, and any other claims carved out in this Agreement or claims that may not be compelled to arbitration under applicable law).

2. ~~2.~~ Limitations on Application of Arbitration Requirements in this Agreement: The Arbitration requirements contained in this Agreement do not apply to claims for workers compensation, state disability insurance, or unemployment insurance benefits. Claims may be brought before, and remedies awarded by, an administrative agency if applicable law permits access to such an agency notwithstanding the existence of this Agreement (and the parties' choice to resolve covered claims through arbitration and, even if permitted, to avoid a largely duplicative agency proceeding, such as a Berman Hearing before the California Labor Commissioner). Such administrative claims include without limitation claims or charges brought before the Equal Employment Opportunity Commission (www.eeoc.gov), the U.S. Department of Labor (www.dol.gov), the National Labor Relations Board (www.nlrb.gov), and the Office of Federal Contract Compliance Programs (www.dol.gov/esa/ofccp). Nothing in this Agreement will be deemed to preclude or excuse a party from bringing an administrative claim before any agency in order to fulfill the party's obligation to exhaust administrative remedies before making a claim in arbitration (if such an obligation exists).

3. ~~3.~~ ~~*Additional Excluded*~~ ~~*Claims*~~More Claims Not Covered by Arbitration Requirements in this Agreement: The following claims shall be excluded from coverage under the *Arbitration* requirements contained in this Agreement: (1) claims that~~, as a matter of law,~~ may not be subject to a mandatory arbitration agreement; (2) claims that may be ~~adjudicated~~tried in small claims court; ~~and~~ (3) claims brought by a party to this Agreement as a named party in an action pending in a state or federal court or arbitration as of the date of Franchisee's ~~receipt~~execution of this Agreement; and (4) claims Franchisee chooses to exclude by marking and signing the "EXCLUDE" box in the following subsection 4 ("Pending Absent Member Claims").

4. Pending Absent Member Claims: This subsection pertains to any court or arbitration proceeding pending as of the date of Franchisee's execution of this Agreement in which claims are asserted on a class or collective action basis and in which Franchisee is or potentially may be a member of the class of claimants. Any such claims shall be called "Pending Absent Member Claims: for purposes of this Agreement. Franchisee must choose whether Franchisee wants Pending Absent Member Claims to be subject to the Arbitration Requirements in this Agreement. If Franchisee choses to "EXCLUDE" Pending Absent Member Claims from the Arbitration Requirements of this Agreement, the claims will not be subject to arbitration and any ability Franchisee may have to participate in an ending class or collective action will be unaffected. If Franchisee chooses to "INCLUDE" Pending Absent Member Claims, Franchisee must bring such Pending Absent Member Claims in arbitration on an individual basis, as provided under the Arbitration Requirements of this Agreement, and will not be able to participate in the ending class or collective action. Franchisee has the sole and exclusive right to decide whether to include or exclude Pending Absent Member

Claims from the Arbitration Requirements of this Agreement. Franchisee must make its choice by marking and signing the "EXCLUDE" or "INCLUDE" section below, and no penalty or retaliation will be imposed on Franchisee regardless of the section chosen.

EXCLUDE	
By initialing and checking the box to the right, Franchisee indicates its decision to exclude Pending Absent Member Claims from coverage under the Arbitration Requirements contained in this Agreement.,	☐ ____________________ (Franchisee signature By:____________________ Title:____________________
INCLUDE	
By initialing and checking the box to the right, Franchisee indicates its decision to include Pending Absent Member Claims, making them subject to the Arbitration Requirements contained in this Agreement, and thus preventing Franchisee from participating in the pending class or collective action.	☐ ____________________ (Franchisee signature By:____________________ Title:____________________

C. ~~C.~~ Class/Collective Action Waiver. **The parties agree to bring any dispute in arbitration on an individual basis only, and not on a class or collective action basis. Accordingly:**

1. ~~1.~~ **There will be no right or authority for any dispute to be brought, heard or arbitrated as a class action ("Class Action Waiver"). In any case in which (1) the dispute is filed as a class action and (2) there is a final judicial determination that all or part of the Class Action Waiver is unenforceable, the Class Action Waiver shall be enforced to the extent permitted by law and any remaining class claims must be litigated in a civil court of competent jurisdiction.**

2. ~~2.~~ **There will be no right or authority for any dispute to be brought, heard or arbitrated as a collective action ("collective action waiver"). In any case in which (i) the dispute is filed as a collective action and (ii) there is a final judicial determination that all or part of the collective action waiver is unenforceable, the collective action waiver shall be enforced to the extent permitted by law and any remaining collective-action claims must be litigated in a civil court of competent jurisdiction.**

3. ~~3.~~ Claims under the California Private Attorneys General Act ("**PAGA**") are not subject to this Section 32 and may not be brought in arbitration.

4. ~~4.~~ Franchisor will not take any retaliatory action in response to any exercise of rights Franchisee may claim to have under section 7 of the **NATIONAL LABOR RELATIONS ACT**, if any, including the filing of or participation in a class, collective or representative action. However, Franchisor may lawfully seek enforcement of this Section 32 and seek dismissal of such class or collective action or claims.

5. ~~5.~~ The class action waiver and collective action waiver will be severable, or shall be enforced to the greatest extent possible, in any case in which the dispute is filed as an individual action and severance is necessary to ensure that the individual action proceeds in arbitration.

D. ~~D.~~ Arbitration Procedure and Rules. The Arbitrator shall be selected by mutual agreement of Franchisee and Franchisor. Unless Franchisee and Franchisor mutually agree otherwise, the Arbitrator shall be an attorney licensed to practicein the location where the arbitration proceeding will be conducted or a retired federal or state judicial officer who presided in the jurisdiction where the arbitration will be conducted, with experience in handling the claims and defenses at issue. If for any reason the parties cannot agree to an arbitrator, then an arbitrator will be selected using the alternate strike method from a list of five (5) neutral arbitrators provided by AAA (American Arbitration Association). Franchisee will have the option of making the first strike. Regardless of whether an AAA arbitrator or AAA is used, the parties agree to use the AAA Commercial Arbitration Rules. The parties may agree to use a different set of arbitration rules if other rules would be more appropriate based on the unique claims brought in a particular case, or the Arbitrator may, in his/her reasonable discretion, order the use of AAA's Employment Arbitration Rules, if appropriate. If there is a conflict between the AAA Rules and this Agreement, this Agreement shall govern. The AAA rules are available here: https://www.adr.org/Rules. Copies of the rules may be requested from Franchisor by emailing ~~Joanna Hearron at jhearron@vanguardsv~~Rob Dusthimer at rob@vcscalifornia.com or calling ~~661-395-3009~~714-228-1940. Further, the rules may easily be found through a web-based search on Google or Bing.

i) ~~1.~~ In arbitration, the parties will have the right to conduct adequate civil discovery, bring dispositive motions, and present witnesses and evidence as needed to present their cases and defenses, and any disputes in this regard will be resolved by the Arbitrator. Parties may bring any claim in arbitration that would otherwise be available in a court or venue of competent jurisdiction, including claims under applicable state or local law, except as otherwise expressly provided herein.

ii) ~~2.~~ All claims in arbitration are subject to the same statutes of limitation that would apply in court. Notwithstanding Section 27 of this Agreement, a demand for arbitration must be in writing and delivered by hand or first class mail to the other party within the applicable statute of limitations period. Any demand for arbitration by a party must be delivered to the other party to the address provided in Section 28 of this Agreement or to the address listed below, as applicable (or the last known address~~,~~ if updated address information is provided). The Arbitrator will resolve all disputes regarding the timeliness or propriety of the demand for arbitration.

iii) ~~3.~~ The location of the arbitration proceeding shall be no more than 45 miles from the geographical area in which Franchisee performed commercial janitorial services as a unit franchisee under the "Vanguard Cleaning Systems®" trade name~~,~~ unless each party to the arbitration agrees otherwise.~~ Arbitrators in any proceeding under this Section 32 will apply applicable law, and a failure to apply the applicable law in accord with Section 31 will be deemed an act in excess of authority and reviewable by the courts, and the parties expressly agree that any arbitration award can be reviewed and overturned by a court for legal error.~~

E. ~~E.~~ Attorneys' Fees and Arbitration Costs. Each party will pay the fees for its own attorneys, subject to any remedies to which that party may later be entitled under applicable law. Costs incidental to the arbitration, including the cost of the Arbitrator and the meeting site ("Arbitration Costs"), will be borne by Franchisor and Franchisee equally, unless otherwise required by applicable law. In the event Franchisee contends that, as a matter of law, it is not responsible for payment of any Arbitration Costs, Franchisee will have no obligation to pay any portion of the contested Arbitration Costs until, and only if, the Arbitrator determines that Franchisee is responsible for the costs. If necessary, for arbitration of the dispute, Franchisor agrees to advance the amount of the Arbitration Costs contested by Franchisee – to the extent that those costs exceed the costs that Franchisee would be required to pay in initiating and maintaining a comparable legal proceeding outside of arbitration – until such time as the Arbitrator determines payment responsibility. If the Arbitrator determines that Franchisee is responsible for any amount of the Arbitration Costs already paid by Franchisor, Franchisee will remit payment of that amount to Franchisor within a reasonable period of time after the Arbitrator's determination becomes final or, if regulated by law, within the time allowed by law.

F. ~~F.~~ Post-Arbitration Procedures. Within thirty (30) days of the close of the arbitration hearing (which period may be extended by stipulation of the parties), any party will have the right to prepare, serve on the other party and file with the Arbitrator a post-arbitration brief. The Arbitrator may award any party any remedy to which that party is entitled under applicable law, but such remedies will be limited to those that would be available to a party in his or her or its individual capacity in a court of law for the claims presented to and decided by the Arbitrator, and no remedies that otherwise would be available to an individual in a court of law will be forfeited by virtue of this

Agreement. The Arbitrator will issue a decision or award in writing, stating the essential findings of fact and conclusions of law. Except as may be permitted or required under the FTC Rule on Franchising or state franchise law, or as otherwise permitted or required by law and as determined by the Arbitrator, neither a party nor an Arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of the parties. A court of competent jurisdiction will have the authority to enter a judgment upon the award made pursuant to the arbitration.

G. ~~G.~~ Right To Consult With An Attorney ~~and~~ to Opt Out of Arbitration. Franchisee has the right, and is encouraged, to consult with private counsel of Franchisee's choice with respect to any aspect of, or any claim that may be subject to, this Agreement. ~~This dispute resolution provision (Section 32 of this Agreement) is voluntary and refusal to enter into it will have no impact on Franchisee's operation as a Vanguard Cleaning Systems® unit franchise business. If Franchisee signs this Agreement and afterwards no longer wishes to be subject to Section 32 of this Agreement, Franchisee may opt out by notifying Franchisor in writing of Franchisee's desire to opt out of Section 32. To be effective, the writing indicating Franchisee's intent to opt out must be dated, signed and submitted to Franchisor within 30 days of Franchisee's execution of this Agreement. The writing may be submitted to Franchisor in any reasonable manner, including by U.S. Mail, overnight mail, hand delivery, or email, so long as the method used ensures verifiable receipt by Franchisor within the 30 day period. Franchisee's writing opting out of this Agreement will be filed with a copy of this Agreement and maintained by Franchisor.~~

~~If Franchisee signs this Agreement and does not opt out of Section 32 of this Agreement within the following thirty (30) day period, Franchisee and Franchisor will be bound by the terms of the Section 32 of this Agreement.~~

H. ~~H.~~ Use of Arbitration Awards. No findings, conclusions, orders or awards emanating from any arbitration proceeding conducted pursuant to this Section 32 may be introduced, referred to or used in any subsequent or other proceeding as a precedent, to collaterally estop any party from advancing any claim or defense or from raising any like or similar issues, or for any other purpose.

I. ~~I.~~ Survival and Enforcement. The terms of Sections 31 and 32 shall survive termination or expiration of this Agreement. If any portion of Section 31 or 32 is deemed to be unenforceable for any reason, it shall be modified or restricted, or severed, so as to comply with applicable law and shall be otherwise enforced according to its terms.

33. Force Majeure

Neither party shall be liable or responsible for any delays in performance under this Agreement (except for the payment of money owed) due to strikes, lockouts, casualties, acts of God, war, acts of terrorism, government regulation or control or other causes beyond the reasonable control of the parties. Any time period for the performance of an obligation shall be extended for the amount of time of the delay. The application of this clause shall not result in an extension of the term of this Agreement.

34. Cumulative Remedies

Unless otherwise expressly stated in this Agreement, the rights and remedies specifically granted to either Franchisee or Franchisor by this Agreement will not be deemed to prohibit either Franchisee or Franchisor from exercising any other right or remedy provided under this Agreement or permitted by law or in equity.

35. Discretionary Enforcement

Franchisor has the right to elect in its discretion to not enforce (or to selectively enforce) any provision of this Agreement or any agreement, standard or policy, whether with respect to Franchisee and/or any other franchisee or other person, in a lawful manner without liability.

36. Franchisee Acknowledgements

A. ~~A.~~ Receipt of this Agreement and the Franchise Disclosure Document. Franchisee represents and acknowledges that Franchisee has received, read and understands this Agreement and Franchisor's Franchise Disclosure Document and that Franchisor has given Franchisee ample time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement. Franchisee represents and acknowledges that Franchisee has received, at least fourteen (14) calendar-days prior to the date on which this Agreement was signed, the Franchisor's Franchise Disclosure Document required by law, as modified by any applicable state addenda attached to it.

B. ~~B.~~ Consultation by Franchisee. Franchisee represents that it has been urged to consult with its own advisors with respect to the legal, financial and other aspects of this Agreement, the VCS Business and the prospects for that business. Franchisee represents that Franchisee has either consulted with such advisors or has purposely declined to do so. Franchisee acknowledges that VCS Business franchisees are separate and distinct from Franchisor and are independently owned and operated and that while Franchisor may encourage Franchisee to speak with VCS Business franchisees in connection with Franchisee's evaluation of this franchise opportunity, such franchisees do not act as Franchisor's agents or representatives in providing any information to Franchisee and Franchisor has no obligations or liabilities with respect to any information, opinions or otherwise they may provide to Franchisee.

C. ~~C.~~ True and Accurate Information. Franchisee represents that all information in Franchisee's applications and submissions to Franchisor is true, complete and accurate in all respects, and Franchisee acknowledges that Franchisor is relying upon the truthfulness, completeness and accuracy of such information.

D. ~~D.~~ Risk. Franchisee represents that Franchisee has conducted an independent investigation of the business contemplated by this Agreement and acknowledges that, like any other business, an investment in the VCS Business involves business risks and that the success of the venture is dependent, among other factors, upon the business abilities and efforts of Franchisee. Franchisor makes no representations or warranties, express or implied, in this Agreement or otherwise, as to the potential success of the business venture contemplated hereby.

E. ~~E.~~ No Guarantee of Success. Franchisee represents and acknowledges that Franchisee has not received or relied on any guarantee, express or implied, as to the revenues, profits or likelihood of success of the VCS Business. Specifically, Franchisee has not received,

i) any sales, income or other projections of any kind or nature;
ii) any statements, representations, charts, calculations or other materials which stated or suggested any level or range of sales, income, profits or cash flow; or
iii) any representations as to any profits Franchisee may realize in the operations of the Franchised Business or any working capital or other funds necessary to reach any 'break-even' or any other financial level.

Franchisee represents and acknowledges that there have been no representations by Franchisor's officers, directors, employees or agents that are not contained in, or are inconsistent with, the statements made in the Franchise Disclosure Document or this Agreement. Franchisee acknowledges that Franchisee is responsible for the success of Franchisee's VCS Business, which will be dependent upon Franchisee's management skills, financial controls, business skills, marketing and business development efforts and other capabilities.

F. ~~F.~~ Licensor (Vanguard Cleaning Systems, Inc.) Not A Party. Franchisee acknowledges and agrees that Licensor is not a party to this Agreement (although an intended third party beneficiary for purposes of enforcing Licensor's Intellectual Property interests and for purposes of the arbitration agreement contained in Section 32(Dispute Resolution)) and is not responsible for Franchisee's or Franchisor's performance under this Agreement, the operation of the VCS Business or otherwise. Franchisee further acknowledges that Franchisee is and shall remain at all times a completely independent contractor in business for itself, and that there is not an employer-employee, co-employer relationship, partnership, joint venture, agency or any fiduciary or special relationship between Franchisor and Franchisee or between Licensor and Franchisee.

G. ~~G.~~ Franchisor Practices. Franchisee understands, acknowledges and agrees that Franchisor may have offered franchises in the past, may currently be offering Franchises and/or may offer Franchises in the future on economic and/or other terms, conditions and provisions which may significantly differ from those stated in this Agreement and any related documents, and that there may be instances in which Franchisor has varied, or will vary, the terms on which Franchisor offers Franchises, the charges Franchisor receives and other arrangements with a particular franchisee to suit the circumstances of a particular transaction, the particular franchisee's situation or otherwise, in each case in its sole discretion and without liability, to the extent permitted by law.

H. ~~H.~~ Franchisee Tax Responsibility. Franchisee acknowledges that Franchisee is solely responsible for all taxes of any kind incurred or paid in connection with Franchisee's VCS Business and the services it provides, including as provided in Sections 7 A. 4. and 17, above.

This Agreement is effective only upon execution by both Franchisor and Franchisee and the undersigned Franchisee Owner(s) and Franchisee Representative.

Agreed and accepted by the undersigned.

THE EFFECTIVE DATE IS: ___________________________________

FRANCHISOR:

~~**FRANCHISOR:**~~ **Prestige Worldwide Inc, dba Vanguard Cleaning Systems of the Southern Valley**

By: ____
Signature

Print Name: ____

Title: ~~___________________________________~~

____ *****

*****

FRANCHISEE (Corp. or LLC)

____
(Legal Name of Franchisee Entity)

a ___________________________ ______________________
Jurisdiction of Formation Corporation or LLC

By: _________________________________ ______________________________
Signature of Franchise Representative Title

____
Print Name

Designated Owner: __________________________________

~~**FRANCHISEE (Corp. or LLC)**~~

____
~~(Legal Name of Franchisee Entity)~~
~~a~~ ________________________ ______________________________
~~Jurisdiction of Formation~~ ~~Corporation or LLC~~
~~By:~~ ________________________________ _____________________________
~~Signature of Franchisee Representative~~ ~~Title~~
____
~~Print Name~~

~~Designated Owner:~~ ________________________

(Franchisee is to notify Franchisor in advance if it wants to select one of the other Franchisee Owners named below to become the Designated Owner at any time.)

Franchisee Ownership:

Franchisee:____(business entity franchisee)

Franchisee Owners:

Print Name:____
Signature:____

Position/Title:__________________________________
Percentage of ownership: ________%

Franchisee Owner Address:
____
____
Fax: ___________________________
Email: __________________________

Print Name:____________________________________
Signature: ____________________________________

Position/Title:__________________________
Percentage of ownership _________%

Franchisee Owner Address:
____
____
Fax: ___________________________
Email: __________________________

Print Name:____
Signature:____

Position/Title:__________________________________
Percentage of ownership: ________%

Franchisee Owner Address:
____
____
Fax: ___________________________
Email: __________________________

Print Name:____________________________________
Signature:______________________________

Position/Title:__________________________
Percentage of ownership _________%

Franchisee Owner Address:
____
____
Fax: ___________________________
Email: __________________________

TOTAL 100%

~~EXHIBIT A~~
~~TO THE FRANCHISE AGREEMENT~~
~~Business Plan Referral Fees and Business Plan Accounts/Terms~~

~~Under the Franchise Agreement, Franchisee can, but is not required to, choose a Business Plan offered by Franchisor.~~

~~The following Business Plans are available. Each Business Plan is identified by the anticipated VCS Account annual service billings ("Service Billings") it represents:~~

~~1.~~	~~Plan A~~	~~$24,000 Service Billings per year~~ ~~($2,000 average Service Billings per month)~~
~~2.~~	~~Plan B~~	~~$36,000 Service Billings per year~~ ~~($3,000 average Service Billings per month)~~
~~3.~~	~~Plan C~~	~~$60,000 Service Billings per year~~ ~~($5,000 average Service Billings per month)~~
~~4.~~	~~Plan D~~	~~$84,000 Service Billings per year~~ ~~($7,000 average Service Billings per month)~~
~~5.~~	~~Plan E~~	~~$120,000 Service Billings per year~~ ~~($10,000 average Service Billings per month)~~

~~Service Billings that might be obtained from an Account are not an assurance that Franchisee will make a particular amount of gross or net revenue. Franchisor cannot ensure that all Account Cleaning Services Agreements will be fulfilled. Accounts may cancel for a variety of reasons or fail to pay all amounts due under their contract. Franchisor does not guarantee that canceled Accounts can be replaced, and there may be a delay between cancellation of an Account and securing a replacement, if any. The Business Plan commitment only relates to the Accounts Franchisor agrees to provide Franchisee initially. It does not guarantee that the Accounts will remain with Franchisee or meet the terms of their cleaning contract.~~

~~FRANCHISEE'S SELECTED PLAN IS:_______________________(Enter "NONE" if none selected)~~

~~Franchisee will pay Franchisor a Business Plan Referral Fee specific to any Plan Selected as described below.~~

~~Business Plan Referral Fees:~~

~~Plan~~	~~Total Fee~~	~~Business Plan Referral Fee Cash Discount (10%)~~
~~Plan A~~	~~$7,000~~	~~$6,300~~
~~Plan B~~	~~$10,000~~	~~$9,000~~
~~Plan C~~	~~$16,000~~	~~$14,400~~
~~Plan D~~	~~$22,000~~	~~$19,800~~
~~Plan E~~	~~$31,000~~	~~$27,900~~

~~If Franchisee does not pay Franchisor the full Business Plan Referral Fee when signing this Exhibit A, then it will pay the applicable Down Payment for the selected Business Plan when it signs this Exhibit A and finance the remaining portion of the Business Plan Referral Fee, as described below. If Franchisee finances a portion of the Business Plan Referral Fee, Franchisee also will sign a promissory note like the one attached to this Franchise Agreement as Exhibit B. If there is any inconsistency or conflict between the terms of the Franchise Agreement or this Exhibit A and the promissory note, the terms of the note will control.~~

~~Business Plan Referral Fee Financing Schedule~~
~~(Refer to the Promissory Note at Exhibit B for your specific payment terms)~~

~~Plan~~	~~Total Fee~~	~~Minimum Down Payment~~	~~Maximum Amount Financed~~	~~Monthly Payment*~~
~~Plan A~~	~~$7,000~~	~~$0~~	~~$7,000~~	~~$198.22 in 42 equal payments~~
~~Plan B~~	~~$15,000~~	~~$8,000~~	~~$7,000~~	~~$198.22 in 42 equal payments~~
~~Plan C~~	~~$21,000~~	~~$14,000~~	~~$7,000~~	~~$198.22 in 42 equal payments~~
~~Plan D~~	~~$27,000~~	~~$20,000~~	~~$7,000~~	~~$198.22 in 42 equal payments~~
~~Plan E~~	~~$33,000~~	~~$26,000~~	~~$7,000~~	~~$198.22 in 42 equal payments~~

~~*~~ ~~These payments are based on financing for 42 months at 10 percent (10%) interest per annum.~~ **~~[MAXIMUM LEGAL RATE OF INTEREST MAY VARY BY STATE. CHECK WITH YOUR LEGAL COUNSEL]~~**

~~FRANCHISEE HAS PAID THE APPLICABLE BUSINESS PLAN REFERRAL FEE IN A LUMP SUM OF:___________________________ ON SIGNING THIS EXHIBIT A.~~

~~OR~~

~~FRANCHISEE HAS MADE A $______________ DOWN PAYMENT FOR FRANCHISEE'S SELECTED BUSINESS PLAN AND IS FINANCING THE BALANCE OF THE BUSINESS PLAN REFERRAL FEE UNDER THE TERMS CONTAINED IN THE PROMISSORY NOTE ATTACHED AS EXHIBIT B.~~

~~The Note calls for 42 monthly installments of $198.22 each, which includes interest on the unpaid principal amount at the rate of 10% per annum. The first installment of principal and interest is due on TBD. Installments shall thereafter be paid on the 25th day of each consecutive month until full payment is received. In the case of a conflict between this Exhibit A and Franchisee's Promissory Note, the Promissory Note controls.~~

~~The following fulfillment period ("Fulfillment Period") applies:~~

~~Plan A through Plan C = a 120 day Fulfillment Period, beginning with the completion of this Exhibit A.~~
~~Plan D and Plan E = a 180 day Fulfillment Period, beginning with the completion of this Exhibit A.~~

~~Franchisee Initials:~~______________ **~~Date:~~** ________________________
~~Franchisor Initials:~~______________ **~~Date:~~** ________________________

~~**Exhibit A (cont'd)**~~

~~A. **Business Plan Account Selection, Terms and Possible Refunds:**~~

~~1. Franchisor will locate and offer Franchisee within the applicable Fulfillment Period VCS Accounts sufficient to satisfy the Services Billings under Franchisee's selected Business Plan.~~

~~2. Franchisee can accept or reject a Transfer of any VCS Account offered. A "Transfer" of an Account to Franchisee's VCS Business gives Franchisee ownership and control of the Account and the Account relationship, subject to Franchisor's right to perform Business Support Services and the conditions described in Section 19 B. of the Franchise Agreement. Franchisee will have an opportunity to evaluate each offered Account and the related Account Cleaning Services Agreement requirements before making any decision about accepting or rejecting the offered Account.~~

~~3. When Franchisee accepts Transfers of Accounts representing the required Service Billings Franchisor shall have met its Business Plan Account obligations to Franchisee, regardless of whether Franchisee later rejects any Business Plan Accounts or chooses to discontinue servicing any of them or to transfer any Accounts to another VCS Business. Franchisee may request a refund of the Business Plan Referral Fee if Franchisor does not Transfer to Franchisee during the applicable Fulfillment Period Accounts representing the Service Billings required under Franchisee's selected Business Plan. Any refund will be processed as described in C., below.~~

~~B. **Business Plan Account Replacement Terms.**~~

~~1. Franchisor will not replace a Business Plan Account or make any refund on an Account if:~~

~~i) an Account Cleaning Services Agreement is cancelled any time after twelve (12) months from the date Franchisee accepts the Account Transfer, or~~

~~ii) a customer at any time terminates the Account Cleaning Services Agreement because of concerns regarding Franchisee's (or Franchisee's agents'/employees') integrity and/or character, service quality, or a claimed failure to meet Account Cleaning Services Agreement requirements, or~~

~~iii) a customer requests a Transfer to an alternative VCS Business at any time because of concerns regarding Franchisee's (or Franchisee's agents'/employees') integrity and/or character, service quality, or a claimed failure to meet Account Cleaning Services Agreement requirements, or~~

~~iv) Franchisee is required to discontinue servicing the Business Plan Account due to an Account reversion to Franchisor, as provided in Section 19 B., of the Franchise Agreement, or~~

~~v) Franchisee chooses to discontinue providing the services outlined in the applicable Account Cleaning Services Agreement or to transfer the Account to another VCS Business, or~~

~~vi) this Agreement is terminated as a result of a Franchisee default.~~

~~The Services Billings attributable to the Business Plan Account cancelled for any reason described above continues to be counted towards Franchisor's satisfaction of its Business Plan Account obligations. Franchisor has no obligation to make any refunds or to offer or provide any Accounts under the circumstances described above. Franchisee will remain obligated to pay Franchisor the balance of any Business Plan Referral Fee owed in connection with Franchisee's selected Business Plan unless Franchisor elects otherwise in its sole discretion.~~

~~2. For any Business Plan Account that is cancelled or lost, but not for any reason described in Section B 1., above, Franchisor will diligently try to replace the Account if the cancellation by the customer occurs within twelve (12) months following the Account acceptance by Franchisee. Franchisor will make any replacement within ninety (90) days of the Account cancellation as follows:~~

~~i) If cancellation occurs within 180 days of Transfer to Franchisee, Franchisor will offer to Transfer to Franchisee one or more Accounts with Service Billings equal to those of the lost Account;~~

~~ii) If cancellation occurs within 181 to 365 days of Transfer to Franchisee, Franchisor will offer to Transfer to Franchisee one or more Accounts with Service Billings equal to 50% of those of the lost Account.~~

~~C. **Business Plan Referral Fee Refunds.**~~

~~Franchisee can request a refund if Franchisor fails to make within the applicable Fulfillment Period Account Transfers representing the Service Billings for Franchisee's selected Business Plan. The request must be made in writing no later than ten (10) days after the end of the applicable Fulfillment Period. If no written request is received by Franchisor within that period Franchisor will have an additional ninety (90)~~

~~days to provide the Service Billings due under the Business Plan selected by Franchisee. A refund is Franchisee's exclusive remedy if Franchisor fails to meet its Business Plan commitments. Any refund is calculated as follows:~~

~~The average monthly Service Billings actually offered by Franchisor is subtracted from the amount of the average monthly Service Billings due under the selected Business Plan to determine the difference between the amounts (the "Deficiency"). The refund due is the amount of the Deficiency multiplied by four (4), except that no refund will be more than i) the amount of the Business Plan Referral Fee originally financed by Franchisee, or, ii) if Franchisee did not finance the Referral Fee, the amount that it could have financed for its selected Business Plan under the Business Plan Referral Fee Financing Schedule, above. Franchisor is entitled to keep the cash down payment or, if applicable, the amount that would have been paid as a down payment if Franchisee had not paid the Business Plan Referral Fee in a lump sum. If Franchisee is indebted to Franchisor when a refund is payable, the refund first will be applied to the payment of Franchisee's debt, up to the full amount of the debt, before the balance (if any) of the refund is paid to the Franchisee.~~

~~D.~~ **~~Franchise Agreement and Personal Guaranty Apply.~~**

~~The execution of this Exhibit A does not relieve or release Franchisee or Franchisee's Guarantors from responsibility, financial or otherwise, under the Franchise Agreement and the Owner's Guaranty (Exhibit C to the Franchise Agreement). In signing this Exhibit A, Franchisee and Franchisee's Guarantors ratify and reaffirm the terms of the Franchise Agreement and the Guaranty and unconditionally promise to Franchisor and its successors and assigns the full and timely performance of all of the terms, covenants, and conditions of the Franchise Agreement and the Guaranty since the effective date of the Franchise Agreement, including this Exhibit A. The terms of the Franchise Agreement and the Guaranty apply to this Exhibit A, as though it was signed along with the Franchise Agreement. Franchisee hereby reaffirms Franchisor's authority to perform the Business Support Services for all VCS Accounts and to deduct from the amounts collected all amounts then due from Franchisee to Franchisor, including Promissory Note payments, Marketing Fees, royalties and other Deductions, as provided in Section 5 B. of the Franchise Agreement.~~

~~FOR FRANCHISEES SELECTING AN OPTIONAL BUSINESS PLAN~~

~~Agreed and accepted by the undersigned. This Exhibit A is not effective until signed by an authorized representative of Franchisor.~~

~~FRANCHISOR:~~ ~~Prestige Worldwide Inc. dba~~
~~Vanguard Cleaning Systems of the Southern Valley~~

~~By:~~ ____
~~Signature~~

~~Print Name:~~

~~Title:~~ ____________________________________

Effective Date of Exhibit A: ___________________________

~~*****~~

~~FRANCHISEE (Corp. or LLC)~~

____
~~(Legal Name of Franchisee Entity)~~

~~a~~ ________________________ ____________________________
~~Jurisdiction of Formation~~ ~~Corporation or LLC~~

~~By:~~ ______________________________
~~Signature~~

~~Print Name:~~ ___________________________

~~Title:~~ _____________________

~~GUARANTOR(S)~~ ~~PERCENTAGE OF OWNERSHIP OF FRANCHISEE~~

______________________________ __________________~~%~~

~~Signature~~

~~Print Name~~

__________ %

~~Signature~~

~~Print Name~~

__________ %

~~Signature~~

~~Print Name~~

~~FOR FRANCHISEES DECLINING AN OPTIONAL BUSINESS PLAN~~

~~Acknowledgment of Receipt~~

~~Of Business Plan Offer~~

~~Business Plan Offer Declined by Franchisee~~

~~I understand that under my franchise agreement dated____________________my franchisor, Prestige Worldwide Inc. dba Vanguard Cleaning Systems of the Southern Valley, commits to offer my franchised business the option of purchasing a Business Plan, as outlined above on this Exhibit A to my franchise agreement. This is to confirm that the opportunity to obtain a Business Plan has been offered to me, and that I have declined to purchase a Business Plan.~~

~~FRANCHISEE (Corp. or LLC)~~

____

~~(Legal Name of Franchisee Entity)~~

~~By:~~ ______________________________________

~~Title:~~ ______________________________________

~~Date:~~ ______________________________________

EXHIBIT ~~B~~A
TO THE FRANCHISE AGREEMENT

PROMISSORY NOTE

$______________________ Date: ___________________

FOR VALUE RECEIVED, the undersigned ________________________ ("Maker") hereby promises to pay to the order of Prestige Worldwide Inc. dba Vanguard Cleaning Systems of the Southern Valley, ("PAYEE") a California Corporation at its office at 5301 Office Park Drive Ste 220 Bakersfield, CA 93309 or at such other place or to such other party or parties as a holder of this Note may from time to time designate, in lawful money of the United States, the principal sum of _____________________________________ Dollars ($_____________), with interest thereon from the date hereof at the rate of _______ percent per annum on the unpaid balance of said principal sum until paid: and to pay said principal sum and interest in installments of _________________________ Dollars ($______________) on the __________ day of each and every month beginning on _____________________, 20__, and ending on _____________________, 20_

It is agreed that each installment, when paid, shall be credited first on interest then due and the remainder on principal, and interest shall cease upon the principal then credited. Should the interest not be so paid, it shall, at the sole option of the holder of this note, become a part of the principal and thereafter bear like interest as the principal.

The acceptance by PAYEE of any amount after any default hereunder shall not operate to extend the time of payment for any amount(s) then remaining unpaid hereunder or be considered a waiver of any of the other rights of PAYEE hereunder.

This note and all other obligations, direct or contingent, of any such Maker or endorser hereof to PAYEE, shall become due and payable immediately at the option of the holder of this Note, without demand or notice upon the happening of any of the following events:

The failure to pay when due any installment of the principal and interest of this Note;

The failure to timely or properly keep or perform any of the recitals, covenants, conditions, representations, warranties, obligations or guarantees contained in any agreement between the Maker and PAYEE;

The levy of any attachment, execution, or any other process against all or any part of the Maker's assets;

The failure to pay, withhold, collect or remit any tax or tax deficiency when assessed or due;

The suspension of Maker's business, or the making of a general assignment for the benefit of creditors, or the commencement of proceedings for dissolution or liquidation, or the commencement of proceedings for Maker under any state or federal bankruptcy or insolvency statute, or the adjudication of Maker as a bankrupt or insolvent, or the application for or the involuntary appointment of a receiver.

If legal counsel is employed by the holder of the Note to enforce any of its terms, Maker shall pay reasonable costs and attorneys' fees incurred in connection therewith, and such amount shall be secured hereby.

The Undersigned shall all be deemed Makers and will jointly, severally, and individually be liable as Makers.

This Note is to be construed in accordance with the laws of the State of California; venue and jurisdiction is expressly declared to be in The County Of Kern.

______________________________	______________________________
Maker	Maker
______________________________	______________________________
(PLEASE PRINT NAME)	**(PLEASE PRINT NAME)**
______________________________	______________________________
Maker	Maker
______________________________	______________________________
(PLEASE PRINT NAME)	**(PLEASE PRINT NAME)**

EXHIBIT ~~C~~B
TO THE FRANCHISE AGREEMENT

FORM OF PERSONAL GUARANTY

OWNER'S GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution by _____________. ("FRANCHISOR") of that certain Franchise Agreement (the "Agreement") dated _________ between FRANCHISOR and ______________________________________ ("FRANCHISEE"), or in consideration of and as an inducement to FRANCHISOR's consent to an assignment by or of FRANCHISEE under the Agreement, each of the undersigned parties, including: ____ ("Guarantors"), hereby personally and unconditionally: (1) guarantees to FRANCHISOR and its successors and assigns, for the term of the Agreement and the term of any successor Franchise Agreement and thereafter as provided in the Agreement; and agrees to punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement, and (2) agrees to be personally bound by, and personally liable for the breach of, each and every term, condition, covenant and provision in the Agreement. Each Guarantor expressly represents and acknowledges that he or she has read the Agreement and has had the opportunity to review the same, and this Guaranty, with counsel.

Each Guarantor hereby expressly waives:

(1) acceptance and notice of acceptance by FRANCHISOR, of the foregoing undertakings;
(2) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;
(3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;
(4) any right he or she may have to require that an action be brought against FRANCHISEE, Guarantor or any other person as a condition of liability;
(5) any requirement that FRANCHISOR proceed against or exhaust its remedies with respect to FRANCHISEE or any other person before demanding payment or performance by Guarantor; and
(6) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each Guarantor consents and agrees that:

(1) his or her direct and immediate liability under this guaranty will be joint and several;
(2) he or she will render any payment or performance required under the Agreement, all exhibits thereto and any other agreements between FRANCHISEE and FRANCHISOR, regardless of the date of their execution, upon demand if FRANCHISEE fails or refuses to do so punctually;
(3) such liability will not be contingent or conditioned upon pursuit by FRANCHISOR of any remedies against FRANCHISEE or any other person;
(4) such liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which FRANCHISOR 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, none of which will in any way modify or amend this guaranty, which will be irrevocable during the term of the Agreement;
(5) the liability and obligations under this Guaranty and Assumption will not be diminished, relieved or otherwise affected by any modification by FRANCHISEE and FRANCHISOR of the terms or conditions of the Agreement, any exhibits thereto and any other agreements between FRANCHISEE and FRANCHISOR and shall be continuing and irrevocable with respect to such Agreement, any related exhibits and any such other agreements, whenever executed, for so long as any performance is or might be owed by

FRANCHISEE or FRANCHISEE owner(s) and for so long as FRANCHISOR has any cause of action against FRANCHISEE or FRANCHISEE owner(s); and

(6) he or she acknowledges having read and understood the Agreement and further agrees that this Guaranty and all other matters concerning FRANCHISOR and Guarantor(s) and/or their respective rights and obligations will be governed by, and construed and enforced in accordance with the dispute resolution provisions of Sections 31 and 32 of the Agreement, as though each Guarantor were “FRANCHISEE” for purposes of such Sections.

IN WITNESS WHEREOF, each of the undersigned has executed this document on the date stated below.

DATE OF GUARANTEE: ____________________________

GUARANTOR(S)	PERCENTAGE OF OWNERSHIP OF FRANCHISEE
______________________________ Signature	____________________%
______________________________ Print Name	
______________________________ Signature	____________________%
______________________________ Print Name	
______________________________ Signature	____________________%
______________________________ Print Name	

EXHIBIT C
TO THE FRANCHISE AGREEMENT

INDEPENDENT CONTRACTOR ACKNOWLEDGEMENT

INDEPENDENT CONTRACTOR ACKNOWLEDGEMENT

I hereby acknowledge that my company,____________________________, has been awarded a Vanguard Cleaning Systems® franchise by Prestige Worldwide Inc. dba Vanguard Cleaning Systems of the Southern Valley (a Vanguard Cleaning Systems master franchisee, or "Region") for the operation of an independent commercial cleaning business under the Vanguard Cleaning Systems brand (a "VCS Business"). As an owner of an independent business, I

- supervise, manage and control the day to day operations of my VCS Business and determine the methods and hours necessary to meet a cleaning account's terms and requirements;
- am solely responsible for the training, scheduling, wages, staffing and management of my employees and the terms of their employment;
- manage my VCS Business expenses and provide equipment, chemicals, and supplies to support my VCS Business operation; and
- am not precluded from selling janitorial services to accounts outside of the VCS Business, which are considered non-Vanguard accounts, so long as I do not do so under the Vanguard Cleaning Systems® brand and do not solicit accounts under contract with another Vanguard business.

Neither I nor my other VCS Business employees are employed by or agents of________________________, Vanguard Cleaning Systems, Inc. or any other Vanguard Cleaning Systems master franchisee, and I am solely responsible for ensuring that:

- my VCS Business complies with all federal, state, and local laws pertaining to its operation and that all taxes applicable to my VCS Business, including business taxes, self-employment taxes, income taxes, social security, and payroll taxes, are paid fully and on time; and
- any licenses, registrations and insurance that may be required to operate my VCS Business, including registration with the California Department of Industrial Relations, automobile, liability and workers' compensation insurance, are maintained and meet minimum coverage requirements, as provided in my VCS Business franchise agreement.

I will meet all Vanguard Cleaning Systems® brand standards for identifying my VCS Business and its operations as independently owned and operated and will include specific notices of independent ownership on forms, business cards, stationery, advertising, signs and other materials. I will hold my VCS Business out as an independent business in all dealings and communications with the public.

Dated ____ , VCS Business owner

Signature

____

Print Name

____

VCS Business Name

Each Vanguard Cleaning Systems® business is an independently owned and operated franchise.

® is a registered mark of Vanguard Cleaning Systems, Inc.

Each Vanguard Cleaning Systems® business is an independently owned and operated franchise.
® is a registered mark of Vanguard Cleaning Systems, Inc.

EXHIBIT B

TO THE DISCLOSURE DOCUMENT

INSURANCE REQUEST FORM/PAYMENT AUTHORIZATION

(Subject to Change by Franchisor)

INSURANCE REQUEST FORM/PAYMENT AUTHORIZATION

___________________________ (Franchisee) understands that Franchisee is required to obtain certain minimum insurance coverage, as described in Franchisee's Franchise Agreement. Franchisee has the option of obtaining commercial liability and umbrella liability coverage and crime insurance meeting the minimum requirements by participating in the Vanguard Cleaning Systems® group insurance program offered to Franchisee by **Prestige Worldwide Inc. dba Vanguard Cleaning Systems of the Southern Valley** (Franchisor). Franchisee voluntarily chooses to participate in this insurance program and hereby requests to participate understanding the following:

Coverage available under the optional insurance program and shared by participating Vanguard Cleaning Systems® businesses includes-

A master policy with $1 million crime insurance coverage;
A master commercial general liability policy with a liability limit of $1,000,000 per occurrence and $2,000,000 in the aggregate; and
A master commercial umbrella liability policy with insurance coverage of $10,000,000

- Coverage only applies to Accounts for which Franchisee's business provides services under the Vanguard Cleaning Systems® brand
- Coverage does NOT include workers' compensation insurance, automobile liability insurance, unemployment insurance, medical/dental or plan deductible coverage and any items excluded under the particular group policies
- If Franchisee has or obtains this coverage through another source, the costs could be less than the group insurance program costs, depending on the carrier selected, policy limits and other variables.

Under the insurance program available through Franchisor, Franchisee pays Franchisor the cost of coverage, plus an administrative fee charged by the Franchisor. The administrative fees are revenue for the Franchisor. Rates are subject to change.

By signing in the space below, Franchisee agrees to pay to participate in the insurance program a nonrefundable monthly fee of 2% of Franchisee's total gross monthly Accounts and special services billings. Franchisee authorizes Franchisor to deduct this amount from funds collected from Franchisee's Accounts to the extent available. Franchisee can discontinue participation in the Vanguard® insurance program by giving 30 days advance written notice of cancellation and delivering certificates of coverage issued by the insurance companies Franchisee selects to provide alternative coverage.

FRANCHISEE (Corp. or LLC)

____
(Legal Name of Franchisee Entity)

By: ______________________________ ____________________________
Signature Title

______________________________ ______________________________
Print Name Date

EXHIBIT C

TO THE DISCLOSURE DOCUMENT

**LIST OF ACTIVE UNIT FRANCHISEES OF PRESTIGE WORLDWIDE INC.
dba VANGUARD CLEANING SYSTEMS OF THE SOUTHERN VALLEY**

AS OF DECEMBER 31, ~~2019~~2020

First Name	Last Name	Company Name	Street Address	City	State	Phone
Eugenio	Aragon		4912 Centaur St	Bakersfield	CA	(661) 557-7197 (Work)
Petra	Arguelles	Petra's Cleaning Service	~~3904 Marilyn Place~~3604 Westporte Court	Bakersfield	CA	(661) 205-8409 (Work)
Fernando	Barajas	Ferlet Professionals, LLC	916 Planz Rd	Bakersfield	CA	(661) 213-2555 (Mobile)
Talisha	Edwards	Kleen Sweep Janitorial	808 Casa Grande St.	Bakersfield	CA	(702) 540-2505 (Work)
Horacio	Cortes		1804 Crestview Dr	Bakersfield	CA	(661) 390-1179 (Mobile)
Beatriz	Enriquez	CVR Cleaning Services, LLC	3313 Verdugo Ln	Bakersfield	CA	(661) 444-2070 (Mobile)
~~Hilda~~Teresa	~~Estrada~~Franco	~~Jauregui Cleaning Services~~	~~5020 Winter Pasture Ave.~~1721 Stillman Avenue	Bakersfield	CA	(661) ~~699-9267 Hilda~~376-2023 (Mobile)
John	Gamboa	Gamboa Cleaning Services, LLC	7210 Arbor Forest Court	Bakersfield	CA	(661) 549-1316 (Mobile)
Alicia	Gomez	Aliber's Cleaning Service, LLC	8000 Fallen Pine Way	Bakersfield	CA	(323) 455-7995 (Mobile)
Florentina	Herrera	Alayna Santa Cleaning, LLC	9110 Anchor Island Ct.	Bakersfield	CA	(682) 465-4883 (Work)
Stephanie	Hill	Hills Cleaning Service	3505 El Hogar Ct	Bakersfield	CA	(661) 345-0973 (Work)
Jose Del Rio	Lopez		1807 S. M street	Bakersfield	CA	1 (661) 823-1103 (Work)
Israel	Lopez	I&R Janitorial LLC	1301 Taft Hwy.	Bakersfield	CA	(661) 747-2138 (Mobile)
Traci	Pelton	Cornell Cleaning Service, LLC	3706 Kaibab Ave.	Bakersfield	CA	(661) 800-6205 (Mobile)
Jose	Perez		11610 Zancaya Drive	Bakersfield	CA	(310) 431-5708 (Mobile)
Angel	Quintana	Clean Factor Bakersfield LLC	7602 China Doll Lane	Bakersfield	CA	(661) 565-4916 (Work)
Miguel	Romero	Salinas Cleaning Service, LLC	300 Radicchio Ave.	Bakersfield	CA	(626) 890-9772 (Mobile)
Oscar	Tovar		1104 Kyner Ave	Bakersfield	CA	(323) 314-6623 (Work)
Brandie	Vasquez	Brandie Vasquez Cleaning, LLC	1816 Bingham Ave	Bakersfield	CA	(661) 865-8733 (Mobile)
Salvador	Cisneros	Quality Cleaning Services, LLC	3205 Agnew Meadows Dr.	Bakersfield	CA	(661) 858-3880 (Mobile)
Edith	Gutierrez Hernandez		313 Quantico Ave.	Bakersfield	CA	(661) 378-0238 (Mobile)
Lynzel	Iniba	JBL Cleaning Services, LLC	27720 Fairweather St.	Canyon Country	CA	(661) 414-4686 (Work)
Delfina	Jovel	Delfina House Cleaning, LLC	18540 Soledad Road	Canyon Country	CA	(661) 388-9596 (Work)

~~(29065.00001) #4838-1760-0187.5~~

(29065-00001) #4838-1760-0187.6

Alma	Santillan	Esquivel Janitorial Svcs LLC	974 Filbert Ave.	Clovis	CA	(559) 940-8054 Alma (Work)
Guiselle	Rivera	DKA Cleaning, LLC	3129 Lind Ave	Clovis	CA	(510) 931-8510 (Work)
Marisela	Madrigal	Roma Cleaning Service, LLC	861 W. Alamos Ave	Clovis	CA	(559) 906-2474 Maricela (Mobile)
Oscar	Acuna		2033 N. Ventura Ave.	Farmersville	CA	(707) 637-6368 (Work)
Mari	Bautista	J&E Janitorial, LLC	4380 N. Sunnyside Ave	Fresno	CA	(559) 451-5145 (Mobile)
Samuel	Carreno		3515 Mayfair Dr	Fresno	CA	(559) 477-0671 (Mobile)
~~Steve~~	~~Dolack~~	~~SNL Janitorial Service, LLC~~	~~3684 N Burl Ave~~	~~Fresno~~	~~CA~~	~~(559) 470-7975 (Mobile)~~
Miguel	Gomez	Platinum Cleaning Services	7779 N. Janzer Ave	Fresno	CA	(559) 374-7002 (Mobile)
Patricia	Jimenez		6086 North Constance Avenue	Fresno	CA	
Yolanda	Mendoza	Fantastic Cleaning LLC	2319 W Acacia	Fresno	CA	(559) 273-5530 (Mobile)
Maria	Nava	Maria's Cleaning Service, LLC	2234 S. Maple Ave.	Fresno	CA	(559) 389-2964 (Work)
Rosalba	Navarro-Rivera	Davros Cleaning Services	5473 N. Salinas Ave Apt. 213	Fresno	CA	(559) 248-6452 (Work)
~~Dexter~~	~~Owens~~	~~Ol' Dona's Cleaning Service~~	~~8287 S Cherry Ave~~	~~Fresno~~	~~CA~~	~~(559) 834-3621 (Work)~~
Elizabeth	Alvarez	Alvarez's Cleaning Services, LLC	4816 E. Fillmore Ave.	Fresno	CA	(559) 312-3442 (Work)
Rosalia	Ramirez	R&C Cleaning Services, LLC	4116 W. Floral Ave	Fresno	CA	(559) 244-1492 (Mobile)
Olivia	Villanueva	J Job D Cleaning, LLC	P.O. BOX 114/ 15737 Ave 328	Ivanhoe	CA	(559) 972-9655 (Mobile)
Maria	Vejar	LM Cleaning LLC	33193 160th Road	Ivanhoe	CA	(559) 901-0491 (Mobile)
Baleska	Torres	R&T Cleaning Service, LLC	761 Pucheu St	Mendota	CA	(559) 451-7275 Baleska (Mobile)
~~Luis Rene~~	~~Fuentes~~	~~Fuentes Cleaning Service, LLC~~	~~5808 Monterrey Pl.~~	~~Palmdale~~	~~CA~~	~~(661) 917-0446 Aleyda (Mobile)~~
Jenry	Cordova	Cordova Services, LLC	12250 Ave 120	Pixley	CA	(559) 556-1852 (Mobile)
Wilder	Terrel	A&H Cleaning, LLC	PO Box 227	Pixley	CA	(559) 467-6216 (Mobile)
Angel	Quintana	Clean Factor Pro, Inc.	142 Frances Avenue	Shafter	CA	(661) 565-4916 (Work)
Soledad	Gomez	Gomez Cleaning LLC	139 D St	Tulare	CA	(559) 372-5312 (Mobile)
Decmis	Calderon	JD Bright Cal Cleaning LLC	3054 W. Newton Ave.	Visalia	CA	(559) 909-2405 (Work)
Lupe	Martinez	LR Cleaning Service, LLC	1118 S. Rio Linda St.	Visalia	CA	(559) 994-7094 (Mobile)

EXHIBIT C-1

TO THE DISCLOSURE DOCUMENT

LIST OF ACTIVE UNIT FRANCHISEES OF CERTAIN OTHER REGIONS

AS OF DECEMBER 31, 2019

VCS of Southern California

Company Name / Last Name	First Name	Address	City	State	Zip	Phone
A to Z Janitorial Solutions		514 W. 37th Street	Long Beach	CA	90806	562-989-1474
Acevedo	Ramiro	9021 Beverly Road #20	Pico Rivera	CA	90660	562-417-0923
Adrian Serrano Cleaning Services, LLC		509 N. Parkside Drive	Ontario	CA	91764	909-232-2838
Anaya's Janitor LLC		32001 Paseo Carolina	San Juan Capistrano	CA	92675	949- 218-0141
Angeles Cleaning Company LLC		1599 Coriander Dr. Apt. B	Costa Mesa	CA	92626	714-904-5707
Anguiano	Martha	208 S. Victoria Street	Corona	CA	92879	951-898-0895
ARYME LLC		2456 W Orangethorpe Ave	Fullerton	CA	92843	714-686-3708
Azcona Estevez LLC		229 E. Commonwealth Ave.	Fulerton	CA	92832	626-354-7969
BCO, LLC		13874 Rockcrest Drive	Moreno Valley	CA	92553	323-354-9568
Becerra	Maria	8603 Fontana	Downey	CA	90241	562-806-3254
Bermudes	Iliana	410 N. Lemon, #1	Anaheim	CA	92805	714-535-0855
Brela Maintenance Services		1718 W. 166th Street	Compton	CA	90220	310-884-9859
Canas	Hector	326 E. Eleanor Lane	Long Beach	CA	90805	310-635-2447
Castillo	Alberto	9062 1/2 Denni Street	Cypress	CA	90630	562-423-5228
Cervantes	Carlos	24725 Pennsylvania, #A-5	Lomita	CA	90717	310-539-6205
Cervantes	Ruben	2350 Kern Street	San Bernardino	CA	92407	909- 545-1293
Cervantes	Gabriel	1612 W. 259th Street	Harbor City	CA	90710	310-530-9861
Corrales	Romilia	7911 Brimfield Avenue, #3	Panorama City	CA	91402	818-787-3990
Cortes	Martin	2579 Pasadena Ave., #A	Long Beach	CA	90806	562-415-7176
Diaz	Daniel	2030 W. 11th Street	Santa Ana	CA	92703	714-834-9411
Diaz	Reberiano	2030 W. 11th Street	Santa Ana	CA	92703	714-955-1062
Dollar Wise Janitorial Service Inc.		P.O. Box 518	Atwood	CA	92811	714-313-1876
Duarte	Alejandro	313 N. Jackson Street	Santa Ana	CA	92703	909-509-3026
Duran	Maria	9276 Ben Nevis Blvd.	Riverside	CA	92509	909-357-0433
Dust To Shine Cleaning LLC		1672 259th Place	Harbor City	CA	90710	310-325-3903
Eliza Rodriguez Cleaning Crew		PO Box 10232	Moreno Valley	CA	92553	626-966-5000
Elizabeth's Office Cleaning LLC		1224 W. 6th Street	Santa Ana	CA	92703	714-454-3526
Eliz's Cleaning Inc.		22228 Dolores St. Apt. 1	Carson	CA	90745	310-971-1044
Espinoza	Maria	1240 N. Hamilton Blvd.	Pomona	CA	91768	626-250-4065

Freedom Clean LLC		625 N. Atlantic Blvd. #D	Alhambra	CA	91801	626-703-0803
Garcia	Salvador	1750 South Easy Way #108	Anaheim	CA	92804	714-563-2396
Garcia	Maria	3436 1/2 Gleason Avenue	Los Angeles	CA	90063	323-263-0183
Garcia	Martha	8204 White Oak Avenue	Northridge	CA	91325	818-802-7716
Garcia	Miguel	23301 Ridge Route #188	Laguna Hills	CA	92653	949-306-9417
Glorious Cleaning LLC		2927 W. Willits Street	Santa Ana	CA	92704	210-540-7033
Gonzalez	Paula	283 Collwood Avenue	La Puente	CA	91746	626-935-5106
Govea	Esaul	921 N. Claudina Street	Anaheim	CA	92805	714-612-8838
BGS Cleaning Systems LLC		6518 San Mateo Street	Paramount	CA	90723	310- 639-3828
HBS Services, LLC		531 E Realty St.	Carson	CA	90745	310-626-5183
Hernandez	Jose	6475 Atlantic Avenue, #346	Long Beach	CA	90805	562-423-6986
Hernandez	Juana	405 E. 20th Street, #B	Long Beach	CA	90806	562-235-0551
Huerta	Lorena	809 W. E. Street	Wilmington	CA	90744	310-834-7530
J B & Leon Corp.		1636 E. Edinger Ave., Ste. O	Santa Ana	CA	92705	714-547-2175
Janets Squeaky Cleaners LLC		5838 Stanton Avenue	Highland	CA	92346	909-272-7860
JewRessa LLC		4257 Ascot Ave.	Los Angeles	CA	90011	323-408-4944
Jimenez	Herlinda	26322 Towne Centre Dr. #1231	Foothill Ranch	CA	92610	714-636-6812
Jimenez	Sergio	21665 Windstone Way	Perris	CA	92570	951-943-0471
Jimenez	Josefina	1409 Ottawa Drive	Santa Ana	CA	92704	714-287-8419
JJKM Cleaning Services LLC		3133 Angelus Ave.	Rosemead	CA	91770	323.720.2626
Lara	Efrain	314 N. Gifford	Los Angeles	CA	90063	323-271-6423
Lemus	Julio	12959 Crowley Street	Arleta	CA	91331	818-920-3794
Licea	Juvenal	120 S. Virginia Avenue	Azusa	CA	91702	626-201-7280
Lobe's Cleaning LLC		13012 Brock Avenue	Downey	CA	90242	562-479-9315
Lomeli	Debora	12004 Corley Drive	Whittier	CA	90604	562-946-4848
M & E Cleaning Services, LLC		8556 Alameda St.	Downey	CA	90242	562-316-6990
M & R Cleaning Systems, Inc.		2872 S. Lassen Avenue	Ontario	CA	92761	626-961-5932
Maldonado	Elena	25885 Trabuco Rd. #238	Lake Forest	CA	92630	949-235-5362
Manzanarez	Floriberto	318 1/2 E. Alberta Street	Anaheim	CA	92805	714-5-2-0745
Marsal Cleaning Service		3700 S. Plaza Drive, #K211	Santa Ana	CA	92704	714-474-7382

Martinez MaintenanceServices, LLC		809 N. Meyler Street	San Pedro	CA	90731	424-250-5100
Marvin Donis Cleaning Services		8800 Zeiler Avenue	Arleta	CA	91331	818-892-5161
Maya	Angelica	405 E. 20 Street, #C	Long Beach	CA	90806	562-826-3205
Medrano	Martin	12321 Lampson Avenue	Garden Grove	CA	92840	714-530-8517
Mercedes Cleaning Service LLC		450 N. Wilmington Blvd. #A107	Wilmington	CA	90744	310-549-5539
Mere Janitorial Services		1218 S. Alta Vista, #C	Monrovia	CA	91016	626-447-1612
Mona's Janitorial Service		15219 Tyler Street	Sylmar	CA	91342	818-582-1740
Morales Cleaning Corporation		14643 Red Hill	Tustin	CA	92280	714-368-9701
MTZ Cleaning Services LLC		311 W. Chaparral Street	Rialto	CA	92376	909-562-4988
MTZ GLZEZ LLC		13096 Blackbird St. Space 115	Garden Grove	CA	92843	714-920-8553
Orozco	Gabriel	1233 W. 164th Street #D	Gardena	CA	90247	310-719-9689
P&R Cleaning LLC		5433 N Leaf Avenue	Azusa	CA	91702	626-329-1819
Pavia	Fernando	13101 Benton Street, #C1	Garden Grove	CA	92843	714-539-6870
Perez	Abel	3548 E. 54th Street	Maywood	CA	90270	323-833-7286
Perez	Manuel	1830 E. Romneya Dr. #11	Anaheim	CA	92805	714-491-3829
Quezada	Alfonso	575 Virginia Avenue	Los Angeles	CA	90038	323-675-8646
R.M. Best Cleaning, LLC		650 Linden Avenue #1	Long Beach	CA	90802	562-495-2644
Real Maintenance Janitorial Inc.		24552 Raymond Way #928	Lake Forest	CA	92609	949-241-5036
Reynoso	David	624 S. Van Ness Avenue	Santa Ana	CA	92707	714-605-3416
RNL LLC		11027 S. Hoover Street	Los Angeles	CA	90044	310-600-3904
Rocha	Jesus	910 N. Duff Avenue	La Puente	CA	91744	626-918-3509
Nina's Janitorial LLC		10652 Anselm Drive	Fontana	CA	92337	909-773-8192
Romo	Francisco	727 Sadler Avenue	Los Angeles	CA	90022	626-454-4292
Ruiz	Maria	13096 Blackbird Street #98	Garden Grove	CA	92843	714-494-3095
Ruperto	Juan	1315 W. R Street	Wilmington	CA	90744	310-518-2181
Salazar	Julio	10302 Dalerose Avenue	Inglewood	CA	90304	310-671-5253
Santillan	Alejandro	13459 Mistletoe Avenue	Chino	CA	91710	909-465-6452
Serna	Hugo	3319 Blanchard Street	Los Angeles	CA	90063	323-263-9231
Shimose	Jose	513 Crown Street	Glendora	CA	91740	626-357-0446
Suarez Cleaning Company LLC		1001 S. Lyon St. Apt 2	Santa Ana	CA	92705	714-585-1343

Tellez	Azucenna	4338 Ambs Drive	Riverside	CA	92505	951-351-4598
Torres	Maria	1706 W. Olive Avenue	Fullerton	CA	92833	714-595-0409
Torres Group Enterprises Inc.		32151 Via De Olivia	San Juan Capistrano	CA	92675	949-280-6223
Uchino	Rommelyn	1500 W. Pacific Coast Hwy	Wilmington	CA	90744	310-525-4214
Ultimate Cleaning Solutions, Inc.		15838 Silvergrove Drive	Whittier	CA	90604	562-943-2924
Valdes	Nelson	10442 Stamps Road	Downey	CA	90241	562- 923-3156
Vazquez	Maria del Rocio	14241 Brandt Drive	Moreno Valley	CA	92553	619-980-4550
Velazquez Janitorial LLC		32105 Paseo Carolina	San Juan Capistrano	CA	92675	949-434-9659
Villegas	Luis	1631 W. Pampas Lane #27	Anaheim	CA	92802	714-768-9047

EXHIBIT C-1

TO THE DISCLOSURE DOCUMENT

LIST OF UNIT FRANCHISEES OF CERTAIN OTHER REGION'S

AS OF 12/31/2020

EXHIBIT D

TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

~~PRESTIGE WORLDWIDE, INC.~~
~~dba Vanguard Cleaning Systems, Inc.~~
~~of the Southern Valley~~

~~FINANCIAL REPORT~~

~~December 31, 2017~~

C O N T E N T S

DANIELLS PHILLIPS
VAUGHAN & BOCK
CPAs and Advisors

An independently owned member RSM US Alliance

Member of AICPA Division for Firms
Private Companies Practice Section

PATRICK W. PAGGI

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Prestige Worldwide, Inc.
dba Vanguard Cleaning Systems of the Southern Valley
Bakersfield, California

Report on the Financial Statements

We have audited the accompanying financial statements of **Prestige Worldwide, Inc. dba Vanguard Cleaning Systems of the Southern Valley** which comprise the balance sheets as of December 31, 2017 and 2016, the related statements of income and retained earnings (deficit) and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

300 New Stine Road – Bakersfield, CA 93303 – Tel. 661.834.7411 – Fax.661.834.4389 – www. dpvb.com

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Prestige Worldwide, Inc. dba Vanguard Cleaning Systems of the Southern Valley** as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of operating expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Daniells Phillips Vaughan & Bock

Bakersfield, California
October 1, 2018

PRESTIGE WORLDWIDE, INC.
dba VANGUARD CLEANING SYSTEMS OF THE SOUTHERN VALLEY

BALANCE SHEETS
December 31, 2017 and 2016

	2017		2016	
ASSETS				
Current Assets				
Cash	$	52,530	$	105,604
Accounts receivable		359,576		167,779
Notes receivable, less allowance for doubtful accounts, 2017 $10,324, 2016 $0 (Note 2)		161,080		130,844
Prepaid expenses		-		1,938
Total current assets		573,186		406,165
Notes Receivable, less current portion (Note 2)		62,349		31,025
Property and Equipment (Note 3)		50,593		67,455
Franchise fees, net of accumulated amortization 2017 $67,414; 2016 $58,381		105,586		114,619
	$	791,714	$	619,264
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities				
Current portion of long-term debt (Note 4)	$	13,859	$	13,621
Accounts payable		412,995		284,162
Accrued payroll taxes		19,495		12,477
Total current liabilities		446,349		310,260
Long-term Debt, less current maturities (Note 4)		15,253		29,106
Commitments (Note 5)				
Stockholders' Equity				
Common stock, no par value, authorized 500 shares; issued and outstanding 500 shares		500		500
Additional paid in capital		507,979		507,979
Retained earnings (deficit)		(178,367)		(228,581)
		330,112		279,898
	$	791,714	$	619,264

See Notes to Financial Statements.

PRESTIGE WORLDWIDE, INC.
dba VANGUARD CLEANING SYSTEMS OF THE SOUTHERN VALLEY

STATEMENTS OF INCOME AND RETAINED EARNINGS (DEFICIT)
Years Ended December 31, 2017 and 2016

	2017	2016
Revenues:		
Janitorial franchise fees	**$ 4,305,350**	$ 3,416,632
Initial franchise fees	**354,386**	355,286
Other	**83,932**	71,592
	4,743,668	3,843,510
Cost of sales	**3,663,590**	2,923,004
Gross profit	**1,080,078**	920,506
Operating expenses	**974,683**	887,613
Income from operations	**105,395**	32,893
Other income (expense):		
Interest income	**8,957**	8,249
Interest (expense)	**(932)**	(904)
Income before income taxes	**113,420**	40,238
State income taxes	**800**	1,050
Net income	**112,620**	39,188
Retained earnings (deficit), beginning	**(228,581)**	(223,592)
Distributions	**(62,406)**	(44,177)
Retained earnings (deficit), ending	**$ (178,367)**	$ (228,581)

See Notes to Financial Statements.

PRESTIGE WORLDWIDE, INC.
dba VANGUARD CLEANING SYSTEMS OF THE SOUTHERN VALLEY

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2017 and 2016

		2017		2016
Cash Flows from Operating Activities:				
Net income	**$**	**112,620**	$	39,188
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation		**16,862**		17,655
Provision for lossess on notes receivable		**10,324**		-
Amortization		**9,033**		7,756
Change in working capital components				
(Increase) decrease in:				
Accounts receivable		**(191,797)**		(43,627)
Prepaid expenses		**1,938**		(1,138)
Increase (decrease) in:				
Accounts payable		**128,833**		65,794
Accrued payroll taxes		**7,018**		(3,916)
Net cash provided by operating activities		**94,831**		81,712
Cash Flows from Investing Activities				
Purchase of property and equipment		**-**		(5,008)
Purchase of franchise territory		**-**		(23,000)
Net cash (used in) investing activities		**-**		(28,008)
Cash Flows From Financing Activities				
Proceeds distributed on new notes receivable		**(71,884)**		(19,516)
Principal payments on long term-debt		**(13,615)**		(12,273)
Distributions paid		**(62,406)**		(44,177)
Net cash (used in) financing activities		**(147,905)**		(75,966)
Net (decrease) in cash		**(53,074)**		(22,262)
Cash:				
Beginning		**105,604**		127,866
Ending	**$**	**52,530**	$	105,604
Supplemental Disclosures of Cash Flow Information				
Cash payments for:				
Interest	**$**	**932**	$	904
Income taxes	**$**	**800**	$	800
Supplemental Schedule of Noncash Investing and Financing Activities				
Property and equipment acquired with long term-debt	**$**	**-**	$	55,000

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Business and Significant Accounting Policies

Nature of Business: **Prestige Worldwide, Inc. dba Vanguard Cleaning Systems of the Southern Valley** (the "Company") was formed on April 6, 2009 as a sub-franchisor of Vanguard Cleaning Systems, Inc. with exclusivity to recruit, screen, qualify, train, assist and support sub-franchisees to operate commercial janitorial businesses in the Southern San Joaquin Valley, including Tulare, Kings and Kern Counties.

A summary of the Company's significant accounting policies follows:

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

Accounts receivable: Accounts receivables are carried at original invoice amount. Management regularly evaluates individual customer receivables and considers the customers financial condition of past due accounts. Receivables are written off when deemed uncollectible, however, most accounts are collected. Due to the rarity of individual receivable accounts being written off, management has elected to forego the maintenance of an allowance for doubtful accounts. Recoveries of account receivables previously written off are recorded when received.

Property and equipment: Property and equipment is stated at cost. Depreciation of property and equipment is computed on the straight-line method over the estimated useful lives of the assets of three to seven years.

Franchise fee: Franchise fee represents the initial fee paid to Vanguard Cleaning Systems, Inc. for the purchase of the Master Franchise Agreement. The fee is amortized on the straight-line method over the term of the Master Franchise Agreement of 20 years. During 2016, the Company purchased the rights to market and service an additional territory under the Master Franchise agreement for a fee of $23,000. The fee is amortized on the straight-line method over the term of 15 years. The estimated amortization expense for each of the next eleven years is $9,033 per year, $3,408 in year twelve, $1,533 in year thirteen and $1,282 in year fourteen.

Income taxes: The Company, with the consent of its stockholder, is taxed under sections of federal and state income tax law, which provide that, in lieu of corporation income taxes, the stockholder will separately account for the Company's income, deductions, losses and credits. The state of California assesses a surtax of 1.5% of state taxable income. The income tax provision consists of the minimum state tax.

The Financial Accounting Standards Board (FASB) issued guidance on accounting for uncertainty in income taxes. Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustments to the financial statements to comply with the provisions of this guidance.

Revenue and cost recognition: Revenues are recognized when earned. Initial franchise fee revenue from sub-franchisees is recognized when substantially all services have been performed. Janitorial franchise fees are recognized when the services are provided by the sub-franchisees and therefore, earned. Janitorial expense represents payments to the sub-franchisees for janitorial services performed and is recorded in cost of sales.

Advertising: The Company expenses advertising costs as they are incurred. Advertising expense totaled $25,592 and $70,120 for the years ended December 31, 2017 and 2016, respectively.

Authoritative pronouncements not yet adopted: In May 2014, the Financial Accounting Standards Board (FASB) issued the Accounting Standards Update (ASU) *Revenue from Contracts with Customers* (ASU 2014-09). ASU 2014-09 provides a robust framework for addressing revenue recognition issues and, upon its effective date, replaces almost all existing revenue recognition guidance, including industry-specific guidance, in current U.S. generally accepted accounting principles. As a result of these wholesale changes, when the new guidance is implemented, there should be improved comparability of revenue recognition practices across entities, industries, jurisdictions and capital markets. The ASU is effective for the year ending December 31, 2019. The ASU has not yet been adopted and management is evaluating the impact of the ASU on their financial statements. Early adoption is permitted; however the Company has not elected to do so.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. Management is currently evaluating the impact of the pending adoption of the new standard on the Company’s financial statements.

Reclassifications: Certain items in the 2016 financial statements have been reclassified to conform to the 2017 presentation, with no effect on net income.

Subsequent events: The Company has evaluated subsequent events through October 1, 2018, the date on which the financial statements were available to be issued. No events were identified by management which would require disclosure in the financial statements.

Note 2. Notes Receivable

Notes receivable at December 31, 2017 and 2016 represent funds advanced on behalf of current franchisees to finance their franchise purchases. The interest rate is 10% on notes to fund the initial franchise fees and significant volume purchases and payments are due over a twelve to forty-eight-month period. For smaller volume increase purchases, there is usually no provision for interest and the notes are due over a four to eight-month period. Monthly payments at December 31, 2017 range from $50 to $1,790 per month.

The Company adjusts notes receivable through the use of an allowance for doubtful accounts due to the fact that notes receivable are written off in the event the related cleaning contract is lost. During 2017 and 2016, provisions for bad debts were recorded in the amounts of $10,324 and $0, respectively.

Notes receivable are due as follows: $161,080 in 2018, $42,392 in 2019, $19,068 in 2020 and $889 in 2021.

PRESTIGE WORLDWIDE, INC.
dba VANGUARD CLEANING SYSTEMS OF THE SOUTHERN VALLEY

NOTES TO FINANCIAL STATEMENTS

Note 3. Property and Equipment

Property and equipment consisted of the following at December 31, 2017 and 2016, respectively:

	2017	2016
Vehicles	$ 60,009	$ 60,009
Office furniture, fixtures and equipment	46,092	46,092
Leasehold improvements	12,199	12,199
	118,300	118,300
Less accumulated depreciation	67,707	50,845
	$ 50,593	$ 67,455

Note 4. Long-term Debt

Long-term debt consists of the following at December 31, 2017 and 2016:

	2017	2016
1.74% note payable, monthly payments of $1,188, due January 2020, secured by vehicle	$ 29,112	$ 42,727

Aggregate maturities required on long-term debt as of December 31, 2017 are due in future years as follows:

Years ending December 31,	
2018	$ 13,859
2019	14,103
2020	1,150
	$ 29,112

Note 5. Operating Leases

The Company leases vehicles under non-cancelable agreements that expire January 2018 through February 2021 and requires monthly payments ranging from $433 to $632.

The total minimum rental commitment at December 31, 2017, is due as follows:

Years ending December 31,	
2018	$ 12,005
2019	12,584
2020	7,266
2021	1,211
	$ 33,066

Lease expense for the years ended December 31, 2017 and 2016 totaled $11,816 and $7,588, respectively.

Note 6. Transactions with Related Party

During 2016, the Company distributed two vehicles that were fully depreciated to its stockholder.

The Company leases its office space from its stockholder under a month-to-month arrangement that requires monthly payments of $3,000.

Rent expense under the related party lease was $36,000 for each of the years ended December 31, 2017 and 2016.

SUPPLEMENTARY INFORMATION

PRESTIGE WORLDWIDE, INC.
dba VANGUARD CLEANING SYSTEMS OF THE SOUTHERN VALLEY

SCHEDULES OF OPERATING EXPENSES
Years Ended December 31, 2017 and 2016

	2017	2016
Salary and wages	$ 237,187	$ 216,762
Franchise fees	151,419	130,687
Officer's salary	84,000	91,000
Contract labor	56,742	31,817
Rent	53,070	46,739
Computer and internet	48,174	40,172
Auto	37,583	47,118
Insurance	36,633	31,472
Payroll taxes	29,037	27,151
Supplies	27,052	13,276
Bad debts	36,345	3,949
Marketing and promotion	25,592	70,120
Professional fees	20,936	15,060
Depreciation	16,862	17,655
Meals and entertainment	15,162	7,526
Office supplies	13,497	12,967
Employee benefits	11,558	14,468
Travel	10,976	22,211
Utilities	10,524	4,602
Dues and subscriptions	9,332	3,938
Amortization	9,033	7,756
Repairs and maintenance	8,913	4,595
Bank charges and fees	8,109	8,069
Miscellaneous	6,831	5,508
Telephone	5,412	6,746
Taxes and licenses	1,776	4,219
Donations	1,652	-
Postage and delivery	1,276	2,030
	$ 974,683	$ 887,613

~~Prestige Worldwide, Inc.~~
~~d/b/a~~
~~Vanguard Cleaning Systems of the Southern Valley~~

~~Independent Auditor's Report~~
~~and~~
~~Audited Financial Statements~~
~~For the Year Ended December 31, 2019 and 2018~~

FIDEL PERNER & MICHNOVICZ, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors
Prestige Worldwide, Inc.
d/b/a Vanguard Cleaning Systems of the Southern Valley
Bakersfield, CA

Report on the Financial Statements
We have audited the accompanying financial statements of Prestige Worldwide, Inc. which comprise the balance sheet as of December 31, 2019 and 2018, and the related statements of income and changes in stockholder's equity, and cash flows for the year then ended, and the related notes to the financial statements.

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

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

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

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Prestige Worldwide, Inc. as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle
As discussed in Note 3 to the financial statements, in 2018 the entity adopted new accounting guidance Topic 606 *Revenue from Contracts with Customers*. Our opinion is not modified with respect to this matter.

Albuquerque, NM
March 15, 2020

Prestige Worldwide, Inc.
d/b/a
Vanguard Cleaning Systems of the Southern Valley

Balance Sheet
December 31,

		2019		2018
Assets				
Current Assets:				
Cash	$	175,214	$	84,523
Billings receivable (Net)		254,968		338,730
Notes receivable (Net)		92,546		120,978
Advances		38,843		21,382
Total Current Assets		561,571		565,613
Non-Current Assets:				
Fixed assets (Net)		29,740		33,642
Intangible assets (Net)		92,367		95,495
Notes receivable (Net)		39,377		68,363
Total Noncurrent Assets		161,484		197,500
Total Assets	**$**	**723,055**	**$**	**763,113**
Liabilities and Equities				
Current Liabilities:				
Accounts payable	$	390,540	$	410,931
Unearned revenue		18,000		29,667
Payroll taxes		2,807		4,590
Sales taxes		272		217
Current portion of long-term debt		-		12,936
Total Current Liabilities	$	411,619	$	458,341
Long-Term Liabilities:				
Unearned revenue	$	34,917	$	15,916
Notes payable		-		1,151
Total Long-Term Liabilities	$	34,917	$	17,067
Total Liabilities	$	446,536	$	475,408
Common stock	$	500	$	500
Additional paid in capital		507,979		507,979
Retained earnings		(231,960)		(220,774)
Stockholder's Equity	$	276,519	$	287,705
Total Liabilities and Equities	**$**	**723,055**	**$**	**763,113**

See Accountant's Audit Report
The accompanying notes are an integral part of these financial statements.

Prestige Worldwide, Inc.
d/b/a
Vanguard Cleaning Systems of the Southern Valley

Statements of Income and
Changes in Stockholder's Equity
For the Year Ended December 31,

	2019	2018	
Income			
Franchise Sales	$ 192,028	$ 218,651	
Franchise Services	977,952		855,650
Total Income From Operations	$ 1,169,980	$ 1,074,301	
Cost of Sales			
Janitorial Supplies	-	2,937	
Total Cost of Sales	-	2,937	
Gross Profit	$ 1,169,980	$ 1,071,364	
Expenses			
Amortization and Depreciation	$ 26,126	$ 27,042	
General and Administrative	1,022,136		977,288
Total Expenses	$ 1,048,262	$ 1,004,330	
Income From Operations	$ 121,718	$ 67,034	
Non-operating Income and Expenses	7,892	10,830	
Increase (Decrease) in Member's Equity	129,610	77,864	
Stockholder's Equity beginning of period	287,705	330,112	
Distributions	(140,796)	(120,271)	
Stockholder's Equity end of period	$ 276,519	$ 287,705	

See Accountant's Audit Report
The accompanying notes are an integral part of these financial statements.

Prestige Worldwide, Inc.
d/b/a
Vanguard Cleaning Systems of the Southern Valley

Statement of Cash Flows
For the Year Ended December 31,

	2019	2018	
Cash Flows From Operating Activities			
Net Income (Loss)	$ 129,610	$ 77,864	
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	$ 26,126	$ 27,042	
Decrease (Increase) in billings receivable	83,762	20,846	
Decrease (Increase) in notes receivable	57,418	34,088	
Decrease (Increase) in other current assets	(17,461)	(21,382)	
Increase (Decrease) in accounts payable	(20,391)	(2,064)	
Increase (Decrease) in unearned revenue	7,334	45,583	
Increase (Decrease) in payroll taxes	(1,783)	(14,905)	
Increase (Decrease) in sales tax liabilities	55		217
Cash Provided by Operating Activities	**$ 264,670**	**$ 167,289**	
Cash Flows From Investing Activities			
Purchase of fixed assets	$ (19,096)	$ -	
Cash Provided by Financing Activities	**$ (19,096)**	**$ -**	
Cash Flows From Financing Activities			
Notes Payable	$ (14,087)	$ (15,025)	
Distributions	(140,796)	(120,271)	
Cash Provided by Financing Activities	**$ (154,883)**	**$ (135,296)**	
Net increase (decrease) in cash and cash equivalents	90,691	31,993	
Beginning cash and cash equivalents	84,523		52,530
Ending cash and cash equivalents	**$ 175,214**	**$ 84,523**	

See Accountant's Audit Report
The accompanying notes are an integral part of these financial statements.

Note 1. Organization and Purpose

Prestige Worldwide, Inc. (The Company) is a corporation organized under the laws of the state of California and is the Southern Valley Master Franchisee of Vanguard Cleaning Systems, Inc. As a corporation, each shareholder's liability is limited to his/her investment in the company.

Vanguard Cleaning Systems, Inc., a California corporation with headquarters in San Mateo, California, is an international franchisor of a business system for conducting and developing independent commercial cleaning services businesses in the United States and Canada. The corporation sells *master franchises* which licenses a master franchise to sub-franchise the business system and the use of the Vanguard Cleaning Systems name and branding to independently owned and operated *unit* franchisees.

Prestige Worldwide, Inc. acquired the Southern Valley (San Joaquin Valley, CA) master franchise on March 4, 2009. As a m*aster franchise*, the Company has two revenue streams: (1) It markets *unit* franchise opportunities to local sub-franchisees who meet corporate qualifications to operate a commercial cleaning and janitorial service, and (2) it provides administrative services to the *unit* franchises including billing and collection and providing equipment and supplies.

Note 2. Summary of Significant Accounting Policies

The significant accounting policies followed by Prestige Worldwide, Inc are described below to enhance the usefulness of the financial statements to the reader.

a. *Reporting Entity* – The accompanying financial statements present the activities of Prestige Worldwide, Inc which is the Southern Valley Master Franchise of Vanguard Cleaning Systems, Inc. It is governed by the board of directors of the corporation who have authority to make decisions, designate management, and significantly influence operations. The board is accountable for fiscal matters of Prestige Worldwide, Inc. These financial statements include all activities over which the Company is responsible. They do not and are not intended to present any information regarding Vanguard Cleaning Systems, Inc. as a whole.

b. *Basis of Accounting and Financial Statement Presentation* - The term *basis of accounting* is used to determine *when* a transaction or event is recognized on the Company's operating statement. The Company uses the full accrual basis of accounting. Under this basis, revenues are recorded when earned and expenses are recorded when incurred, even though actual payment or receipt may not occur until after the period ends.

c. *Revenue and Expense Presentation* – Accounting principles generally accepted in the United States of America require that revenues and expenses be distinguished between operating and non-operating items. Operating revenues generally result from providing services in connection with the Company's principle ongoing operations. Operating expenses include the costs associated with carrying out the duties of the Company, administrative expenses and depreciation of capital assets. Revenues and expenses that do not meet these definitions are reported as non-operating revenues and expenses.

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

e. *Cash and Cash Equivalents* – Cash and cash equivalents consists solely of demand deposits at banks. From time to time these deposits may exceed the Federal Deposit Insurance Corporation's (FDIC) limit for insurance. (See note 10)

   For the purpose of the statement of cash flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents. The Company had no non-cash investments.

f. *Billings and Notes Receivable* – Billings receivable represent amounts that have been billed on behalf of the sub-franchise units for services they performed to their customers and are billed and collected by the Company. They are carried at invoiced amounts less an estimate made for doubtful accounts. Notes receivable are carried at original contracted amount less an estimate made for doubtful accounts. Management makes its estimates based on historical experience. Notes receivable are deemed to be uncollectible if the franchisee ceases to conduct business.

g. *Property and Equipment* – Property and equipment are stated at cost and depreciated over their estimated useful lives using the straight-line half-year method.

h. *Intangible Assets* – The intangible asset of the Company consists of the master franchise agreement and amendment. The asset is amortized over the life of the agreement using the straight-line half-year method of amortization.

i. *Advertising Costs* – The Company charges the costs of advertising to expense as incurred. Advertising expense included in operating expenses for the years ended December 31, 2019 and 2018 were $4,684 and $840 respectfully.

j. *Income Taxes and Distributions* – The Company has elected to be taxes as a Sub-Chapter S Corporation under the applicable sections of the Internal Revenue Code. No provision has been made for federal income taxes inasmuch as the federal tax attributes are the liability of the individual shareholders of the Company.

   The Company follows Accounting Standards Codification Topic 740 *Income Taxes* to account for uncertain tax positions. Management has concluded that the company had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. Tax years 2019, 2018 and 2017 are still subject to examination by Federal and State taxing authorities.

   Distributions may be made from time to time as determined by management.

Note 3. Accounting Changes – Change in Accounting Principle

In May of 2014 the Financial Accounting Standards Board issued Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*. This standard directly affects how franchise revenues are recognized in the financial statements of the Company. The standard is in effect with financial statements beginning after December 15, 2019. The Company elected the acceptable early adoption date of December 31, 2018.

The Company has set the cost of franchise branding, use of the franchise name and logo and other benefits associated with the franchise to be $5,000 per franchise sub-unit. This fee is recoverable over the initial five-year term of the franchise sub-agreement. To accommodate the new standard, in 2018 a one-time write down of $45,583 was made to franchise revenue and off-set to unearned revenues.

Note 4. Billings and Notes Receivable

As stated in Note 2, billings receivable and notes receivable are carried at their face amount less an estimate made for doubtful accounts. At December 31, these amounts were:

	2019	2018
Billings Receivable		
Total Balance	$ 262,853	$ 349,206
Less: Allowance for Uncollectible	(7,885)	(10,476)
	$ 254,968	$ 338,730
Notes Receivable		
Total Balance	$ 133,256	$ 191,254
Less: Allowance for Uncollectible	(1,333)	(1,913)
	$ 131,923	$ 189,341
Current portion	$ 92,546	$ 120,978
Non-current portion	39,377	68,363

Note 5. Capital Assets

Management has adopted a policy of capitalizing assets with an initial individual cost of $500 or more and expensing assets with an initial individual cost of less than $500. Capital assets of the Company consist of computers, other office furniture, fixtures, and equipment, and the intangible asset franchise fee to Vanguard Cleaning Systems, Inc. Tangible capital assets are recorded at cost and are depreciated over their estimated useful lives using the straight-line method and half-year convention of depreciation. The intangible asset represents the master franchise agreement which is amortized over the life of the agreement using the straight-line method and half-year convention. At December 31, the cost of these capital assets and the associated accumulated depreciation are as follows:

	2019	2018
Office Equipment and Furnishings	$ 137,397	$ 118,301
Intangible Assets	173,000	173,000
Total	$ 310,397	$ 291,301
Less Accumulated Depreciation and Amortization	(188,290)	(162,164)
	$ 122,107	$ 129,137

Depreciation for income tax purposes may differ from the above amounts.

Note 6. Capital Lease

At the date of these financial statements leases that transfer substantially all the risks and benefits of ownership are capital leases. Other leases are operating leases. Capital leases will be included in property and equipment and will be depreciated over the life of the asset. Operating leases are expensed in the period incurred.

In February 2016, the Financial Accountings Standard Board issued Accounting Standards Codification Topic 842, *Leases*. Under the new guidance, leases are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classifications affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2020 for non-public companies. Management is currently evaluating the impact of the pending adoption of the new standard on the Company's financial statements.

Note 7. Notes Payable

The long-term debt consists of a note payable secured by a company vehicle. The note was paid off in 2019.

Note 8. Revenues and Unearned Revenues

As stated in Note 2, The Company recognizes revenue when services are provided or when sales of product are invoiced. Primary sources of operating revenues are sales of franchises to independent business persons and support services to these franchises including, billing, collections, marketing, customer support and relations, and sales of equipment and supplies to these franchises. Unit franchises elect their level of franchise from several available plans. The Company commits to providing a minimum amount of revenue sources to the unit franchises.

Unearned revenues consist of franchise fees that have been billed to franchise sub-units, but where the initial term of the arrangement has not yet concluded. (See note 3.) These revenues are considered earned uniformly over the initial five-year franchise agreement. Revenues that have been billed and are expected to be earned in 2020 are $18,000 and $34,917 in subsequent years.

Note 9. Related Party Transactions

The Company leases its office space from a related party. The terms of the lease are considered to be arm's length in nature.

Note 10. Concentrations of Credit Risk

The Company has identified its financial instruments which are potentially subject to credit risk. These financial instruments consist of notes receivables. The Company's receivables are generally unsecured; however, credit risk is mitigated by the volume of customers comprising the Company's note receivable base.

As stated in note 2, from time to time the Companies deposits will exceed the limit covered by the FDIC. The Company uses credit worthy banks and has not experienced any losses of cash.

Note 11. Subsequent Events

The Company has evaluated subsequent events through March 15, 2020, the date these financial statements were available to be issued. There were no material subsequent events that require recognition in these financial statements.

Prestige Worldwide, Inc.
d/b/a
Vanguard Cleaning Systems of the Southern Valley

Independent Auditor's Report
and
Audited Financial Statements
For the Year Ended December 31, 2020, 2019 and 2018

FPM & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors
Prestige Worldwide, Inc.
d/b/a Vanguard Cleaning Systems of the Southern Valley
Bakersfield, CA

Report on the Financial Statements
We have audited the accompanying financial statements of Prestige Worldwide, Inc. which comprise the balance sheet as of December 31, 2019 and 2018, and the related statements of income and changes in stockholder's equity, and cash flows for the year then ended, and the related notes to the financial statements.

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

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

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

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Prestige Worldwide, Inc. as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle
As discussed in Note 3 to the financial statements, in 2018 the entity adopted new accounting guidance Topic 606 *Revenue from Contracts with Customers*. Our opinion is not modified with respect to this matter.

Sanders @FPM

Albuquerque, NM
March 12, 2021

Prestige Worldwide, Inc.
d/b/a
Vanguard Cleaning Systems of the Southern Valley

Balance Sheet
December 31,

	2020	2019	2018
Assets			
Current Assets:			
Cash	$ 706,296	$ 175,214	$ 84,523
Billings receivable (Net)	348,167	254,968	338,730
Notes receivable (Net)	56,163	92,546	120,978
Advances	-	38,843	21,382
Total Current Assets	1,110,626	561,571	565,613
Non-Current Assets:			
Fixed assets (Net)	19,520	29,740	33,642
Intangible assets (Net)	77,429	92,367	95,495
Notes receivable (Net)	30,136	39,377	68,363
Total Noncurrent Assets	127,085	161,484	197,500
Total Assets	**$ 1,237,711**	**$ 723,055**	**$ 763,113**
Liabilities and Equities			
Current Liabilities:			
Accounts payable	$ 465,935	$ 390,540	$ 410,931
Unearned revenue	9,416	18,000	29,667
Payroll taxes	4,258	2,807	4,590
Sales taxes	251	272	217
Current portion of long-term debt	-	-	12,936
Total Current Liabilities	$ 479,860	$ 411,619	$ 458,341
Long-Term Liabilities:			
Unearned revenue	$ 6,667	$ 34,917	$ 15,916
Notes payable	897,765	-	1,151
Total Long-Term Liabilities	$ 904,432	$ 34,917	$ 17,067
Total Liabilities	$ 1,384,292	$ 446,536	$ 475,408
Common stock	$ 500	$ 500	$ 500
Additional paid in capital	507,979	507,979	507,979
Retained earnings	(655,060)	(231,960)	(220,774)
Stockholder's Equity	$ (146,581)	$ 276,519	$ 287,705
Total Liabilities and Equities	**$ 1,237,711**	**$ 723,055**	**$ 763,113**

See Independent Accountant's Audit Report
The accompanying notes are an integral part of these financial statements.

Prestige Worldwide, Inc.
d/b/a
Vanguard Cleaning Systems of the Southern Valley

Statements of Income and
Changes in Stockholder's Equity
For the Year Ended December 31,

	2020	2019	2018	
Income				
Franchise Sales	$ 148,471	$ 192,028	$ 218,651	
Franchise Services	934,662	977,952		855,650
Total Income From Operations	$ 1,083,133	$ 1,169,980	$ 1,074,301	
Cost of Sales				
Janitorial Supplies	-	-		2,937
Total Cost of Sales	-	-	2,937	
Gross Profit	$ 1,083,133	$ 1,169,980	$ 1,071,364	
Expenses				
Amortization and Depreciation	$ 18,191	$ 26,126	$ 27,042	
General and Administrative	1,155,592	1,022,136		977,2 88
Total Expenses	$ 1,173,783	$ 1,048,262	$ 1,004,330	
Income From Operations	$ (90,650)	$ 121,718	$ 67,034	
Non-operating Income and Expenses	7,622	7,892	10,830	
Increase (Decrease) in Member's Equity	(83,028)	129,610	77,864	
Stockholder's Equity beginning of period	276,519	287,705	330,112	
Distributions	(340,072)	(140,796)	(120,271)	
Stockholder's Equity end of period	$ (146,581)	$ 276,519	$ 287,705	

See Independent Accountant's Audit Report
The accompanying notes are an integral part of these financial statements.

Prestige Worldwide, Inc.
d/b/a
Vanguard Cleaning Systems of the Southern Valley

Statement of Cash Flows
For the Year Ended December 31,

	2020	2019	2018	
Cash Flows From Operating Activities				
Net Income (Loss)	$ (83,028)	$ 129,610	$ 77,864	
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	$ 18,191	$ 26,126	$ 27,042	
Decrease (Increase) in billings receivable	(93,199)	83,762	20,846	
Decrease (Increase) in notes receivable	45,624	57,418	34,088	
Decrease (Increase) in other current assets	38,843	(17,461)	(21,382)	
Increase (Decrease) in accounts payable	75,395	(20,391)	(2,064)	
Increase (Decrease) in unearned revenue	(36,834)	7,334	45,583	
Increase (Decrease) in payroll taxes	1,451	(1,783)	(14,905)	
Increase (Decrease) in sales tax liabilities	(21)	55		217
Cash Provided by Operating Activities	**$ (33,578)**	**$ 264,670**	**$ 167,289**	
Cash Flows From Investing Activities				
Net purchase of fixed assets	$ 6,967	$ (19,096)	$ -	
Cash Provided by Financing Activities	**$ 6,967**	**$ (19,096)**	**$ -**	
Cash Flows From Financing Activities				
Notes Payable	$ 897,765	$ (14,087)	$ (15,025)	
Distributions	(340,072)	(140,796)	(120,271)	
Cash Provided by Financing Activities	**$ 557,693**	**$ (154,883)**	**$ (135,296)**	
Net increase (decrease) in cash and cash equivalents	531,082	90,691	31,993	
Beginning cash and cash equivalents	175,214	84,523		52,5
Ending cash and cash equivalents	**$ 706,296**	**$ 175,214**	**$ 84,523**	30

See Independent Accountant's Audit Report
The accompanying notes are an integral part of these financial statements.

Note 1. Organization and Purpose

Prestige Worldwide, Inc. (The Company) is a corporation organized under the laws of the state of California and is the Southern Valley Master Franchisee of Vanguard Cleaning Systems, Inc. As a corporation, each shareholder's liability is limited to his/her investment in the company.

Vanguard Cleaning Systems, Inc., a California corporation with headquarters in San Mateo, California, is an international franchisor of a business system for conducting and developing independent commercial cleaning services businesses in the United States and Canada. The corporation sells *master franchises* which licenses a master franchise to sub-franchise the business system and the use of the Vanguard Cleaning Systems name and branding to independently owned and operated *unit* franchisees.

Prestige Worldwide, Inc. acquired the Southern Valley (San Joaquin Valley, CA) master franchise on March 4, 2009. As a m*aster franchise*, the Company has two revenue streams: (1) It markets *unit* franchise opportunities to local sub-franchisees who meet corporate qualifications to operate a commercial cleaning and janitorial service, and (2) it provides administrative services to the *unit* franchises including billing and collection and providing equipment and supplies.

Note 2. Summary of Significant Accounting Policies

The significant accounting policies followed by Prestige Worldwide, Inc are described below to enhance the usefulness of the financial statements to the reader.

a. *Reporting Entity* – The accompanying financial statements present the activities of Prestige Worldwide, Inc which is the Southern Valley Master Franchise of Vanguard Cleaning Systems, Inc. It is governed by the board of directors of the corporation who have authority to make decisions, designate management, and significantly influence operations. The board is accountable for fiscal matters of Prestige Worldwide, Inc. These financial statements include all activities over which the Company is responsible. They do not and are not intended to present any information regarding Vanguard Cleaning Systems, Inc. as a whole.

b. *Basis of Accounting and Financial Statement Presentation* - The term *basis of accounting* is used to determine *when* a transaction or event is recognized on the Company's operating statement. The Company uses the full accrual basis of accounting. Under this basis, revenues are recorded when earned and expenses are recorded when incurred, even though actual payment or receipt may not occur until after the period ends.

   Accounting principles generally accepted in the United States of America require that revenues and expenses be distinguished between operating and non-operating items. Operating revenues generally result from providing services in connection with the Company's principle ongoing operations. Operating expenses include the costs associated with carrying out the duties of the Company, administrative expenses and depreciation of capital assets. Revenues and expenses that do not meet these definitions are reported as non-operating revenues and expenses.

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

d. *Compensated Absences* – The Company provides its employees with certain compensated absences as part of its benefits package. Management has omitted the cost associated with compensated absences as the amount cannot be reasonably estimated.

e. *Cash and Cash Equivalents* – Cash and cash equivalents consist solely of amounts used for current operations and are held in demand deposits at institutions insured by the Federal Deposit Insurers Corporation (FDIC). Management maintains its deposits in credit worthy institutions which at times may exceed the federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash or cash equivalents. For purposes of the statement of cash flows, management considers all short-term investments with maturities of three months or less to be cash equivalents. There are no non cash investments.

f. *Billings and Notes Receivable* – Billings receivable represent amounts that have been billed on behalf of the sub-franchise units for services they performed to their customers and are billed and collected by the Company. They are carried at invoiced amounts less an estimate made for doubtful accounts. Management makes its estimates based on historical experience. Billings receivable are deemed to be uncollectible if after reasonable time and efforts the account remains unpaid.

   Notes receivable are carried at original contracted amount less an estimate made for doubtful accounts. Management makes its estimates based on historical experience. Notes receivable are deemed to be uncollectible if the franchisee ceases to conduct business. (See Note 4) In general, the notes are collected over 6 to 48 months and bear a 12% annual interest rate. (See Note 10)

g. *Property and Equipment* – Property and equipment are stated at cost and depreciated over their estimated useful lives using the straight-line half-year method. Depreciation for income tax purposes may differ from the above method. (See Note 5)

h. *Intangible Assets* – The intangible asset of the Company consists of the master franchise agreement and amendment. The asset is amortized over the life of the agreement using the straight-line half-year method of amortization.

i. *Advertising Costs* – The Company charges the costs of advertising to expense as incurred. Advertising expense included in operating expenses for the years ended December 31, 2020, 2019 and 2018 were $11,687, $4,684 and $840 respectfully.

j. *Income Taxes and Distributions* – The Company has elected to be taxes as a Sub-Chapter S Corporation under the applicable sections of the Internal Revenue Code. No provision has been made for federal income taxes inasmuch as the federal tax attributes are the liability of the individual shareholders of the Company.

   The Company follows Accounting Standards Codification Topic 740 *Income Taxes* to account for uncertain tax positions. Management has concluded that the company had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. Tax years 2020, 2019 and 2018 are still subject to examination by Federal and State taxing authorities.

   Distributions may be made from time to time as determined by management.

k. *Sales, Property and Franchise Taxes* – The State of California charges various sales, property and franchise taxes on the operations of the Company. The Company's policy is to exclude the tax collected and remitted to the state from sales and cost of sales. An appropriate provision for the taxes has been made in the liabilities section of the financial statements.

l. *Revenue Recognition* – As stated in Note 1 the Company has two revenue streams. It markets *unit* franchise opportunities to local sub-franchises. These franchise license fees are considered to be earned evenly over the life of the franchise contract, typically five to ten years. The Company provides an option to finance a portion of these costs. A down payment is due at signing. (See Note 8)

The Company's second revenue stream is to provide support services to the sub-franchisees in the form of marketing, billing and collections, insurance, products and supplies and customer support and relations. The Company charges its sub-franchisees royalty and business support service fees for these services. The fee is considered to be earned when the service is rendered and payment is due at that time.

m. *Operating Franchisees* – At December 31, 2020 the Company had 46 operating sub-franchisees. Four franchisees ceased operations and no new franchisees were added in the year.

Note 3. Accounting Changes – Change in Accounting Principle

In May of 2014 the Financial Accounting Standards Board issued Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*. This standard directly affects how franchise revenues are recognized in the financial statements of the Company. The standard is in effect with financial statements beginning after December 15, 2019. The Company elected the acceptable early adoption date of December 31, 2018.

The Company has set the cost of franchise branding, use of the franchise name and logo and other benefits associated with the franchise to be $5,000 per franchise sub-unit. This fee is recoverable over the initial five-year term of the franchise sub-agreement. To accommodate the new standard, in 2018 a one-time write down of $45,583 was made to franchise revenue and off-set to unearned revenues.

Note 4. Billings and Notes Receivable

As stated in Note 2, billings receivable and notes receivable are carried at their face amount less an estimate made for doubtful accounts. At December 31, these amounts were:

	2020	2019	2018
Billings Receivable			
Total Balance	$ 367,722	$ 262,853	$ 349,206
Less: Allowance for Uncollectible	(19,555)	(7,885)	(10,476)
	348,167	$ 254,968	$ 338,730
Notes Receivable			
Total Balance	$ 87,171	$ 133,256	$ 191,254
Less: Allowance for Uncollectible	(872)	(1,333)	(1,913)
	$ 86,299	$ 131,923	$ 189,341
Current portion	$ 56,163	$ 92,546	$ 120,978
Non-current portion	30,136	39,377	68,363

Note 5. Capital Assets

Management has adopted a policy of capitalizing assets with an initial individual cost of $500 or more and expensing assets with an initial individual cost of less than $500. Capital assets of the Company consist of computers, other office furniture, fixtures, and equipment, and the intangible asset franchise fee to Vanguard Cleaning Systems, Inc. Tangible capital assets are recorded at cost and are depreciated over their estimated useful lives using the straight-line method and half-year convention of depreciation. The intangible asset represents the master franchise agreement which is amortized over the life of the agreement using the straight-line method and half-year convention. At December 31, the cost of these capital assets and the associated accumulated depreciation are as follows:

	2020	2019	2018
Office Equipment and Furnishings	$ 129,476	$ 137,397	$ 118,301
Intangible Assets	173,000	173,000	173,000
Total	$ 302,476	$ 310,397	$ 291,301
Less Accumulated Depreciation and Amortization	(205,527)	(188,290)	(162,164)
	$ 96,949	$ 122,107	$ 129,137

Depreciation for income tax purposes may differ from the above amounts.

Note 6. Capital Lease

At the date of these financial statements leases that transfer substantially all the risks and benefits of ownership are capital leases. Other leases are operating leases. Capital leases will be included in property and equipment and will be depreciated over the life of the asset. Operating leases are expensed in the period incurred.

In February 2016, the Financial Accountings Standard Board issued Accounting Standards Codification Topic 842, *Leases*. Under the new guidance, leases are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classifications affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2021 for non-public companies. Management is currently evaluating the impact of the pending adoption of the new standard on the Company’s financial statements.

Note 7. Notes Payable

In 2018 the company had a note payable with Kern Schools for the purchase of a company vehicle. The note was secured by the vehicle and was extinguished in 2019.

In 2020 the company secured a note through a local bank in the amount of $897,765. The note bears interest at 1% per annum. Terms of the note are no payments until May of 2021, then interest only for the first year. As such, no portion of the note is considered current.

Note 8. Revenues and Unearned Revenues

As stated in Note 2, The Company recognizes revenue when services are provided or when sales of product are invoiced. Primary sources of operating revenues are sales of franchises to independent business persons and support services to these franchises including, billing, collections, marketing, customer support and relations, and sales of equipment and supplies to these franchises. Unit franchises elect their level of franchise from several available plans. The Company commits to providing a minimum amount of revenue sources to the unit franchises.

Unearned revenues consist of franchise fees that have been billed to franchise sub-units, but where the initial term of the arrangement has not yet concluded. These revenues are considered earned uniformly over the initial five-year franchise agreement. Revenues that have been billed and are expected to be earned are as follows:

	2020	2019	2018
Within one year	$ 9,416	$ 18,000	$ 29,667
In subsequent years	6,667	34,917	15,916
Total	$ 16,083	$ 52,917	$ 45,583

Note 9. Related Party Transactions

The Company leases its office space from a related party. The terms of the lease are considered to be arm's length in nature.

Note 10. Concentrations of Credit Risk

The Company has identified its financial instruments which are potentially subject to credit risk. These financial instruments consist of notes receivables. The Company's receivables are generally unsecured; however, credit risk is mitigated by the volume of customers comprising the Company's note receivable base.

As stated in note 2, from time to time the Companies deposits will exceed the limit covered by the FDIC. The Company uses credit worthy banks and has not experienced any losses of cash.

Note 11. Subsequent Events

The Company has evaluated subsequent events through March 12, 2021, the date these financial statements were available to be issued. There were no material subsequent events that require recognition in these financial statements.

~~VANGUARD CLEANING SYSTEMS, INC.~~

~~DECEMBER 31, 2019, 2018, AND 2017~~

~~INDEPENDENT AUDITORS' REPORT~~

~~AND~~

~~FINANCIAL STATEMENTS~~

Vanguard Cleaning Systems, Inc.

Independent Auditors' Report
and Financial Statements

Independent Auditors' Report

THE BOARD OF DIRECTORS
VANGUARD CLEANING SYSTEMS, INC.
San Mateo, California

Report on the Financial Statements

We have audited the accompanying financial statements of **VANGUARD CLEANING SYSTEMS, INC. (the Company)** which comprise the balance sheet as of December 31, 2019, 2018 and 2017, and the related statements of income, changes in stockholder's equity and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vanguard Cleaning Systems, Inc. as of December 31, 2019, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 2 k. to the financial statements, effective January 1, 2019, the Company changed its method of accounting for revenue from contracts with customers due to the adoption of Financial Accounting Standards Board Accounting Standard Codification Topic 606, *Revenue from Contracts with Customers*. Our opinion is not modified with respect to this matter.

Hood & Strong LLP

San Jose, California
April 7, 2020

Vanguard Cleaning Systems, Inc.

Balance Sheet

December 31,	2019	2018	2017
Assets			
Current Assets:			
Cash	$ 219,673	$ 2,098,833	$ 1,777,629
Money market fund	501,991	-	-
Royalties receivable	934,003	-	-
Notes receivable - Master Franchise	28,499	27,999	57,945
Prepaid expenses and other current assets	396,909	347,619	326,251
Total current assets	2,081,075	2,474,451	2,161,825
Property and Equipment, net	197,491	208,198	167,781
Other Non-Current Assets:			
Notes receivable - Master Franchise, net of current portion	-	16,500	20,500
Other assets	11,227	11,227	11,227
	11,227	27,727	31,727
	$ 2,289,793	$ 2,710,376	$ 2,361,333
Liabilities and Stockholder's Equity			
Current Liabilities:			
Accounts payable and accrued expenses	$ 557,826	$ 608,768	$ 498,024
Deferred revenue	204,116	-	-
Total current liabilities	761,942	608,768	498,024
Deferred Revenue, net of current portion	1,327,469	-	-
Stockholder's Equity:			
Common stock, no par value, 20,000 shares authorized, and 9,000 shares issued and outstanding	70,000	70,000	70,000
Retained earnings	130,382	2,031,608	1,793,309
	200,382	2,101,608	1,863,309
	$ 2,289,793	$ 2,710,376	$ 2,361,333

See accompanying notes to financial statements.

Vanguard Cleaning Systems, Inc.

Statement of Income

For the years ended December 31,		2019		2018		2017
Revenues:						
Master franchise sales	$	204,116	$	55,000	$	-
Royalties and fees		8,100,450		7,305,714		6,858,172
Other revenues		1,166,975		1,080,057		1,001,556
		9,471,541		8,440,771		7,859,728
Operating Expenses		5,097,396		4,339,075		3,865,098
Net income from operations		4,374,145		4,101,696		3,994,630
Other Income:						
Interest income		2,042		263		5,646
		2,042		263		5,646
Net income before provision for income taxes		4,376,187		4,101,959		4,000,276
Provision for Income Taxes		65,729		63,660		70,168
Net Income	$	4,310,458	$	4,038,299	$	3,930,108

See accompanying notes to financial statements.

Vanguard Cleaning Systems, Inc.

Statement of Changes in Stockholder's Equity

For the years ended December 31, 2019, 2018, 2017

	Common Stock				
	Number	Amount	Retained Earnings	Total	
Balance, December 31, 2016	9,000	$ 70,000	$ 1,763,201	$ 1,833,201	
Net income	-	-	3,930,108	3,930,108	
Cash distributions	-	-	3,900,000		3,900,000
Balance, December 31, 2017	9,000	70,000	1,793,309	1,863,309	
Net income	-	-	4,038,299	4,038,299	
Cash distributions	-	-	3,800,000		3,800,000
Balance, December 31, 2018	9,000	70,000	2,031,608	2,101,608	
Cumulative effect of change in accounting principle	-	-	911,684		911,684
Net income	-	-	4,310,458		4,310,458
Cash distributions	-	-	5,300,000		5,300,000
Balance, December 31, 2019	9,000	$ 70,000	$ 130,382	$ 200,382	

See accompanying notes to financial statements.

Vanguard Cleaning Systems, Inc.

Statement of Cash Flows

For the years ended December 31,	2019	2018	2017	
Cash Flows from Operating Activities:				
Net income	$ 4,310,458	$ 4,038,299	$ 3,930,108	
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	100,255	70,547	60,784	
Loss on disposal of property and equipment	-	-	3,932	
Share-based compensation expense	11,691	47,018	116,317	
Increase decrease in assets:				
Royalties receivable	124,986	-	-	
Prepaid expenses and other current assets	49,290	21,368	28,554	
Increase decrease in liabilities:				40,371
Accounts payable and accrued expenses	62,633	63,726		
Deferred revenue	189,116	-	-	
Net cash provided by operating activities	3,996,379	4,198,222	4,042,216	
Cash Flows from Investing Activities:				
Purchase of money market fund	501,991	-	-	
Purchase of equipment	89,548	110,964		1,722
Decrease in notes receivable - master franchise	16,000	33,946	110,805	
Net cash used provided by investing activities	575,539	77,018	109,083	
Cash Flows from Financing Activities:				
Stockholder distributions	5,300,000	3,800,000	3,900,000	
Net cash used by financing activities	5,300,000	3,800,000	3,900,000	
Net Increase (Decrease) in Cash	1,879,160	321,204	251,299	
Cash, beginning of period	2,098,833	1,777,629	1,526,330	
Cash, end of period	$ 219,673	$ 2,098,833	$ 1,777,629	

Supplemental Disclosure of Cash Flow Information:			
Cash paid during the year for:			
Income taxes	$ 65,729	$ 63,660	$ 70,168

See accompanying notes to financial statements.

Note 1 - Nature of Business and Organization:

Vanguard Cleaning Systems, Inc. the Company was incorporated in 1984 under the laws of the State of California. The Company operates a franchise business, licensing certain trademarks and its business system to independent master franchise businesses and providing business development and support services to them. The Company grants these businesses master franchise agreements, which allow them to award sub franchises to Vanguard Cleaning Systems® unit franchises in prescribed geographical areas in the U.S. and Canada. Vanguard Cleaning Systems unit franchisees are independently owned and operated commercial cleaning services businesses. Neither the Company nor its master franchisees perform commercial cleaning services. Master franchisees pay the Company an initial franchise fee, and royalties based on their master franchise business revenues.

Note 2 - Significant Accounting Policies:

a. Method of Accounting

The Company uses the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America U.S. GAAP for financial statement reporting purposes and the cash basis of accounting for income tax reporting purposes.

b. Cash

For purposes of the statement of cash flows, cash is defined as cash on hand and demand deposits at banks.

c. Royalties Receivable

Royalties receivable are contractual agreements calculated based on the Master Franchisee's monthly business volume. An allowance for uncollectible receivables is appropriately considered depending upon prior history and management's assessment of collectability. Management has determined that the royalties receivable is fully collectible as of December 31, 2019, 2018 and 2017, and therefore has not established an allowance.

d. Fair Value of Financial Instruments

The carrying value of financial instruments not otherwise disclosed herein, approximates fair value due to the short-term nature of these financial instruments.

The Company carries certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company classifies its financial assets and liabilities according to three levels, and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value:

Level 1 - Inputs are quoted prices unadjusted in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 - Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs are unobservable inputs for the asset or liability that are not corroborated by market data.

In determining the appropriate levels, the Company performed an analysis of the assets and liabilities. Any assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

e. Money Market Fund

The money market fund is recorded at fair value based on quoted market prices for identical assets in active markets, and is classified as Level 1 within the fair value hierarchy.

f. Property and Equipment

Property and equipment are stated at cost and are depreciated over their estimated useful lives, 3 to 7 years, using principally the straight-line method. Leasehold improvements are stated at cost and are amortized on a straight-line basis over the shorter of their estimated useful life or the lease term.

g. Income Taxes and Distributions

The Company has elected to be taxed as an S-Corporation under the applicable sections of the Internal Revenue Code and California regulations. Accordingly, no provision has been made for federal income taxes since the federal tax attributes are the liability of the individual stockholder.

A provision is recorded for state taxes based upon the minimum statutory rates and amounts for an S-Corporation.

Distributions may be declared periodically in amounts that will cover the individual income tax liabilities arising from the taxable income of the Company.

The Company follows Accounting Standards Codification Topic 740 *Income Taxes* to account for uncertain tax positions and management has concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements.

h. Deferred Compensation

The Company recognizes compensation expense for its Phantom Stock Appreciation Plan using the intrinsic value method whereby compensation expense is recognized over the vesting period based on the difference between the calculated value of the underlying stock as defined by the plan document and the exercise price at the end of each year.

i. Advertising Costs

The Company charges the production costs of advertising to expense as incurred. Advertising expense included in operating expenses for the periods ended December 31, 2019, 2018, and 2017 was $1,580, $0, and $1,310, respectively.

j. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

k. Recent Accounting Pronouncements

Adopted

The Financial Accounting Standards Board FASB issued authoritative guidance, Accounting Standards Codification ASC Topic 606, Revenue from Contracts with Customers. These amendments provide that revenue should be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This guidance is effective for fiscal years beginning after December 15, 2018.

The financial statements reflect the adoption of ASC Topic 606 beginning in fiscal year 2019. The adoption of ASC Topic 606 did not have an impact on the recognition of revenues from the Company's primary source of revenue, which is ongoing franchise royalties and fees, which are based on a percentage of Master Franchisee' monthly business volume. The adoption did impact the recognition of initial Master franchise fees.

The adoption of ASC Topic 606 requires the initial and renewal Master franchise fees be recognized on a straight-line basis over the term of the Master franchise agreement, which is usually 20 years. Historically, revenue from initial Master franchise fees was recognized when the contracts were signed by all parties.

The Company adopted ASC Topic 606 using the modified retrospective method. This method allows the standard to be applied retrospectively through a cumulative catchup adjustment upon adoption. As such, the comparative information in the Company's financial statements has not been restated and continues to be reported under the accounting standards in effect for those periods. The $911,684 cumulative adjustment recorded upon adoption of ASC Topic 606 consisted of a decrease to stockholder's equity as of December 31, 2018 with a corresponding $809,017 increase to royalties receivable and $1,720,701 increase to deferred revenue within current and non-current liabilities to adjust the royalty fees for fees earned through December 31, 2018 and unearned Master franchise fees for the fees received through the end of 2018 that would have been deferred and recognized over the term of the Master franchise agreement if the new guidance had been applied prior to December 31, 2018.

Not Yet Adopted

The FASB issued ASU No. 2016-02, Leases Topic 842 . This ASU requires lessees to recognize right-to-use assets and leases liabilities for all leases not considered short-term leases. The ASU is effective for non-public entities for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. The Company is currently assessing the impact of this ASU on its financial statements.

l. Subsequent Events

The Company has evaluated subsequent events from December 31, 2019 through April 7, 2020, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements, except as described below and in Note 8.

The recent effects of the outbreak of Coronavirus COVID-19 have resulted in significant volatility in the economies and financial markets of many countries. At this time, the Company is unable to determine if COVID-19 will have a material impact to its operations.

Note 3 - Revenues:

Revenues consist primarily of royalties, initial and renewal Master franchise fees, development area protection and other revenue. Performance obligations under Master franchise agreements consist of: 1 development area protection, 2 a Master franchise license, including a license to use the Vanguard Cleaning Systems® brand and marks and 3 ongoing services, such as development of proprietary software, advertising and marketing materials. These performance obligations are highly interrelated, so they are not considered to be individually distinct. They are accounted for as a single performance obligation, which is satisfied over time by providing a right to use the intellectual property over the term of each Master franchise agreement. Initial and renewal Master franchise fees are recognized as revenue on a straight-line basis over the term of the respective agreement, which is usually 20 years, unless the Master franchise agreement is terminated early, in which case the remaining initial or renewal franchise fee is fully recognized in the period of termination.

The Company recognizes commissions paid to franchise brokers upon the sale of a new Master franchise as these are considered costs of obtaining a contract with a customer that are expected to provide benefits to the Company for longer than one year. These commissions are netted with deferred revenue contract liabilities in the accompanying balance sheet and are amortized over the term of the related agreement.

Royalties are calculated as a percentage of Master Franchisees' monthly business volume, generally ranging from 4% to 5%. The initial Master franchise fee is payable upon execution of the Master franchise agreement and the renewal fee, if any, is due and payable at the expiration of the initial term of the Master franchise agreement. Royalties and fees represent volume-based royalties that are related entirely to the performance obligation under the Master franchise agreements and are recognized as Master Franchisees' volume occur.

Under the Master franchise agreement, the Company is obligated to offer various support services/programs for use by the Master Franchisees in their business operations. Other revenue related to this performance obligation is received as reimbursement for advancing Master Franchisee's pro rata share of such services/program costs.

Note 4 - Master Franchise Notes Receivable:

In connection with the sales of certain Master franchises, the Company will enter into a note receivable agreement with the purchaser. The interest rate on these notes range from 0% to 5% per annum, with the notes maturing at various dates through 2020. Management has determined that the Master franchise notes receivable do not represent a significant financing component, and are fully collectible as of December 31, 2019, 2018 and 2017.

Note 5 - Property and Equipment:

Property and equipment consists of the following as of December 31:

	2019	2018	2017
Office equipment	$ 172,780	$ 170,010	$ 149,630
Furniture and fixtures	44,359	44,359	44,359
Software	325,325	252,525	194,125
Leasehold improvements	139,012	125,015	125,015
	681,476	591,909	513,129
Less: Accumulated depreciation and amortization	483,985	383,711	345,348
	$ 197,491	$ 208,198	$ 167,781

Depreciation and amortization expense totaled $100,255, $70,547, and $60,784 for 2019, 2018, and 2017, respectively.

Note 6 - Contract Liabilities:

Contract liabilities consist of deferred revenue resulting from initial and renewal Master franchise fees, as reduced by direct broker commissions to obtain the specific contract. These contract liabilities are included in deferred revenue in the balance sheet.

The following table illustrates the estimated revenues expected to be recognized in the future related to deferred franchise fees as of December 31, 2019:

Year ended December 31,	
2020	$ 204,116
2021	204,116
2022	199,742
2023	180,647
2024	173,545
Thereafter	569,419
Total	$ 1,531,585

Note 7 - Leases:

The Company leases its office space and a vehicle under operating leases expiring at various times through February 2023. Rent expense for the years ended December 31, 2019, 2018, and 2017 was $152,197, $154,653, and $124,725, respectively.

Future minimum lease payments under these leases are as follows:

Year ended December 31,	
2020	$ 124,000
2021	121,800
2022	110,400
2023	18,400
Total	$ 374,600

Note 8 - Stock Appreciation Plan:

On March 16, 2004, the Company adopted the Vanguard Cleaning Systems, Inc. Phantom Stock Appreciation Plan the Plan . The Plan allows for the award of Phantom Stock units to key employees upon approval of the Board of Directors. Participants are credited with units of Phantom Stock, each unit representing one underlying share of Company common stock, and are entitled to an amount equal to the appreciation in common stock share price as defined in the plan document from the date of grant. The units are immediately exercisable and vest as defined in the plan document over seven years.

The following table summarizes the Company's Phantom Stock unit activity during the years ended December 31, 2019, 2018 and 2017:

	Phantom Units Outstanding and Exercisable	Weighted Average Exercise Price	Phantom Units Vested
Balance at December 31, 2016	270	$ 1,189.28	223
Granted	90	2,918.19	
Balance at December 31, 2017	360	$ 1,621.51	246
Balance at December 31, 2018	360	$ 1,621.51	281
Granted	90	3,039.07	
Balance at December 31, 2019	450	$ 1,651.73	312

Total compensation and consulting expense to be recognized over the remaining vesting period is $15,307. Compensation and consulting expense recognized was $11,691, $47,018, and $116,317 in 2019, 2018 and 2017, respectively.

Subsequent to year end, 90 phantom units were exercised.

Note 9 - Retirement Plan:

The Company sponsors a qualified defined contribution 401 k Plan for the benefit of eligible employees. The plan covers all employees meeting certain age and service requirements. Employer contributions to the plan are discretionary and employees may make voluntary contributions subject to plan and Internal Revenue Service limits. The Company made no contributions to the plan in 2019, 2018 and 2017.

Note 10 - Related Party Transactions:

The Company leases office space from a related party controlled by the sole stockholder. Total rent paid to the related party for the period ended December 31, 2019, 2018 and 2017 was $110,400, $106,376, and $86,256, respectively.

The Company and RR Franchising, Inc. RRF are separate and distinct corporations with different shareholder structures but have one significant shareholder in common.

The Company has a Master Franchise Agreement with RRF. Revenue earned under these agreements amounted to $631,258, $571,880 and $549,314 for 2019, 2018 and 2017, respectively.

Note 11 - Concentrations of Credit Risk:

The Company has identified its financial instruments which are potentially subject to credit risk. These financial instruments consist of cash and money market fund. At December 31, 2019, the Company held cash in excess of federally insured limits. Investments in money market funds in general are exposed to various risks such as credit and overall market volatility. To address these risks, the Company maintains a conservative investment policy.

VANGUARD CLEANING SYSTEMS, INC.

DECEMBER 31, 2020, 2019, AND 2018

INDEPENDENT AUDITORS' REPORT

AND

FINANCIAL STATEMENTS

Vanguard Cleaning Systems, Inc.

Independent Auditors' Report
and Financial Statements

Independent Auditors' Report

THE BOARD OF DIRECTORS
VANGUARD CLEANING SYSTEMS, INC.
San Mateo, California

Report on the Financial Statements

We have audited the accompanying financial statements of **VANGUARD CLEANING SYSTEMS, INC. (the Company)** which comprise the balance sheet as of December 31, 2020, 2019 and 2018, and the related statements of income, changes in stockholder's equity and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

Hood & Strong LLP

San Jose, California
March 23, 2021

Vanguard Cleaning Systems, Inc.

Balance Sheet

December 31,	2020	2019	2018
Assets			
Current Assets:			
Cash	$ 473,462	$ 219,673	$ 2,098,833
Money market fund	304,556	501,991	-
Royalties receivable	1,018,450	934,003	-
Notes receivable - Master Franchise	2,000	28,499	27,999
Prepaid expenses and other current assets	605,948	396,909	347,619
Total current assets	2,404,416	2,081,075	2,474,451
Property and Equipment, net	207,830	197,491	208,198
Other Non-Current Assets:			
Notes receivable - Master Franchise, net of current portion	-	-	16,500
Other assets	12,204	11,227	11,227
	12,204	11,227	27,727
	$ 2,624,450	$ 2,289,793	$ 2,710,376
Liabilities and Stockholder's Equity			
Current Liabilities:			
Accounts payable and accrued expenses	$ 278,738	$ 557,826	$ 608,768
Deferred revenue	210,366	204,116	-
Total current liabilities	489,104	761,942	608,768
Deferred Revenue, net of current portion	1,142,103	1,327,469	-
Stockholder's Equity:			
Common stock, no par value, 20,000 shares authorized, and 9,000 shares issued and outstanding	70,000	70,000	70,000
Retained earnings	923,243	130,382	2,031,608
	993,243	200,382	2,101,608
	$ 2,624,450	$ 2,289,793	$ 2,710,376

See accompanying notes to financial statements.

Vanguard Cleaning Systems, Inc.

Statement of Income

For the years ended December 31,	2020	2019	2018
Revenues:			
Master franchise sales	$ 204,116	$ 204,116	$ 55,000
Royalties and fees	8,292,908	8,100,450	7,305,714
Other revenues	1,476,353	1,166,975	1,080,057
	9,973,377	9,471,541	8,440,771
Operating Expenses	4,444,892	5,097,396	4,339,075
Net income from operations	5,528,485	4,374,145	4,101,696
Other Income:			
Interest income	2,565	2,042	263
Other income	20,945	-	-
	23,510	2,042	263
Net income before provision for income taxes	5,551,995	4,376,187	4,101,959
Provision for Income Taxes	59,134	65,729	63,660
Net Income	$ 5,492,861	$ 4,310,458	$ 4,038,299

See accompanying notes to financial statements.

Vanguard Cleaning Systems, Inc.

Statement of Changes in Stockholder's Equity

For the years ended December 31, 2020, 2019, 2018

	Common Stock							
	Number		Amount		Retained Earnings		Total	
Balance, December 31, 2017	9,000	$	70,000	$	1,793,309	$	1,863,309	
Net income	-		-		4,038,299		4,038,299	
Cash distributions	-		-		3,800,000			3,800,000
Balance, December 31, 2018	9,000		70,000		2,031,608		2,101,608	
Cumulative effect of change								911,684
in accounting principle	-		-		911,684			4,310,458
Net income	-		-		4,310,458			
Cash distributions	-		-		5,300,000			5,300,000
Balance, December 31, 2019	9,000		70,000		130,382		200,382	
Net income	-		-		5,492,861		5,492,861	
Cash distributions	-		-		4,700,000			4,700,000
Balance, December 31, 2020	9,000	$	70,000	$	923,243	$	993,243	

See accompanying notes to financial statements.

Vanguard Cleaning Systems, Inc.

Statement of Cash Flows

For the years ended December 31,	2020	2019	2018
Cash Flows from Operating Activities:			
Net income	$ 5,492,861	$ 4,310,458	$ 4,038,299
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	74,770	100,255	70,547
Share-based compensation expense	14,554	11,691	47,018
Increase in assets:			
Royalties receivable	84,447	124,986	-
Prepaid expenses and other current assets	209,039	49,290	21,368
Other assets	977	-	-
Increase decrease in liabilities:			
Accounts payable and accrued expenses	264,534	62,633	63,726
Deferred revenue	179,116	189,116	-
Net cash provided by operating activities	4,814,964	3,996,379	4,198,222
Cash Flows from Investing Activities:			
Redemption of money market fund	197,435	-	-
Purchase of money market fund	-	501,991	-
Purchase of equipment	85,109	89,548	110,964
Decrease in notes receivable - Master franchise	26,499	16,000	33,946
Net cash used provided used by investing activities	138,825	575,539	77,018
Cash Flows from Financing Activities:			
Stockholder distributions	4,700,000	5,300,000	3,800,000
Net cash used by financing activities	4,700,000	5,300,000	3,800,000
Net Increase (Decrease) in Cash	253,789	1,879,160	321,204
Cash, beginning of period	219,673	2,098,833	1,777,629
Cash, end of period	$ 473,462	$ 219,673	$ 2,098,833

Supplemental Disclosure of Cash Flow Information:			
Cash paid during the year for:			
Income taxes	$ 59,134	$ 65,729	$ 63,660

See accompanying notes to financial statements.

Note 1 - Nature of Business and Organization:

Vanguard Cleaning Systems, Inc. the Company was incorporated in 1984 under the laws of the State of California. The Company operates a franchise business, licensing certain trademarks and its business system to independent master franchise businesses and providing business development and support services to them. The Company grants these businesses master franchise agreements, which allow them to award sub franchises to Vanguard Cleaning Systems® unit franchises in prescribed geographical areas in the U.S. and Canada. Vanguard Cleaning Systems unit franchisees are independently owned and operated commercial cleaning services businesses. Neither the Company nor its master franchisees perform commercial cleaning services. Master franchisees pay the Company an initial franchise fee, and royalties based on their master franchise business revenues.

Note 2 - Significant Accounting Policies:

a. Method of Accounting

The Company uses the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America U.S. GAAP for financial statement reporting purposes and the cash basis of accounting for income tax reporting purposes.

b. Cash

For purposes of the statement of cash flows, cash is defined as cash on hand and demand deposits at banks.

c. Royalties Receivable

Royalties receivable are contractual agreements calculated based on the Master Franchisee's monthly business volume. An allowance for uncollectible receivables is appropriately considered depending upon prior history and management's assessment of collectability. Management has determined that the royalties receivable is fully collectible as of December 31, 2020, 2019 and 2018, and therefore has not established an allowance.

d. Fair Value of Financial Instruments

The carrying value of financial instruments not otherwise disclosed herein approximates fair value due to the short-term nature of these financial instruments.

The Company carries certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company classifies its financial assets and liabilities according to three levels, and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value:

Level 1 - Inputs are quoted prices unadjusted in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 - Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs are unobservable inputs for the asset or liability that are not corroborated by market data.

In determining the appropriate levels, the Company performed an analysis of the assets and liabilities. Any assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

e. Money Market Fund

The money market fund is recorded at fair value based on quoted market prices for identical assets in active markets, and is classified as Level 1 within the fair value hierarchy.

f. Property and Equipment

Property and equipment are stated at cost and are depreciated over their estimated useful lives, 3 to 7 years, using principally the straight-line method. Leasehold improvements are stated at cost and are amortized on a straight-line basis over the shorter of their estimated useful life or the lease term.

g. Income Taxes and Distributions

The Company has elected to be taxed as an S-Corporation under the applicable sections of the Internal Revenue Code and California regulations. Accordingly, no provision has been made for federal income taxes since the federal tax attributes are the liability of the individual stockholder.

A provision is recorded for state taxes based upon the minimum statutory rates and amounts for an S-Corporation.

Distributions may be declared periodically in amounts that will cover the individual income tax liabilities arising from the taxable income of the Company.

The Company follows Accounting Standards Codification Topic 740 *Income Taxes* to account for uncertain tax positions and management has concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements.

h. Deferred Compensation

The Company recognizes compensation expense for its Phantom Stock Appreciation Plan using the intrinsic value method whereby compensation expense is recognized over the vesting period based on the difference between the calculated value of the underlying stock as defined by the plan document and the exercise price at the end of each year.

i. Advertising Costs

The Company charges the production costs of advertising to expense as incurred. Advertising expense included in operating expenses for the periods ended December 31, 2020, 2019, and 2018 was immaterial.

j. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

k. Recent Accounting Pronouncements

Not Yet Adopted

The Financial Accounting Standards Board FASB issued Accounting Standards Update ASU No. 2016-02, Leases Topic 842 . This ASU requires lessees to recognize right-to-use assets and leases liabilities for all leases not considered short-term leases. The ASU is effective for non-public entities for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Company is currently assessing the impact of this ASU on its financial statements.

l. Subsequent Events

The Company has evaluated subsequent events from December 31, 2020 through March 23, 2021, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or disclosure in these financial statements.

Note 3 - Revenues:

The Company adopted FASB Accounting Standards Codification ASC Topic 606, Revenue from Contracts with Customers beginning in fiscal year 2019 using the modified retrospective method. This method allows the standard to be applied retrospectively through a cumulative catchup adjustment upon adoption. As such, the comparative information in the Company's 2018 financial statements has not been restated and continues to be reported under the accounting standards in effect for that period. The $911,684 cumulative adjustment recorded upon adoption of ASC Topic 606 consisted of a decrease to stockholder's equity as of December 31, 2018 with a corresponding $809,017 increase to royalties receivable and $1,720,701 increase to deferred revenue within current and non-current liabilities to adjust the royalty fees for fees earned through December 31, 2018 and unearned Master franchise fees for the fees received through the end of 2018 that would have been deferred and recognized over the term of the Master franchise agreement if the new guidance had been applied prior to December 31, 2018.

Revenues consist primarily of royalties, initial and renewal Master franchise fees, development area protection and other revenue. Performance obligations under Master franchise agreements consist of: 1 development area protection, 2 a Master franchise license, including a license to use the Vanguard Cleaning Systems® brand and marks and 3 ongoing services, such as development of proprietary software, advertising and marketing materials. These performance obligations are highly interrelated, so they are not considered to be individually distinct. They are accounted for as a single performance obligation, which is satisfied over time by providing a right to use the intellectual property over the term of each Master franchise agreement. Initial and renewal Master franchise fees are recognized as revenue on a straight-line basis over the term of the respective agreement, which is usually 20 years, unless the Master franchise agreement is terminated early, in which case the remaining initial or renewal franchise fee is fully recognized in the period of termination.

The Company recognizes commissions paid to franchise brokers upon the sale of a new Master franchise as these are considered costs of obtaining a contract with a customer that are expected to provide benefits to the Company for longer than one year. These commissions are netted with deferred revenue contract liabilities in the accompanying balance sheet and are amortized over the term of the related agreement.

Royalties are calculated as a percentage of Master Franchisees' monthly business volume, generally ranging from 4% to 5%. The initial Master franchise fee is payable upon execution of the Master franchise agreement and the renewal fee, if any, is due and payable at the expiration of the initial term of the Master franchise agreement. Royalties and fees represent volume-based royalties that are related entirely to the performance obligation under the Master franchise agreements and are recognized as Master Franchisees' volume occur.

Under the Master franchise agreement, the Company is obligated to offer various support services/programs for use by the Master Franchisees in their business operations. Other revenue related to this performance obligation is received as reimbursement for advancing Master Franchisees' pro rata share of such services/program costs.

Note 4 - Master Franchise Notes Receivable:

In connection with the sales of certain Master franchises, the Company will enter into a note receivable agreement with the purchaser. The interest rate on these notes ranges from 0% to 5% per annum, with the notes maturing at various dates through 2020. Management has determined that the Master franchise notes receivable do not represent a significant financing component, and are fully collectible as of December 31, 2020, 2019 and 2018.

Note 5 - Property and Equipment:

Property and equipment consists of the following as of December 31:

	2020	2019	2018
Office equipment	$ 197,489	$ 172,780	$ 170,010
Furniture and fixtures	44,359	44,359	44,359
Software	385,725	325,325	252,525
Leasehold improvements	139,012	139,012	125,015
	766,585	681,476	591,909
Less: Accumulated depreciation and amortization	558,755	483,985	383,711
	$ 207,830	$ 197,491	$ 208,198

Depreciation and amortization expense totaled $74,770, $100,255, and $70,547 for 2020, 2019, and 2018, respectively.

Note 6 - Contract Liabilities:

Contract liabilities consist of deferred revenue resulting from initial and renewal Master franchise fees, as reduced by direct broker commissions to obtain the specific contract. These contract liabilities are included in deferred revenue in the balance sheet.

The following table illustrates the estimated revenues expected to be recognized in the future related to deferred franchise fees as of December 31, 2020:

Year ended December 31,	
2021	$ 210,366
2022	205,991
2023	186,898
2024	179,795
2025	145,184
Thereafter	424,235
Total	$ 1,352,469

Note 7 - Leases:

The Company leases its office space and a vehicle under operating leases expiring at various times through February 2023. Rent expense for the years ended December 31, 2020, 2019, and 2018 was $153,094, $152,197, and $154,653, respectively.

Future minimum lease payments under these leases are as follows:

Year ended December 31,	
2021	$ 121,800
2022	110,400
2023	18,400
Total	$ 250,600

Note 8 - Stock Appreciation Plan:

On March 16, 2004, the Company adopted the Vanguard Cleaning Systems, Inc. Phantom Stock Appreciation Plan the Plan . The Plan allows for the award of Phantom Stock units to key employees upon approval of the Board of Directors. Participants are credited with units of Phantom Stock, each unit representing one underlying share of Company common stock, and are entitled to an amount equal to the appreciation in common stock share price as defined in the plan document from the date of grant. The units are immediately exercisable and vest as defined in the plan document over seven years.

The following table summarizes the Company's Phantom Stock unit activity during the years ended December 31, 2020, 2019 and 2018:

	Phantom Units Outstanding and Exercisable	Weighted Average Exercise Price	Phantom Units Vested
Balance at December 31, 2017	360	$ 1,621.51	246
Balance at December 31, 2018	360	$ 1,621.51	281
Granted	90	3,039.07	
Balance at December 31, 2019	450	$ 1,905.02	312
Exercised	90	444.45	
Granted	90	3,036.43	
Balance at December 31, 2020	450	$ 2,423.42	271

Total compensation and consulting expense to be recognized over the remaining vesting period is $3,453. Compensation and consulting expense recognized was $ 14,554 , $11,691, and $47,018, in 2020, 2019 and 2018, respectively.

Note 9 - Retirement Plan:

The Company sponsors a qualified defined contribution 401 k Plan for the benefit of eligible employees. The plan covers all employees meeting certain age and service requirements. Employer contributions to the plan are discretionary and employees may make voluntary contributions subject to plan and Internal Revenue Service limits. The Company made no contributions to the plan in 2020, 2019 and 2018.

Note 10 - Related Party Transactions:

The Company leases office space from a related party controlled by the sole stockholder. Total rent paid to the related party for the period ended December 31, 2020, 2019 and 2018 was $110,400, $110,400, and $106,376, respectively.

The Company and RR Franchising, Inc. RRF are separate and distinct corporations with different shareholder structures but have one significant shareholder in common.

The Company has a Master Franchise Agreement with RRF. Revenue earned under this agreement amounted to $579,189, $631,258, and $571,880 for 2020, 2019 and 2018, respectively.

Note 11 - Concentrations of Credit Risk:

The Company has identified its financial instruments which are potentially subject to credit risk. These financial instruments consist of cash and money market fund. At December 31, 2020, the Company held cash in excess of federally insured limits. Investments in money market funds in general are exposed to various risks such as credit and overall market volatility. To address these risks, the Company maintains a conservative investment policy.

PRESTIGE WORLDWIDE INC.

AUDITED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2018, 2019 AND 2020

Vanguard Cleaning Systems, Inc.

Audited Financial Statements as of December 31, 2020, 2019 and 2019

These statements are provided for your information only. Vanguard Cleaning Systems, Inc. does not guaranty the performance of Prestige Worldwide Inc. and undertakes no obligations to you.

EXHIBIT E

TO THE DISCLOSURE DOCUMENT

LIST OF FORMER UNIT FRANCHISEES OF VANGUARD CLEANING SYSTEMS OF THE SOUTHERN VALLEY

~~LEAVING~~THAT LEFT THE VANGUARD SYSTEM IN THE YEAR ENDED DECEMBER 31, ~~2019~~2020

First Name	Last Name	Street Address	City	State	Zip	Phone
~~Hilda~~Ruben Dario	~~Estrada~~Hernandez	~~5020 Winter Pasture~~1721 Stillman Ave.	Bakersfield	CA	~~93313~~93304	9267 Hilda ~~(Mobile)~~661-376-2023
~~Ana~~Florentina	~~Joya~~Herrara	~~1717 Clarendon Street~~9110 Anchor Island Court	Bakersfield	CA	~~93307~~93312	~~9367 (Mobile)~~682-465-4883
~~Christy~~Cassandra	~~Lopez~~Martinez	~~1606 Hadar Rd.~~403 Bryant Street	Bakersfield	CA	93307	661-549-7497
~~Dexter~~Steve	~~Owens~~Dolack	~~8287 S Cherry Ave~~36584 N Burl Avenue	Fresno	CA	~~93725~~93727	~~3621 (Work)~~559-470-7975

~~(29065.00001) #4838-1760-0187.5~~

(29065-00001) #4838-1760-0187.6

List of Former Unit Outlets of VCS of Southern California

Company Name / Last Name	First Name	Address	City	State	Zip	Phone
Ardon	Mario	342 W. 49th Street	Los Angeles	CA	90037	323-232-1070
Avendano	Ana	144 S. Avenue 55, #13	Los Angeles	CA	90042	323-258-6861
Cuevas	Jose	647 Leonard Avenue	Los Angeles	CA	90022	562-391-8689
Duran	Silvia	4672 Plumosa #16	Placentia	CA	92886	714-561-5821
Express OC Facility Services, LLC		1724 S. Grand Ave.	Santa Ana	CA	92705	714-600-0754
Flores	Luis	2943 Westbourne Place	Rowland Heights	CA	91749	714-315-3124
Harris Holdings LLC		203-1/2 28th Street	Newport Beach	CA	92663	949-294-6974
Island Cleaning Service		2047 Delphinium Drive	Perris	CA	92571	951-443-0200
Jimenez	Juan	10391 Park Ave., #A	Garden Grove	CA	92840	714-643-1060
Jimenez	Jose	201 N. Burris Ave.	Compton	CA	90221	310-635-9181
Nieves	Eduardo	1165 Locust #304	Long Beach	CA	90806	562-291-7227
Paragon Janitorial		222 W. McKinley Ave., #16	Pomona	CA	91768	909-629-8278
Ponce	Margarita	32151 Via De Olivia	San Juan Capistrano	CA	92675	949-547-6509
Ramirez	Arturo	11167 Elm Street	Lynwood	CA	90262	310-604-0476
Trinh	Claudia	14958 Long View Drive	Fontana	CA	92337	909- 279-9601
Vasquez Romero Cleaning LLC		423 West E Street	Wilmington	CA	90744	310-220-1591

EXHIBIT F

TO THE DISCLOSURE DOCUMENT

STATE REGULATORS AND

AGENTS FOR SERVICE OF PROCESS

STATE REGULATORS

California:
Department of ~~Business Oversight~~Financial Protection and Innovation
One Sansome Street, Suite 600
San Francisco, CA 94104

320 West 4th Street
Los Angeles, CA 90013

~~1515 K Street~~
2101 Arena Blvd.
Sacramento, CA ~~95814~~95834

Hawaii:
Department of Commerce and
Consumer Affairs
Business Registration Division
P.O. Box 40
Honolulu, HI 96810

Illinois:
Office of the Attorney General
500 South Second Street
Springfield, IL 62706

Indiana:
Indiana Securities Division
302 West Washington Street, Room E-111
Indianapolis, IN 46204

Maryland:
Office of the Attorney General
Division of Securities
200 Saint Paul Place
Baltimore, MD 21202-2020

Michigan:
Consumer Protection Division
Franchise Section
Michigan Attorney General's Office
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, MI 48913

Minnesota:
Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101-2198

New York:
~~Office of the New York Attorney General~~
NYS Department of Law
Investor Protection Bureau
~~Franchise Section~~
28 Liberty Street, 21st Floor
New York, NY 10005
~~(212) 416-8236 (phone)~~
(212) ~~416-6042 (fax)~~416-8222

North Dakota:
Office of Securities Commissioner
600 East Boulevard, 5th Floor
Bismarck, ND 58505

Rhode Island:
Division of Securities
Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex 69-1
Cranston, RI 02920-4407

South Dakota:
Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, SD 57501
(605) 773-3563

Virginia:
State Corporation Commission
Division of Securities and
Retail Franchising
1300 East Main Street, 9th Floor
Richmond, VA 23219

Washington:
Department of Financial Institutions
Securities Division
P. O. Box 9033
Olympia, WA 98507-9033

Wisconsin:
State of Wisconsin
Office of the Commissioner of Securities
4822 Madison Yards Way, North Tower
Madison, WI 53705

AGENTS FOR SERVICE OF PROCESS

California:
California Commissioner of ~~Business Oversight~~Financial Protection and Innovation
Department of ~~Business Oversight~~Financial Protection and Innovation
One Sansome Street, Suite 600
San Francisco, California 94104

Hawaii:
Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

Illinois:
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

Indiana:
Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204

Maryland:
Securities Commissioner
200 Saint Paul Place
Baltimore, Maryland 21202-2020

Michigan:
Department of Attorney General's Office
Consumer Protection Division
G. Mennen Williams Building
525 W. Ottawa Street
Lansing, Michigan 48913

Minnesota:
Commissioner of Commerce
85 7th Place E., Suite 280
St. Paul, MN 55101

New York:
New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, New York 12231-0001
(518) 473-2492

North Dakota:
Commissioner of Securities
600 East Blvd., 5th Floor
Bismarck, North Dakota 58505

Rhode Island:
Director of Business Regulation
Division of Securities
1511 Pontiac Avenue
John O. Pastore Complex 69-1
Cranston, RI 02920-4407

South Dakota:
Director
Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

Virginia:
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

Washington:
Director
Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, WA 98501

Wisconsin:
Administrator
Department of Financial Institutions
Division of Securities
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705

EXHIBIT G

TO THE DISCLOSURE DOCUMENT

RENEWAL ADDENDUM TO THE FRANCHISE AGREEMENT

(Subject to Change by Franchisor)

Exhibit G

RENEWAL ADDENDUM TO FRANCHISE AGREEMENT

(Current Form of Addendum; Subject to Change by Franchisor)

THIS Renewal Addendum (the "Addendum") is made and entered into on the________day of _______________________, 20__ (the "Effective Date") by and between_____________________________Prestige Worldwide Inc. dba Vanguard Cleaning Systems of the Southern Valley ("Franchisor") and ______________________________________ [an individual] [individuals] [a corporation] [a partnership] [a limited liability company] with a principal place of business located at______________________________(hereinafter collectively called "Franchisee").

WHEREAS, Franchisor and Franchisee have entered into the Franchise Agreement for a renewal franchise term (the "Franchise Agreement") to replace the immediately preceding franchise agreement, which has expired (the "Expiring Agreement"), for Franchisee's continued operation of a Vanguard Cleaning Systems® franchised business.

WHEREAS, capitalized terms in this Addendum have the same meanings as are given under the Franchise Agreement, unless otherwise provided in this Addendum.

NOW, THEREFORE, for and in consideration of the full performance of each of the promises, terms and conditions of this Addendum and the General Release of Claims by Franchisee attached as Exhibit 3 and granted as of the Effective Date, the parties agree as follows:

1. CHANGES TO FRANCHISE AGREEMENT

A. Obligations Fulfilled: Franchisee and Franchisor have entered into the Franchise Agreement for a renewal franchise term and, therefore, acknowledge and agree that:

i. ~~i.~~ Franchisee has met the pre-operating commitments described in Section 2 of the Agreement and Franchisee is operating a VCS Business as of the Effective Date if this ~~Agreement~~Addendum;

ii. Franchisee is not required to attend and Franchisor is not required to offer Franchisee an opportunity to participate in the VCS Business System Program, as described in Section 3. A. 1. of the Franchise Agreement;

iii. Franchisee shall not ~~select any VCS Business Plan described on Exhibit A of this Agreement or~~ pay an initial franchise fee. Franchisee previously paid an initial franchise fee ~~and the Business Plan Referral Fees associated with any Business Plan Franchisee previously may have selected also have been paid~~ to Franchisor~~. Franchisor met any obligation regarding Business Plan Account offers it may have had under Exhibit A of the Expiring Franchise Agreement~~; and

iv. The Manuals referenced in Section 6. B. of the Franchise Agreement were loaned by Franchisor to Franchisee under the Expiring Franchise Agreement and the loan will continue pursuant to the terms of the Franchise Agreement.

B. Franchisee as a Business Entity: If Franchisee has not already done so as of the Effective Date of this Addendum, Franchisee must form a Business Entity to operate the VCS Business as required by Section 2. B. iii) of the Franchise Agreement and maintain at least one employee, unless Franchisor consents otherwise in writing. Franchisor has an unrestricted right to grant or deny such a consent, as it deems appropriate and on a case by case basis.

2. ~~ADDITIONAL~~VCS BUSINESS AND REFUNDS

A. ~~Additional~~VCS Business Commitments: Franchisor and Franchisee acknowledge and agree that Franchisee is not due any ~~Additional Business Accounts~~additional services, support or accounts as of the Effective Date. If Franchisee has any outstanding amounts owed to Franchisor in connection with the Transfer of one or more ~~Additional~~VCS Accounts to Franchisee, the Account Transfer and Acceptance forms or other applicable agreements pertaining to such Account(s) is/are attached to this Addendum as Exhibit 1. Franchisor and Franchisee agree that for purposes of any agreement attached as Exhibit 1, the term, “Franchise Agreement,” shall refer to the “Franchise Agreement” referenced in the second paragraph of this Addendum.

B. Refunds: Franchisor and Franchisee acknowledge and agree that no refunds are due Franchisee under the Expiring Agreement, the Franchise Agreement, or otherwise as of the Effective Date of this Addendum.~~.]~~

~~**C. No Obligation to Offer/Accept a Transfer of an Additional Business Account:** Franchisor and Franchisee further agree that throughout the term of this new Franchise Agreement Franchisee has no obligation to request or accept, and Franchisor has no obligation to offer, any Additional Business Account Transfers beyond any such commitments included in any Exhibit 1 agreements.~~

3. TERM AND FRANCHISE EXPIRATION

Term: The Franchise Agreement and this Addendum are binding from the Effective Date for the renewal term of (_) years, unless earlier terminated in accordance with the Franchise Agreement. (AS APPLICABLE:) *Franchisee has no right to renew the Franchise Agreement at the expiration of the term of this Franchise Agreement and agrees that any renewal rights under the Expiring Franchise Agreement are satisfied with this renewal franchise term. Franchisee acknowledges and agrees that Franchisor has made no promise or representation as to any renewal or further extension of this franchise at the expiration of its term and Franchisee has no expectation of any such renewal.]*

4. PROMISSORY NOTES AND GUARANTEES

Continuing Obligations: Franchisee and Franchisor have identified on Exhibit 2 any promissory notes payable by Franchisee to Franchisor as of the Effective Date. Franchisee and each undersigned Guarantor hereby ratifies and affirms the terms and obligations provided in such promissory notes and acknowledges that any personal guaranty provided in connection with the Expiring Franchise Agreement is continuing and remains in full force and effect and the obligations under and terms of such personal guaranty shall apply to this ~~Agreement~~Addendum in the same manner and to the same extent that they applied to the Expiring Agreement. Franchisee and Guarantors will sign an additional personal guaranty in connection with the Franchise Agreement if so requested by Franchisor.

5. FRANCHISEE REPRESENTATIONS

A. Franchise Ownership: Franchisee warrants and represents that the following individuals own 100% of all interests in Franchisee’s Vanguard Cleaning Systems franchise and the franchised business and in Franchisee:

__________________________________ _______________________

Print Name Ownership Percentage

__________________________________ _______________________

Print Name Ownership Percentage

__________________________________ _______________________

Print Name Ownership Percentage

(Must total 100%)

B. Disclosure Documents: Franchisee warrants and represents that Franchisee has received, read and understood 1) a copy of Franchisor's Franchise Disclosure Document with all exhibits at least fourteen (14) calendar days before signing any binding agreement or paying any money (whichever happened first), and 2) a copy of this Addendum, the Franchise Agreement and all other agreements complete and in form ready to sign at least seven (7) calendar days before signing any binding documents.

6. GENERAL RELEASE OF CLAIMS

Franchisee Release of Claims: In compliance with the renewal conditions required to be met by Franchisee under the Expiring Franchise Agreement, Franchisee and each Franchisee Owner will sign a general release of claims in form satisfactory to Franchisor (Exhibit 3 to this Addendum) at or before the execution of the Franchise Agreement and any applicable Addendum.

7. EXTENSION OF EXPIRING FRANCHISE AGREEMENT

~~**Renewal Delays:** If the Expiring Franchise Agreement had already expired before the Effective Date of this~~ Addendum, Franchisor and Franchisee hereby confirm that they extended and have been prior to the Effective Date operating under the terms of the Expiring Franchise Agreement and that the Expiring Franchise Agreement has been in full force and effect and governing their relationship up to the Effective Date, notwithstanding any delay in entering into a renewal term under this Franchise Agreement.

8. ADDENDUM GOVERNS

Effect of Addendum: Except as expressly amended by this Addendum, the terms of the Franchise Agreement remain in full force and effect. In the event of any conflict with or inconsistency between the provisions of the Franchise Agreement and the provisions of this Addendum, the provisions of this Addendum shall control.

9. ENTIRE UNDERSTANDING

Complete Agreement: This Addendum and the Franchise Agreement (and all exhibits and addenda thereto) comprise the entire agreement between Franchisee and Franchisor with respect to the renewal of the Franchisee's Vanguard Cleaning Systems franchise. All contemporaneous and prior discussions, negotiations and representations concerning this matter are superseded by this Addendum and the Franchise Agreement; provided, that nothing in this or any related agreement is intended to disclaim the representations made by Franchisor in the Franchise Disclosure Document that was furnished to Franchisee by Franchisor.

10. FEES UNDER EXPIRING AGREEMENT

Retained Fee Rates: Regardless of the percentage amounts stated for the following fees in the renewal Franchise Agreement, the fees/percentages provided below are carried forward from Franchisee's Expiring Agreement for the term of the Renewal Agreement.

Royalty Fee _____%

Business Support Fee _____%
Special Services Fee _____%

Marketing Fees established under existing VCS Account Acceptance Agreements in effect as between Franchisor and Franchisee as of the Effective Date of this Renewal Addendum, will continue under the terms of such existing agreements, however, VCS Accounts offered by Franchisor to Franchisee during the Renewal Term will be made pursuant to Franchisor's then-current form of VCS Account transfer and acceptance agreements which may have different financial, payment and other terms and conditions from prior versions of such agreements.

Agreed and accepted by the undersigned. This ~~Agreement~~Addendum is not effective until signed by an authorized representative of Franchisor.

FRANCHISOR: Prestige Worldwide Inc. dba Vanguard Cleaning Systems of the Southern Valley

By:____ __________________________________
Signature Title

____
Print Name

*****

FRANCHISEE (Corp. or LLC)

____
(Legal Name of Franchisee Entity)

a________________________ ______________________________
Jurisdiction of Formation Corporation or LLC

By: ______________________________ ____________________________
Signature Title

____
Print Name

GUARANTOR(S)	**PERCENTAGE OF OWNERSHIP OF FRANCHISEE**
________________________________ Signature	________%
________________________________ Printed Name	
________________________________ Signature	________%
________________________________ Printed Name	

EXHIBIT 1

~~OUTSTANDING ADDITIONAL~~VCS ACCOUNT PAYMENT AGREEMENTS IN EFFECT AS OF ADDENDUM EFFECTIVE DATE

(ATTACHED, IF ANY)

EXHIBIT 2

APPLICABLE PROMISSORY NOTES

(AS OF THE EFFECTIVE DATE, IF ANY)

Note 1:

Date:__________________________

Balance as of the Effective Date of Addendum: ______________

Monthly Installment Payment: ____________________

Note 2:

Date:__________________________

Balance as of the Effective Date of Addendum: ______________

Monthly Installment Payment: ____________________

EXHIBIT 3

FRANCHISEE RELEASE OF CLAIMS

[Link-to-previous setting changed from off in original to on in modified.].

EXHIBIT H

TO THE DISCLOSURE DOCUMENT

GENERAL RELEASE AGREEMENT

(Subject to Change by Franchisor)

EXHIBIT H

FRANCHISEE RELEASE OF CLAIMS

(Current Form; Subject to Change by Franchisor)

INCLUDE FOR RENEWING FRANCHISEES AND ATTACH THE RELEASE TO THE RENEWAL ADDENDUM AS AN EXHIBIT:

In consideration of the Franchise Agreement (the "Franchise Agreement") granted to ________________________ ("Franchisee") by Prestige Worldwide Inc. dba Vanguard Cleaning Systems of the Southern Valley ("Franchisor") for a renewal term in connection with Franchisee's Vanguard Cleaning Systems® franchised business, the waiver of the Initial Franchise Fee for such Franchise Agreement, for other good and valuable consideration and as required under the franchise agreement governing the expiring franchise term (the "Expiring Franchise Agreement"), Franchisee and each undersigned Franchisee Owner makes the following general release of claims in favor of Franchisor and the related parties identified below as of___________202 (the Effective Date):

INCLUDE ONLY FOR FRANCHISE TRANSFERS:

In consideration of the consent from Prestige Worldwide Inc. dba Vanguard Cleaning Systems of the Southern Valley ("Franchisor") to__________________________________("Franchisee") in connection with the transfer of Franchisee's Vanguard Cleaning Systems® Franchise and as required under the franchise agreement between Franchisee and Franchisor (the "Franchise Agreement"), Franchisee and each undersigned Franchisee Owner makes the following general release of claims in favor of Franchisor and the related parties identified below as of __________202 (the Effective Date):

INCLUDE FOR RENEWALS ONLY:

General Release Of Claims by Franchisee:

FRANCHISEE and each Franchisee Owner for itself and, as applicable, its partners, successors, guarantors, assigns, affiliates, spouse, domestic partner, family members, heirs executors, administrators and personal representatives and anyone claiming through or under them (collectively the "FRANCHISEE Parties"), hereby releases, acquits and forever discharges Vanguard Cleaning Systems, Inc. and FRANCHISOR and each of their respective predecessors, successors, assigns, partners, parent company, subsidiaries, affiliates, officers, directors, stockholders, members, employees, attorneys, accountants, agents and other representatives (collectively the "FRANCHISOR Parties") of and from any and all claims, demands, debts, obligations, damages, causes of action and claims for relief of any nature whatsoever, whether known or unknown, fixed or contingent, which the FRANCHISEE Parties or any of them have against any or all of the FRANCHISOR Parties by reason of any matter, event or cause whatsoever occurring or arising at any time before, through and including the Effective Date of this Release, including, but not limited to, any claims arising under or relating to the Franchise Agreement, to the fullest extent permitted by law; provided, that no provision of this release obligates any FRANCHISEE Parties to waive compliance with any provision of the California Franchise Relations Act or of the California Franchise Investment Law in connection with the offer and/or sale of this franchise, if applicable. Notwithstanding the foregoing, nothing in this Release shall be construed to waive any right that is not subject to waiver by private agreement. For avoidance of doubt, this Release does not waive any of Franchisor's prospective obligations under the Franchise Agreement. This Release has no impact on any amount of wages or other amounts admittedly owed and, to the extent covered by this agreement and permitted by law, only disputed claims to wages and other amounts are covered by this Release. Further, nothing in this Release shall waive any FRANCHISEE Party's right to testify in an administrative, legislative or judicial proceeding concerning alleged criminal conduct or alleged sexual harassment by a FRANCHISOR Party when a FRANCHISEE Party has been required or requested to attend the proceeding pursuant to a court order, subpoena or written request from an administrative agency or the legislature.

INCLUDE FOR ~~BOTH~~ FRANCHISE TRANSFERS ~~AND RENEWALS~~ONLY:

General Release Of Claims by Franchisee:

~~1.~~ FRANCHISEE and each Franchisee Owner for ~~himself~~itself and, as applicable, ~~his~~its partners, successors, guarantors, assigns, affiliates, spouse, domestic partner, family members, heirs executors, administrators and personal representatives and anyone claiming through or under them (collectively the "FRANCHISEE Parties"), hereby releases, acquits and forever discharges Vanguard Cleaning Systems, Inc. and FRANCHISOR and each of their respective predecessors, successors, assigns, partners, parent company, subsidiaries, affiliates, officers, directors, stockholders, members, employees, attorneys, accountants, agents and other representatives (collectively the "FRANCHISOR Parties") of and from any and all claims, demands, debts, obligations, damages, causes of action and claims for relief of any nature whatsoever, whether known or unknown, fixed or contingent, which the FRANCHISEE Parties or any of them have against any or all of the FRANCHISOR Parties by reason of any matter, event or cause whatsoever occurring or arising at any time before, through and including the Effective Date of this Release, including, but not limited to, any claims arising under or relating to the Franchise Agreement, to the fullest extent permitted by law; provided, that no provision of this release obligates any FRANCHISEE Parties to waive compliance with any provision of the California Franchise Relations Act or of the California Franchise Investment Law in connection with the offer and/or sale of this franchise, if applicable. Notwithstanding the foregoing, nothing in this Release shall be construed to waive any right that is not subject to waiver by private agreement. This Release also has no impact on any amount of wages or other amounts admittedly owed and, to the extent covered by this agreement and permitted by law, only disputed claims to wages and other amounts are covered by this Release. Further, nothing in this Release shall waive any FRANCHISEE Party's right to testify in an administrative, legislative or judicial proceeding concerning alleged criminal conduct or alleged sexual harassment by a FRANCHISOR Party when a FRANCHISEE Party has been required or requested to attend the proceeding pursuant to a court order, subpoena or written request from an administrative agency or the legislature.

INCLUDE FOR BOTH TRANSFERS AND RENEWALS:

Waiver of Civil Code Section 1542.

FRANCHISEE and each Franchisee Owner for himself/herself and the other FRANCHISEE Parties hereby expressly waives any rights or benefits available under the provisions of Section 1542 of the California Civil Code or any similar law of any state that provides for the survival of claims notwithstanding a general release. Civil Code Section 1542 provides as follows:

> **A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her would have materially affected his or her settlement with the debtor or released party.**

FRANCHISEE and each Franchisee Owner understands this statutory language and, notwithstanding this or any similar statute of any state, freely elects to specifically waive these statutory rights and make this general release of all claims whether known or unknown against FRANCHISOR.

FRANCHISEE and each Franchisee Owner understands that if the facts relied upon in making this release are discovered hereafter to be other than or different from the facts now believed to be true, or if additional facts are discovered, FRANCHISEE and each Franchisee Owner expressly accepts this risk of such possible different or additional facts and agrees that this release and waiver shall remain effective, notwithstanding any such discoveries. FRANCHISEE and each Franchisee Owner is not deciding to make this release predicated on any factual representations of any others regarding the nature of the claims released or any other matters.

Representations by Franchisee/Franchisee Owner:

Franchisee/each Franchisee Owner represents, warrants, agrees and acknowledges that,

i) Franchisee/Franchisee Owner has had ample opportunity to consult with legal counsel in making the above release and has read and fully understands the terms of this release and voluntarily and freely signs this release,

ii) the validity of this release is a condition to and essential consideration for the [renewal] [transfer] of Franchisee's Franchise; and

iii) Franchisee currently owns the franchise and the franchised business and all of the claims released hereby and has not assigned any interest in the franchise, any franchise agreement, the franchised business, the ownership of Franchisee (if applicable) or any of such claims.

CAUTION: THIS AGREEMENT CONTAINS A FULL AND FINAL RELEASE OF CLAIMS. PLEASE READ CAREFULLY BEFORE SIGNING.

FRANCHISEE (Corp. or LLC)

____
(Legal Name of Franchisee Entity)

a________________________ ____________________________
Jurisdiction of Formation Corporation or LLC

By: ______________________________ ____________________________
Signature Title

____
Print Name

FRANCHISEE OWNER(S) **PERCENTAGE OF OWNERSHIP OF FRANCHISEE**

______________________________ _______%
Signature

____
Printed Name

______________________________ _______%
Signature

____
Printed Name

EXHIBIT I

TO THE DISCLOSURE DOCUMENT

~~ADDITIONAL~~VCS ACCOUNT BUSINESS TRANSFER AND PAYMENT AGREEMENT

(Subject to Change by Franchisor)

~~Additional~~VCS Account Business Transfer and Payment Agreement

This is ~~an Additional~~VCS Account Business Transfer and Payment Agreement ("VCS Account Agreement") between **Prestige Worldwide Inc. dba Vanguard Cleaning Systems ~~if~~of the Southern Valley** and ______________________ ("Franchisee') dated______________.

A. Franchisee and Franchisor are parties to a Vanguard Cleaning Systems® Franchise Agreement (the "Franchise Agreement"), under which Franchisee operates a commercial cleaning business.

B. Franchisor ~~may~~will offer ~~from time to time~~ to Transfer to Franchisee an account for a facility ("~~Additional~~VCS Account Business", "VCS Account" or "Account")~~. Additional~~ in accordance with the Franchise Agreement. VCS Account Business also includes ~~an~~any increase in Service Billings for an existing VCS Account business that expands its services requirements.

C. If Franchisee chooses to accept an offered Account, Franchisor and Franchisee will sign ~~an acceptance agreement~~the applicable VCS Account Business Transfer and Acceptance Terms form, which will include the economic terms of the Transfer and which will be subject to the terms of this Agreement and the Franchise Agreement.

Franchisor and Franchisee agree as follows:

1. **Account Ownership.** In accepting an Account Transfer, Franchisee accepts ownership and control of the ~~Additional~~VCS Account Business and the Account relationship, subject to certain conditions as described in this VCS Account Agreement, and is solely responsible for meeting the Account Cleaning Services Agreement requirements described in the applicable Account agreement.

2. **Franchisee Authorization.** Franchisee authorizes Franchisor to perform billing and collection services for all of Franchisee's franchised business Accounts and to deduct amounts then due from Franchisee to Franchisor from revenues received, as provided in the Franchise Agreement.

3. **Franchisee Transfer.** ~~Additional~~ VCS Account Business can be assigned or otherwise transferred by Franchisee only to another Vanguard Cleaning Systems® Business in good standing, subject to Franchisor's prior written approval and the then current process for Account re-assignments.

4. **Account Commitment.** Franchisee agrees to meet all Account services requirements until the applicable Account business is cancelled or re-assigned to another franchisee, the Franchise Agreement is terminated or expires, or until the ownership of the Account Agreement reverts to Franchisor under the conditions described in this Agreement.

5. **Vanguard Cleaning Systems® Account Changes.** All right, title and interest in a Vanguard Cleaning Systems Account and Account Cleaning Services Agreement Transferred to Franchisee under this Agreement revert to Franchisor:

i) immediately upon a termination or expiration of the Franchise Agreement;

ii) immediately if a customer terminates the Account Cleaning Services Agreement or requests a Transfer to an alternative Vanguard Cleaning Systems® franchise because of concerns regarding Franchisee's (or Franchisee's agents'/employees') integrity and/or character, service quality, or a claimed failure to meet Account Cleaning Services Agreement requirements;

iii) immediately if Franchisee chooses to discontinue providing the services outlined in the applicable Account Cleaning Services Agreement;

iv) immediately if Franchisee (or any Franchisee Owner/agent/representative) fails to pass any criminal background check and/or drug, chemical or physical testing required by the Account; or

v) if Franchisor has cause to send Franchisee a notice of default and termination of the Franchise Agreement. Reversion shall be effective immediately upon Franchisor's delivery of the written demand to Franchisee.

6. **Replacement Terms for Certain Accounts.** The following replacement provisions do not apply to any ~~Additional~~VCS Account Business accepted by Franchisee that is offered by Franchisor on a shared revenue basis, e.g., an Account for which Franchisee pays Franchisor a non-refundable, ~~monthly~~ percentage share of Gross Service Billings for such ~~Additional~~VCS Account Business on an ongoing basis, instead of a specific Marketing Fee amount (each a "Shared Revenue Account"). Franchisee understands that a Shared Revenue Account is an ongoing payment arrangement and that Franchisee's combined payments may cost Franchisee more than if Franchisee paid a standard Marketing Fee instead (typically an agreed upon multiple of monthly Service Billings for that Account). The total amount of payments Franchisee makes with respect to a Shared Revenue Account ultimately will depend on how long Franchisee's Vanguard Cleaning Systems® Business services such Account and the actual amount of the Account's total Service Billings.

a. If any ~~Additional~~VCS Account Business that is not a Shared Revenue Account is cancelled by the customer in the twelve (12) months following the Transfer to Franchisee for reasons other than those specified in Section b., below, Franchisor shall diligently try to replace such Account within ninety (90) days of the cancellation as follows:

i) If cancellation occurs within 180 days of Transfer to Franchisee, Franchisor will offer to Transfer to Franchisee one or more Accounts with Service Billings equal to those of the lost Account;

ii) If cancellation occurs within 181 to 365 days of Transfer to Franchisee, Franchisor will offer to Transfer to Franchisee one or more Accounts with Service Billings equal to 50% of those of the lost Account.

b. Franchisor shall have no obligation to replace any ~~Additional~~VCS Account if:

i) ~~i)~~ a Transferred Account Cleaning Services Agreement is canceled any time after twelve (12) months from the date that Franchisee accepts such Account, or

ii) ~~ii)~~ at any time a customer terminates the Account Cleaning Services Agreement because of concerns regarding Franchisee's (or Franchisee's agents'/employees') integrity and/or character, service quality, or a claimed failure to meet Account Cleaning Services Agreement requirements, or

iii) ~~iii)~~ a customer requests a Transfer to an alternative VCS Business at any time because of concerns regarding Franchisee's (or Franchisee's agents'/employees') integrity and/or character, service quality, or a claimed failure to meet Account Cleaning Services Agreement requirements, or

iv) ~~iv)~~ Franchisee is required to discontinue servicing the Account due to an Account reversion to Franchisor, as provided in Section 5 of this Agreement.

v) ~~v)~~ Franchisee chooses to discontinue providing the services outlined in the Account Cleaning Services Agreement or requests the Account be transferred and such request is accepted by Franchisor, or

vi) ~~vi)~~ the Franchise Agreement is terminated as a result of a Franchisee default.

7. **Refund Terms for Certain Accounts.** The following refund provisions do not apply to any Shared Revenue Account pricing arrangements, e.g., an Account for which Franchisee agrees to pay Franchisor a non-refundable, monthly percentage share of ~~Gross~~ Service Billings for such ~~Additional~~VCS Account Business on an ongoing basis, instead of a specific Marketing Fee amount.

a. If Franchisor fails to ~~fulfill a commitment to provide Additional~~offer VCS Account Business ~~Service Billings in an agreed upon amount~~to Franchisee within 90 days of the effective date of the ~~applicable Account Transfer and Acceptance~~Franchise Agreement ~~(the "Fulfillment Period")~~, Franchisee may request a refund. Franchisor must receive Franchisee's written request for a refund within 10 days after the ~~end of the applicable Fulfillment Period~~expiration of 90 days from the effective date of Franchise Agreement. To calculate the refund amount due, the average monthly Service Billings of the Account(s) offered to Franchisee is subtracted from the amount of the average monthly Service Billings due under the Account Transfer and Acceptance Agreement to determine the difference between the amounts (the "Deficiency"). The refund due is the amount of the ~~Deficiency multiplied by 4, subject to the following limitations: No refund will be more than i) the amount of the Marketing Fee Franchisee originally financed or, ii) if no financing was used, the amount that Franchisee could have financed under Franchisor's then current financing policies. Franchisor retains any cash down payment or, if applicable, the amount that would have been paid as a down payment under Franchisor's then current financing policies if Franchisee had not paid the Marketing Fee in a lump sum.~~Franchise Fee paid by Franchisee Franchisor can offset any refund due Franchisee against any amounts Franchisee owes Franchisor.

8. **Updated Form.** Franchisor may change its ~~Additional~~VCS Account Business Agreement form periodically. In that case, Franchisor may condition any subsequent ~~Additional~~VCS Account Business offers on Franchisee's execution of the updated form, which will apply to Accounts offered under the new form.

9. **Franchise Agreement and Personal Guaranty.** Except to the extent expressly modified by this Agreement, the Franchise Agreement remains in full force and effect and applies to Accounts offered under this Agreement in the same manner as it does to Accounts ~~that may be~~ offered under the Franchise Agreement and to Franchisee's conduct and obligations in connection with the same. Capitalized terms used in this Agreement have the same meaning as in the Franchise Agreement, unless separately defined in this Agreement. In signing this Agreement, Franchisee and Franchisee's Guarantors ratify and reaffirm the terms of the Franchise Agreement and the Personal Guaranty and unconditionally promise to Franchisor and its successors and assigns the full and timely performance of all of the terms, covenants, and conditions of the Franchise Agreement (inclusive of exhibits) and the Guaranty since the effective date of the Franchise Agreement. The terms of the Franchise Agreement and the Guaranty apply to this ~~Additional~~VCS Account Business Agreement and each ~~Additional~~VCS Account Transfer Acceptance, as though they were signed along with the Franchise Agreement.

10. **Entire Agreement; Amendments.** This is the entire agreement between the parties with respect to the subject matter and supersedes any prior or contemporaneous understandings about the subject matter. This Agreement can only be amended by a writing signed by both parties.

AGREED & ACCEPTED:

FRANCHISEE (Corporation or LLC)___________________________________
(Legal Name of Franchisee Entity)

By: __________________________________ Title:__________________________
Signature

Print Name: _________________________

FRANCHISOR____
(Legal Name of Master Franchisee)

By:_____________________________________ Title:__________________________
Signature

Print Name: _________________________

GUARANTOR(S) **PERCENTAGE OF OWNERSHIP OF FRANCHISEE**

__________________________ _______________%
Signature

____
Print Name

__________________________ _______________%
Signature

____
Print Name

TOTAL 100%

[Link-to-previous setting changed from off in original to on in modified.].

EXHIBIT J-1

TO THE DISCLOSURE DOCUMENT

VCS ACCOUNT BUSINESS TRANSFER ~~AND~~ ACCEPTANCE AND PAYMENT TERMS
~~**(Business Plan Accounts)**~~

~~**(Subject to Change by Franchisor)**~~

~~**Account Cleaning Services Agreement**~~

VCS Account Business Transfer and Acceptance And Payment Terms

~~**(Business Plan Account)**~~

~~1. ________________(the "Franchisee") acknowledges that Franchisee has:~~

~~a. had ample opportunity to review the Account Cleaning Services Agreement (Account Agreement) for the Account named below before deciding whether or not to accept the Account; and~~

~~b. a copy of the Account Agreement and the Services Attachments established by the client; and~~

~~c. inspected the Account premises, understands fully and can meet the Account requirements and finds the contract price stated below to be fair and reasonable; and~~

~~d. the responsibility for meeting the Account Agreement service requirements described in the Account Agreement for the Account named below, which has been transferred to Franchisee. Franchisee's VCS Business is solely responsible for providing the cleaning services and for maintaining Account satisfaction; and~~

~~e. the responsibility for ensuring that Franchisee has the financial and operational resources, equipment and inventory necessary to meet the Account requirements on an ongoing basis.~~

~~2. Vanguard Cleaning Systems of____________ ("Franchisor") has committed to offer Franchisee Account business representing an amount of gross services billings specified in Franchisee's Franchise Agreement (Exhibit A). Franchisee understands that if the Account Transfers accepted by Franchisee represent gross Service Billings greater than the agreement amount, then Franchisee will pay a fee for the amount of the difference. Franchisee understands that the fee is_______________( ) times the excess difference, and Franchisee agrees to pay Franchisor the fee in twelve (12) equal monthly payments following the date Franchisee begins servicing the Account under its VCS Business.~~

~~**ACCOUNT:**~~________________________________ ~~**MONTHLY CONTRACT PRICE: $**~~__________~~**/month**~~
~~**CLEANING FREQUENCY:**~~ _____________ ~~**FIRST CLEANING:**~~ __________________
~~**ALARM CODE NO:**~~_________________________ ~~**NO. OF KEYS:**~~ _______
~~**NOTES:**~~____

~~3. **GENERAL RELEASE OF CLAIMS BY FRANCHISEE AND FRANCHISEE OWNER(S)**~~

~~FRANCHISEE and each Franchisee Owner for itself and, as applicable, its partners, successors, guarantors, assigns, affiliates, spouse, domestic partner, family members, heirs executors, administrators and personal representatives and anyone claiming through or under them (collectively the "FRANCHISEE Parties"), hereby releases, acquits and forever discharges Vanguard Cleaning Systems, Inc. and FRANCHISOR and each of their respective predecessors, successors, assigns, partners, parent company, subsidiaries, affiliates, officers, directors, stockholders, members, employees, attorneys, accountants, agents and other representatives (collectively the "FRANCHISOR Parties") of and from any and all claims, demands, debts, obligations, damages, causes of action and claims for relief of any nature whatsoever, whether known or unknown, fixed or contingent, which the FRANCHISEE Parties or any of them have against any or all of the FRANCHISOR Parties by reason of any matter, event or cause whatsoever occurring or arising at any time before, through and including the date of this Agreement, including, but not limited to, any claims arising under or relating to the Franchise Agreement, to the fullest extent permitted by law. For avoidance of doubt, this Release does not waive any of Franchisor's prospective obligations under the Franchise Agreement; provided, that no provision of this release obligates any FRANCHISEE Parties to waive compliance with any provision of the California Franchise Relations Act or of the California Franchise Investment Law, if applicable. This Release has no impact on any amount of wages or other amounts admittedly owed and, to the extent covered by this Agreement and permitted by law, this Agreement only releases disputed claims to wages and other amounts. Further, nothing in this Release and Account Acceptance shall waive any FRANCHISEE Party's right to testify in an administrative, legislative or judicial proceeding concerning alleged criminal conduct or alleged sexual harassment by a FRANCHISOR Party when a FRANCHISEE Party has been required or requested to attend the proceeding pursuant to a court order, subpoena or written request from an administrative agency or the legislature.~~

~~**Waiver of Civil Code Section 1542**~~.

~~FRANCHISEE and each Franchisee Owner for himself and the other FRANCHISEE Parties hereby expressly waives any rights or benefits available under the provisions of Section 1542 of the California Civil Code or any similar law of any state that provides for the survival of claims notwithstanding a general release. Civil Code Section 1542 provides as follows:~~

~~**A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her would have materially affected his or her settlement with the debtor or released party.**~~

~~FRANCHISEE and each Franchisee Owner understands this statutory language and, notwithstanding this or any similar statute of any state, freely elects to waive these statutory rights and make this general release of all claims whether known or unknown against FRANCHISOR Parties.~~

~~4. Franchisor Transfers to Franchisee the Account business named above, subject to the terms of the Franchise Agreement and this Transfer and Acceptance, inclusive of their respective exhibits. Capitalized terms used in this Account Acceptance have the same meaning as in the Franchise Agreement, unless they are separately defined in this Acceptance.~~

~~IMPORTANT: THIS ACCOUNT TRANSFER CONTAINS A RELEASE OF CLAIMS BY YOU. PLEASE READ CAREFULLY BEFORE SIGNING.~~
~~AGREED & ACCEPTED:~~

~~FRANCHISEE (Corporation or LLC):~~ ____
~~(Legal Name of Franchisee Entity)~~

~~By:~~ ____ ~~Title:~~ ___________________________
~~Signature~~
~~Print Name:~~ __________________________

~~FRANCHISEE OWNERS~~

~~By:~~________________________~~, an individual~~ ~~By:~~____________________________~~, an individual~~
~~Signature~~ *~~Signature~~*

~~Print Name:~~___________________________ ~~Print Name:~~ __________________________

~~FRANCHISOR:~~____
~~(Legal Name of Master Franchisee)~~

~~By:~~ ____ ~~Title:~~ ___________________________
~~Signature~~
~~Print Name:~~ __________________________

~~**EXHIBIT J-2**~~

~~**TO THE DISCLOSURE DOCUMENT**~~

~~**ACCOUNT TRANSFER AND ACCEPTANCE**~~
(Multiple Pricing Accounts)

~~**(Subject to Change by Franchisor)**~~

~~**Account Cleaning Services Agreement-**~~
~~**Transfer and Acceptance**~~
~~**(Multiple Pricing Option)**~~

This is ~~an~~a VCS Account Business Transfer from **Prestige Worldwide Inc. dba Vanguard Cleaning Systems if the Southern Valley** ("Franchisor") to______________________("Franchisee') dated_________________.

1. Franchisee acknowledges and agrees that Franchisee has:
   a. had ample opportunity to review the Account Cleaning Services Agreement (Account Agreement) for the Account named below before deciding whether or not to accept a Transfer of the Account; and
   b. a copy of the Account Agreement and the Services Attachments established by the client; and
   c. inspected the Account premises, understands fully and can meet the Account requirements and finds the contract price stated below to be fair and reasonable.

2. The Marketing Fee due for the ~~Additional~~VCS Account Business identified below is $_____________ ($______X ___) and is payable to Franchisor as follows: an initial cash payment of $_______, plus_______monthly installments of $____________each. The first installment is due on______________________. The second and following installments shall be paid on the__________th day of each consecutive month until full payment is received. Franchisee understands that if the Account Transfers accepted by Franchisee represents gross Services Billings greater than the amount agreed upon, then Franchisee will pay a fee for the amount of the difference. Franchisee understands that the fee is_______________( ) times the excess difference, and Franchisee agrees to pay Franchisor the fee in twelve (12) equal monthly payments following the date Franchisee begins servicing the Account.

Mark a choice below:

______Each monthly installment includes interest on the unpaid principal amount at the rate of________% per annum.

OR

The Marketing Fee payments are interest free.

ACCOUNT:_________________________________ **MONTHLY CONTRACT PRICE: $**__________**/month**
CLEANING FREQUENCY: ________ **FIRST CLEANING:** __________________
ALARM CODE NO:_____________________________ **NO. OF KEYS:** _______
NOTES: ____

3. ~~**GENERAL RELEASE OF CLAIMS BY FRANCHISEE AND FRANCHISEE OWNER(S)**~~

~~FRANCHISEE and each Franchisee Owner for itself and, as applicable, its partners, successors, guarantors, assigns, affiliates, spouse, domestic partner, family members, heirs executors, administrators and personal representatives and anyone claiming through or under them (collectively the "FRANCHISEE Parties"), hereby releases, acquits and forever discharges Vanguard Cleaning Systems, Inc. and FRANCHISOR and each of their respective predecessors, successors, assigns, partners, parent company, subsidiaries, affiliates, officers, directors, stockholders, members, employees, attorneys, accountants, agents and other representatives (collectively the "FRANCHISOR Parties") of and from any and all claims, demands, debts, obligations, damages, causes of action and claims for relief of any nature whatsoever, whether known or unknown, fixed or contingent, which the FRANCHISEE Parties or any of them have against any or all of the FRANCHISOR Parties by reason of any matter, event or cause whatsoever occurring or arising at any time before, through and including the date of this Agreement, including, but not limited to, any claims arising under or relating to the Franchise Agreement, to the fullest extent permitted by law. For avoidance of doubt, this Release does not waive any of Franchisor's prospective obligations under the Franchise Agreement; provided, that no provision of this release obligates any FRANCHISEE Parties to waive compliance with any provision of the California Franchise Relations Act or of the California Franchise Investment Law, if applicable. This Release has no impact on any amount of wages or other amounts admittedly owed and, to the extent covered by this Agreement and permitted by law, this Agreement only releases disputed claims to wages and other amounts. Further, nothing in this Release and Account Acceptance shall waive any FRANCHISEE Party's right to testify in an administrative, legislative or judicial proceeding concerning alleged criminal conduct or alleged sexual harassment by a FRANCHISOR Party when a FRANCHISEE Party has been required or requested to attend the proceeding pursuant to a court order, subpoena or written request from an administrative agency or the legislature.~~

~~**Waiver of Civil Code Section 1542**~~.

~~FRANCHISEE and each Franchisee Owner for himself and the other FRANCHISEE Parties hereby expressly waives any rights or benefits available under the provisions of Section 1542 of the California Civil Code or any similar law of any state that provides for the survival of claims notwithstanding a general release. Civil Code Section 1542 provides as follows:~~

~~**A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her would have materially affected his or her settlement with the debtor or released party.**~~

~~FRANCHISEE and each Franchisee Owner understands this statutory language and, notwithstanding this or any similar statute of any state, freely elects to waive these statutory rights and make this general release of all claims whether known or unknown against FRANCHISOR Parties.~~

~~4~~3. Franchisor Transfers to Franchisee the Account business named above, subject to the terms of the Franchise Agreement, the ~~Additional~~VCS Account Business Transfer and Payment Agreement ~~(if applicable)~~, and this Transfer and Acceptance, inclusive of their respective exhibits. Capitalized terms used in this Account Acceptance have the same meaning as in the Franchise Agreement or the ~~Additional~~VCS Account Business Agreement (if applicable), unless they are separately defined in this Acceptance.

Mark below, if applicable:
A promissory note is attached.

Mark below, if applicable:
A personal guaranty is attached.

~~**IMPORTANT: THIS ACCOUNT TRANSFER CONTAINS A RELEASE OF CLAIMS BY YOU. PLEASE READ CAREFULLY BEFORE SIGNING.**~~

AGREED & ACCEPTED:

FRANCHISEE (Corporation or LLC): ____
(Legal Name of Franchisee Entity)

By: ____ Title: __________________________
Signature
Print Name: _________________________

FRANCHISEE OWNERS

By:________________________, an individual By:____________________________, an individual
Signature *Signature*

Print Name:__________________________ Print Name: __________________________

FRANCHISOR:____
(Legal Name of Master Franchisee)

By: ____ Title: __________________________
Signature
Print Name: _________________________

EXHIBIT J-~~3~~-2

TO THE DISCLOSURE DOCUMENT

VCS ACCOUNT TRANSFER ~~AND~~ ACCEPTANCE AND PAYMENT TERMS
(Shared Revenue Accounts)

(Subject to Change by Franchisor)

~~**Account Cleaning Services Agreement**~~

VCS Account Business Transfer ~~and~~ Acceptance and Payment Terms

(Shared Revenue Option)

This is an VCS Account Transfer from **Prestige Worldwide Inc. dba Vanguard Cleaning Systems if the Southern Valley** ("Franchisor") to______________________("Franchisee') dated__________________.

1. Franchisee acknowledges and agrees that Franchisee has:

   a. had ample opportunity to review the Account Cleaning Services Agreement (Account Agreement) for the Account named below before deciding whether or not to accept a Transfer of the Account; and

   b. a copy of the Account Agreement and the Services Attachments established by the client; and

   c. inspected the Account premises, understands fully and can meet the Account requirements and finds the contract price stated below to be fair and reasonable.

2. Franchisee agrees to pay Franchisor for the ~~Additional Business~~VCS Account Business identified below a non-refundable, monthly Alternative Marketing Payment of_percent (_%) of Gross Services Billings for such ~~Additional Business~~VCS Account Business for as long as it is serviced by Franchisee's Vanguard Cleaning Systems® Business. This amount is in addition to the royalties and Business Support Fees Franchisee must pay Franchisor on all Vanguard Cleaning Systems® Business Accounts, including the one named below. Franchisor has no obligation to make any refunds or Account replacements of any kind in connection with the ~~Additional~~VCS Account Business obtained with this Alternative Marketing Payment.

ACCOUNT:________________________________ **MONTHLY CONTRACT PRICE: $**__________**/month**
CLEANING FREQUENCY: ________ **FIRST CLEANING:** __________________
ALARM CODE NO:____________________________**NO. OF KEYS:** _______
NOTES: ____

3. ~~**GENERAL RELEASE OF CLAIMS BY FRANCHISEE AND FRANCHISEE OWNER(S)**~~

~~FRANCHISEE and each Franchisee Owner for itself and, as applicable, its partners, successors, guarantors, assigns, affiliates, spouse, domestic partner, family members, heirs executors, administrators and personal representatives and anyone claiming through or under them (collectively the "FRANCHISEE Parties"), hereby releases, acquits and forever discharges Vanguard Cleaning Systems, Inc. and FRANCHISOR and each of their respective predecessors, successors, assigns, partners, parent company, subsidiaries, affiliates, officers, directors, stockholders, members, employees, attorneys, accountants, agents and other representatives (collectively the "FRANCHISOR Parties") of and from any and all claims, demands, debts, obligations, damages, causes of action and claims for relief of any nature whatsoever, whether known or unknown, fixed or contingent, which the FRANCHISEE Parties or any of them have against any or all of the FRANCHISOR Parties by reason of any matter, event or cause whatsoever occurring or arising at any time before, through and including the date of this Agreement, including, but not limited to, any claims arising under or relating to the Franchise Agreement, to the fullest extent permitted by law. For avoidance of doubt, this Release does not waive any of Franchisor's prospective obligations under the Franchise Agreement; provided, that no provision of this release obligates any FRANCHISEE Parties to waive compliance with any provision of the California Franchise Relations Act or of the California Franchise Investment Law, if applicable. This Release has no impact on any amount of wages or other amounts admittedly owed and, to the extent covered by this Agreement and permitted by law, this Agreement only releases disputed claims to wages and other amounts. Further, nothing in this Release and Account Acceptance shall waive any FRANCHISEE Party's right to testify in an administrative, legislative or judicial proceeding concerning alleged criminal conduct or alleged sexual harassment by a FRANCHISOR Party when a FRANCHISEE Party has been required or requested to attend the proceeding pursuant to a court order, subpoena or written request from an administrative agency or the legislature.~~

~~**Waiver of Civil Code Section 1542**~~.

~~FRANCHISEE and each Franchisee Owner for himself and the other FRANCHISEE Parties hereby expressly waives any rights or benefits available under the provisions of Section 1542 of the California Civil Code or any similar law of any state that provides for the survival of claims notwithstanding a general release. Civil Code Section 1542 provides as follows:~~

[Link-to-previous setting changed from on in original to off in modified.].

~~**A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her would have materially affected his or her settlement with the debtor or released party.**~~

~~FRANCHISEE and each Franchisee Owner understands this statutory language and, notwithstanding this or any similar statute of any state, freely elects to waive these statutory rights and make this general release of all claims whether known or unknown against FRANCHISOR Parties.~~

~~43.~~ Franchisor Transfers to Franchisee the Account business named above, subject to the terms of the Franchise Agreement, the Additional Account Business Agreement, and this Transfer and Acceptance, inclusive of their respective exhibits. Capitalized terms used in this Account Acceptance have the same meaning as in the Franchise Agreement or the Additional Account Business Agreement, unless they are separately defined in this Acceptance.

~~**IMPORTANT: THIS ACCOUNT TRANSFER AND ACCEPTANCE CONTAINS A RELEASE OF CLAIMS BY YOU. PLEASE READ CAREFULLY BEFORE SIGNING.**~~

AGREED & ACCEPTED:

FRANCHISEE (Corporation or LLC): ______________________________
(Legal Name of Franchisee Entity)

By: ______________________________ Title: ______________________
Signature
Print Name: ______________________

FRANCHISEE OWNERS

By:______________________, an individual By:______________________, an individual
Signature *Signature*

Print Name:______________________ Print Name: ______________________

FRANCHISOR______________________________
(Legal Name of Master Franchisee)

By: ______________________________ Title: ______________________
Signature
Print Name: ______________________

[Link-to-previous setting changed from on in original to off in modified.].

EXHIBIT K

TO THE DISCLOSURE DOCUMENT

FRANCHISE TRANSFER AGREEMENT

(Subject to Change by Franchisor)

VANGUARD CLEANING SYSTEMS®
FRANCHISE TRANSFER AGREEMENT

This Franchise Transfer Agreement (the "Agreement") is made by and among

________________________________(the "Seller"),

________________________________(the "Buyer"), and

________________________________(the "Franchisor"), with an effective date of

________________________________(the "Effective Date").

If Seller is a corporation or other Business Entity, "Seller" shall also include all persons having an interest in the Seller (individually and together, "Seller's Owners"), all of who shall be liable, separately and together, for Seller's and each other's performance under this Agreement. If Buyer is a corporation or other Business Entity, "Buyer" shall also include all persons having an interest in the Buyer (individually and together, "Buyer's Owners"), all of who shall be liable, separately and together, for Buyer's and each other's performance under this Agreement.

1. Seller entered into a Franchise Agreement with Franchisor on____________________(the "Seller's Franchise Agreement").

2. Buyer wants to purchase Seller's Vanguard Cleaning Systems franchised business (the "Franchised Business") and operate under a franchise agreement with Franchisor. Seller wants to transfer the Franchised Business to Buyer and requires Franchisor's consent to the transfer.

3. Seller agrees to pay to Franchisor $_______________and all other outstanding amounts owed Franchisor on or before the transfer.
   (INSERT ANY OUTSTANDING AMOUNTS OWED BY SELLER, OR $0)
   Franchisor acknowledges receipt of $__________, which satisfies all amounts due or to be due under each promissory note identified on Schedule 1 of this Agreement. Each note listed on Schedule 1 is cancelled as of the Effective Date of this Agreement.

   At Franchisor's choice, Buyer must either take an assignment from Seller of Seller's Franchise Agreement or sign Franchisor's current form of Franchise Agreement (a "New Franchise Agreement") being offered as of the Effective Date.

   Under this Agreement, Buyer will:
   (FRANCHISOR TO CHECK ONE)

   A. _______Accept an Assignment of Seller's Franchise Agreement and the Franchised Business.

   Upon signing this Agreement, Seller transfers and assigns to Buyer all of Seller's rights and obligations under Seller's Franchise Agreement and the Franchised Business. Upon signing this Agreement, Buyer assumes and accepts all of Seller's rights and obligations under Seller's Franchise Agreement and the Franchised Business.

OR

   B. ________Sign a New Franchise Agreement when Buyer accepts the transfer of the Franchised Business from Seller.

   Buyer acknowledges receipt of Franchisor's Franchise Disclosure Document ("FDD") at least 14 calendar days before the Effective Date of this Agreement, which included the current form of Vanguard Cleaning Systems franchise agreement and related documents. Upon signing this Agreement, Seller transfers and assigns to Buyer all of Seller's rights and obligations in connection with the Franchised Business, and Seller's rights under Seller's Franchise

Agreement are cancelled. Upon signing this Agreement, Buyer assumes and accepts all of Seller's rights and obligations in connection with the Franchised Business.

4. Buyer agrees to sign all other documents routinely required by Franchisor when granting a franchise, including any personal guarantees. Buyer agrees to be bound by all the terms and conditions of Buyer's Vanguard Cleaning Systems franchise agreement and to fully perform all obligations to all Accounts for which Seller's Franchised Business performs services as of the Effective Date of this Agreement.

5. If any Account fulfillment commitments are owed to Seller under the Franchise Agreement or any ~~Additional~~VCS Account Business agreement or otherwise as of the Effective Date, Franchisor will owe only the unfulfilled amount of the commitment to Buyer when Buyer acquires the Franchised Business. The minimum Service Billings (if any) due under Seller's ~~selected Business Plan or Additional~~VCS Account Business agreement or other agreement as of the Effective Date is listed on Schedule 1 of this Agreement along with the date when any applicable Fulfillment Period is over. Buyer acknowledges and agrees that Franchisor has no unfulfilled Account business commitments if none are listed on Schedule 1.

6. Seller agrees that Seller's post term obligations under Seller's Franchise Agreement, like discontinued use of the Vanguard Cleaning Systems Marks, Manual and branded materials, remain in effect even after any cancellation ~~or~~r assignment of Seller's Franchise Agreement.

7. **RELEASE OF CLAIMS BY SELLER:**

Except for any claims which cannot lawfully be released under a state franchise relations or franchise sales laws or under other applicable law, Seller (and Seller's Owner(s), if applicable) hereby releases and relinquishes all claims, demands, debts, obligations, damages, and causes of action of any nature whatsoever (the "Claims") against Franchisor and Vanguard Cleaning Systems, Inc. and each of their predecessors, successors, assigns, affiliates, officers, directors, stockholders, members, employees and agents (all together, the "Franchisor Associates"), whether known or unknown, arising anytime before and up to the Effective Date of this Agreement
to the fullest extent permitted by law. Nothing in this Release shall be construed to waive any right that is not subject to waiver by private agreement. In addition~~However~~, nothing in this Release shall waive Seller or any Seller's Owner's right to testify in an administrative, legislative or judicial proceeding concerning alleged criminal conduct or alleged sexual harassment by a Franchisor Associate when Seller or any Seller's Owner has been required or requested to attend the proceeding pursuant to a court order, subpoena or written request from an administrative agency or the legislature. No provision of this release obligates Seller or Seller's Owner(s) to waive compliance with any provision of the California Franchise Relations Act or of the California Franchise Investment Law, if applicable. Further, this Release has no impact on any amount of wages or other amounts admittedly owed and, to the extent covered by this Agreement and permitted by law, this Agreement only releases disputed claims to wages and other amounts.

Waiver of Civil Code Section 1542. Seller (and Seller's Owners, if applicable) hereby expressly waives any rights or benefits available under the provisions of Section 1542 of the California Civil Code. Civil Code Section 1542 states:

> **A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her would have materially affected his or her settlement with the debtor or released party.**

Seller (and Seller's Owners, if applicable) understands this statutory language and freely elects to specifically waive these rights and releases the Franchisor and Franchisor Associates from all claims whether known or unknown.

Seller (and Seller's Owners, if applicable) acknowledges that each of them had the opportunity to consult with legal counsel in making this Release and that each of them has read and fully understands the terms of this Release and that this Release was entered into by each freely and voluntarily.

Seller's Initials: _________________

Seller's Owners' Initials: __________________

8. This Agreement, its attachments and the agreements referred to in this Agreement are the entire understanding among the parties concerning Franchisor's consent to the transfer of Seller's Franchise and replace all negotiations, prior discussions and preliminary agreements.

WE AGREE AND ACCEPT THE ABOVE TERMS OF AGREEMENT.

"SELLER"	**"BUYER"**
______________________________	______________________________
[Name of SELLER]	[Name of BUYER]
By:____________________________	By:____________________________
Print Name: ____________________	Print Name: ____________________
Title:__________________________	Title:__________________________
Date: _________________________	Date: _________________________
All SELLER Owners must sign this Agreement.	**All BUYER Owners must sign this Agreement**.
"Owner"	"Owner"
Individually:____________________	Individually:____________________
Print Name: ____________________	Print Name: ____________________
Date: ____________________	Date: ____________________
% Owned of Business Entity Franchisee:	% Owned of Business Entity Franchisee:
___________	___________

All SELLER Owners must sign this Agreement.

"Owner"
Individually:_____________________
Print Name: _____________________
Date: _____________________

% Owned of Business Entity Franchisee:

____

All BUYER Owners must sign this Agreement.

Owner"
Individually:_____________________
Print Name: _____________________
Date: _____________________

% Owned of Business Entity Franchisee:

____

FRANCHISOR'S CONSENT TO FRANCHISE TRANSFER

___________________________ hereby consents to the Franchise Transfer between the Buyer and Seller named above upon the terms and conditions stated in this Agreement,

Franchisor

____

Date:___________________________ BY: ____

___________________, (title)

APPENDIX 1

APPLICABLE PROMISSORY NOTES

(TO BE PAID IN FULL BEFORE FRANCHISE TRANSFER)

Note 1:

Date of Note:__________________________

Balance as of the Effective Date of this Agreement: _______________

Note 2:

Date of Note:__________________________

Balance as of the Effective Date of this Agreement: _______________

TOTAL AMOUNT DUE FROM SELLER TO FRANCHISOR ON OR BEFORE THE DATE OF SELLER'S FRANCHISE TRANSFER: $______________________________

FRANCHISOR'S OUTSTANDING ACCOUNT FULFILLMENT OBLIGATIONS

(AS OF THE EFFECTIVE DATE, IF ANY)

Franchisor ~~owes~~**will act diligently to offer** **Buyer** **one or more** VCS Accounts ~~anticipated to generate $__________________ in service billings per month~~generating, in the aggregate, Service Billings of approximately $_______________per_____________, as of the date of Buyer's acquisition of the Franchised Business.

The Fulfillment Period for the Account business owed by Franchisor ends on_____________________________.

EXHIBIT L

TO THE DISCLOSURE DOCUMENT

UNIT FRANCHISEE ACCOUNT ASSIGNMENT AGREEMENT

AND MASTER FRANCHISEE CONSENT

(Subject to Change by Franchisor)

Unit Franchisee Account Assignment Agreement

and Master Franchisee Consent

This Unit Franchisee Account Assignment Agreement (the "Agreement") is made by and among

________________________________(the "Assignor"),
(transferring franchisee)

________________________________(the "Assignee"), and
(receiving franchisee)

________________________________ (the "Franchisor"), with an effective date of
(Region)

________________________________ (the "Effective Date").

1. Assignor entered into a Franchise Agreement with the Franchisor on ______________________ (the "Franchise Agreement").

2. Assignor previously accepted or self-generated the VCS Account(s) named on Schedule 1 of this Agreement (alone or in combination, the "Account"). Assignor now wishes to assign Assignor's rights and obligations in connection with the Account to another Vanguard Cleaning Systems® franchisee.

3. For value received, Assignor hereby assigns and transfers to Assignee all rights, interests and obligations Assignor has in the Account. Assignor understands that on and after the Effective Date of this Agreement Assignee will have the sole right and obligation to provide the services required by the Account under the Account Cleaning Services Agreement (the "Account Agreement") and to be paid for such services, subject to the terms of the Assignee's Franchise Agreement and related agreements.

4. Assignee hereby accepts the Account assignment and agrees to assume the right and obligation to provide the services required by the Account under the Account Agreement and to receive payment for such services, subject to the terms of the Assignee's Franchise Agreement and related agreements. Assignee understands Assignor has the right to revenues received for any services to the Account provided by Assignor prior to the Effective Date of this Agreement.

5. Assignee represents that Assignee has:

- inspected the Account premises, understands fully and can meet the Account requirements and finds the contract price to be fair and reasonable; and
- the sole responsibility for meeting the Account Cleaning Services requirements described in the Account Agreement; and
- the sole responsibility for any keys or other Account property received by Assignee in connection with this Account and for maintaining Account satisfaction; and
- the financial and operational resources, equipment and inventory necessary to meet the Account requirements on an ongoing basis.

6. Assignor agrees that this Agreement will not relieve Assignor from any amounts Assignor owes under any promissory note outstanding in connection with this Account unless Assignee pays Franchisor the amount outstanding

under Assignor's note as of the Effective Date of this Agreement or gives Franchisor a promissory note for such amount.

7. Any promissory note made or other debt incurred by Assignor in connection with the assigned Account and to be cancelled as of the Effective Date is described in Exhibit A to this Agreement or attached as Exhibit A and marked "Cancelled". Any promissory note to be made by Assignee in connection with Assignee's acceptance of Account is attached as Exhibit B to this Agreement and will be signed by Assignee when this Agreement is signed.

8. The Guarantors identified below signed a Personal Guaranty of the Assignor's/Assignee's, as applicable, obligations under their respective Franchise Agreement when it was executed. The Guarantors each ratify the terms of their Personal Guaranty and agree that their obligations under such Personal Guaranty apply fully to this Agreement and all transferred Accounts.

WE AGREE AND ACCEPT THE ABOVE TERMS OF AGREEMENT.

"ASSIGNOR"	**"ASSIGNEE"**
______________________________	______________________________
[Name of ASSIGNOR]	[Name of ASSIGNEE]
By:___________________________	By:___________________________
Print Name: ___________________	Print Name: ___________________
Title: ________________________	Title: ________________________

ASSIGNOR'S GUARANTOR(S)	ASSIGNEE'S GUARANTOR(S
______________________________	______________________________
Signature	Signature
______________________________	______________________________
Print Name	Print Name
______________________________	______________________________
Signature	Signature
______________________________	______________________________
Print Name	Print Name

CONSENT OF PRESTIGE WORLDWIDE INC.
dba VANGUARD CLEANING SYSTEMS OF THE SOUTHERN VALLEY

Prestige Worldwide Inc. dba Vanguard Cleaning Systems ~~if~~of the Southern Valley hereby consents to the above assignment of the Account upon the terms and conditions stated in this Agreement, including any attachments.

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Franchisor

Prestige Worldwide Inc. dba Vanguard Cleaning Systems if the Southern Valley

By: ________________________________

Print Name: ___________________________________

Title: ___________________________

SCHEDULE 1

Assigned Account(s)

Account: _______________________________

Monthly Contract Price: $_____________

Account: _______________________________

Monthly Contract Price: $_____________

Account: _______________________________

Monthly Contract Price: $_____________

EXHIBIT A

Assignor Promissory Note(s)

(REGION TO DESCRIBE ANY OUTSTANDING DEBT MADE BY THE TRANSFERRING FRANCHISEE TO BE ADJUSTED IN CONNECTION WITH THE TRANSFER OF THE ACCOUNT OR TO ATTACH ANY PROMISSORY NOTE BY THE TRANSFERRING FRANCHISEE THAT WILL BE CANCELLED BY THE REGION, IF ANY. IF NONE, THEN WRITE "NONE" ON THIS PAGE.)

EXHIBIT B

Assignee Promissory Note(s)

(REGION TO ATTACH ANY PROMISSORY NOTE TO BE MADE BY THE ACCEPTING FRANCHISEE IN CONNECTION WITH THE TRANSFERRED ACCOUNT, IF ANY. IF NONE, WRITE "NONE" ON THIS PAGE.)

EXHIBIT M

TO THE DISCLOSURE DOCUMENT

RECEIPT OF FRANCHISE RELATED DOCUMENTS

RECEIPT OF FRANCHISE RELATED DOCUMENTS

The undersigned, personally and/or as an officer or managing member of the proposed franchisee, does hereby acknowledge receipt of the following documents, ***in a form ready for execution***:

[ ] (1) Franchise Agreement

[ ] (2) Personal Guaranty

[ ] (3) Independent Contractor Acknowledgement

~~[~~ ~~]~~ (4) List any other completed documents are are in a form ready for execution here:

____

____

(Proposed franchisee must initial the box next to the applicable documents.)

I further acknowledge my understanding that it is my responsibility, individually and as an officer or managing member of the proposed franchisee, to review all such documents, so that I am fully familiar with the transaction contemplated before signing any binding agreement.

DATED: __________________________

____,
individually and as an officer/ managing member of

____

(____________________, corporation)
(____________________, limited liability company)

EXHIBIT N

STATE ADDENDA

California Addendum

1. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the franchise disclosure document.

2. The franchisor, any person or franchise broker in Item 2 of the FDD is not subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

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

4. California Business and Professions Code 20000 through 20043 provide rights to the franchisee concerning transfer, termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

5. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Sec. 101 et seq.).

6. 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.

7. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

8. The franchise agreement requires binding arbitration. The arbitration will occur at the nearest city where our principal business address is then located with the costs being borne by you for travel to and lodging in the nearest city where our principal business address is then located and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

9. The franchise agreement requires application of the laws of California. This provision may not be enforceable under California law.

10. 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.

11. You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 Through 31516). Business and Professions Code Section 20010 Voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

EXHIBIT O

STATE EFFECTIVE DATES

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration:

California, Hawaii. Illinois, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

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

State	Effective Date
California	

EXHIBIT P

TO THE DISCLOSURE DOCUMENT

ITEM 23 RECEIPTS

ITEM 23
RECEIPT
(YOUR COPY)

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 we offer you a franchise, we must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale, except as to the following states:

New York requires that we 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.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever comes first.

If we do 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 your state agency.

The Franchisor is **Prestige Worldwide Inc. dba Vanguard Cleaning Systems of the Southern Valley ,** located at **5301 Office Park Drive Ste 220 Bakersfield, CA 93309** Its telephone number is **661-395-3009**

The name, principal address and telephone number of each franchise seller offering the franchise:

Name Joanna Hearron	Name Jeff Sorrell
Address 5301 Office Park Dr Ste 220	Address 5301 Office Park Dr Ste 220
Address Bakersfield, CA 93309	Address Bakersfield, CA 93309
Phone 661-395-3009	Phone 661-395-3009

Name Casey Sorrell	Name Michelle Schulz
Address 5301 Office Park Dr Ste 220	Address 5301 Office Park Dr Ste 220
Address Bakersfield, CA 93309	Address Bakersfield, CA 93309
Phone 661-395-3009	Phone 661-395-3009

Date of Issuance: May 1, 2020

The Region authorizes Jeff Sorrell at 5301 Office Park Drive Ste. 220, Bakersfield CA. 93309 or The Department of ~~Business Oversight~~Financial Protection and Innovation at One Sansome Street Ste. 600 San Francisco CA 94104 to receive service of process for the Region.

I have received a Franchise Disclosure Document dated___________________that includes the following exhibits:

Exhibit A	Franchise Agreement
	Ex. A – Promissory Note
	Ex. B – Form of Personal Guaranty
	Ex. C – Independent Contractor Acknowledgement
~~Exhibits~~Exhibit B	Insurance Request Form/Payment Authorization
Exhibit C	List of Active Unit Franchisees of the Southern Valley
Exhibit C-1	List of Active Unit Franchisees of Certain Other Regions
Exhibit D	Financial Statements
Exhibit E	List of Former Unit Franchisees
Exhibit F	State Regulators and Agents for Service of Process
Exhibit G	Renewal Addendum to ~~the~~ Franchise Agreement

Exhibit H	General Release of Claims
Exhibit I	~~Additional~~VCS Account Business Transfer and Payment Agreement
~~Exhibit J-1~~	~~Account Transfer and Acceptance (Business Plan Accounts)~~
Exhibit J-~~2~~-1	VCS Account Business Transfer~~ and~~, Acceptance and Payment Terms (Multiple Pricing Option)
Exhibit J-~~3~~-2	VCS Account Business Transfer~~ and~~, Acceptance and Payment Terms (Shared Revenue Option)
Exhibit K	Franchise Transfer Agreement
Exhibit L	Unit Franchisee Account Assignment Agreement and Master Franchisee Consent
Exhibit M	Receipt of Franchise Related Documents
Exhibit N	State Addenda
Exhibit O	State Effective Dates
Exhibit P	Item 23 Receipts

Date: _______________ Signature: ________________ Printed Name:______________

Date: _______________ Signature: ________________ Printed Name:______________

KEEP THIS COPY FOR YOUR RECORDS.

ITEM 23
RECEIPT
(OUR COPY)

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain English. Read this Disclosure Document and all agreements carefully.

If we offer you a franchise, we must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale, except as to the following states:

New York requires that we 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.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever comes first.

If we do 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 your state agency.

The Franchisor is **Prestige Worldwide Inc. dba Vanguard Cleaning Systems of the Southern Valley ,** located at **5301 Office Park Drive Ste 220 Bakersfield, CA 93309** Its telephone number is **661-395-3009**
The name, principal address and telephone number of each franchise seller offering the franchise:

The name, principal address and telephone number of each franchise seller offering the franchise:

Name Joanna Hearron	Name Jeff Sorrell
Address 5301 Office Park Dr Ste 220	Address 5301 Office Park Dr Ste 220
Address Bakersfield, CA 93309	Address Bakersfield, CA 93309
Phone 661-395-3009	Phone 661-395-3009

Name Casey Sorrell	Name Michelle Schulz
Address 5301 Office Park Dr Ste 220	Address 5301 Office Park Dr Ste 220
Address Bakersfield, CA 93309	Address Bakersfield, CA 93309
Phone 661-395-3009	Phone 661-395-3009

Date of Issuance**: May 1, 2020**

The Region authorizes Jeff Sorrell at 5301 Office Park Drive Ste. 220, Bakersfield CA. 93309 or The Department of ~~Business Oversight~~Financial Protection & Innovation at One Sansome Street Ste. 600 San Francisco CA 94104 to receive service of process for the Region.

Exhibit A Franchise Agreement
Ex. A – Promissory Note
Ex. B – Form of Personal Guaranty
Ex. C – Independent Contractor Acknowledgement
~~Exhibits~~Exhibit B Insurance Request Form/Payment Authorization
Exhibit C List of Active Unit Franchisees of the Southern Valley
Exhibit C-1 List of Active Unit Franchisees of Certain Other Regions
Exhibit D Financial Statements
Exhibit E List of Former Unit Franchisees
Exhibit F State Regulators and Agents for Service of Process

Exhibit G	Renewal Addendum to ~~the~~ Franchise Agreement
Exhibit H	General Release of Claims
Exhibit I	~~Additional~~VCS Account Business Transfer and Payment Agreement
~~Exhibit J-1~~	~~Account Transfer and Acceptance (Business Plan Accounts)~~
Exhibit J-~~2~~-1	VCS Account Business Transfer~~ and~~, Acceptance and Payment Terms (Multiple Pricing Option)
Exhibit J-~~3~~-2	VCS Account Business Transfer~~ and~~, Acceptance and Payment Terms (Shared Revenue Option)
Exhibit K	Franchise Transfer Agreement
Exhibit L	Unit Franchisee Account Assignment Agreement and Master Franchisee Consent
Exhibit M	Receipt of Franchise Related Documents
Exhibit N	State Addenda
Exhibit O	State Effective Dates
Exhibit P	Item 23 Receipts

Date: _______________ Signature: ________________ Printed Name:______________

Date: _______________ Signature: ________________ Printed Name:______________

State and effective date of Disclosure Document: _______________________.

Please sign this copy of the receipt, date your signature, and return it to Joanna Hearron Brand Services Rep for Prestige Worldwide Inc dba Vanguard Cleaning of the Southern Valley 5301 Office Park Dr Ste 220 Bakersfield, CA 93309