FRANCHISE DISCLOSURE DOCUMENT
Vanguard Cleaning Systems, Inc.
A California Corporation
655 Mariners Island Blvd. Suite 303
San Mateo, California 94404
(650) 287-2400
www.vanguardcleaning.com

The subfranchisor will recruit and support subfranchisees, which will be independently owned businesses offering commercial janitorial and building/facilities maintenance services under the "Vanguard Cleaning Systems" service marks, as well as such other services as may be authorized by the Franchisor.

The total investment necessary to begin operation of a Vanguard® master franchise ranges from $164,961 to $472,556. This includes $100,000 and $350,000 that must be paid to the franchisor or affiliate.

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 Ray Lee, President, at Vanguard Cleaning Systems, Inc., 655 Mariners Island Blvd. Suite 303, San Mateo, California 94404, (650) 287-2413.

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.

Date of Issuance: April 9, 2026

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 G and H.
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 I 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 master franchise 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 master franchisee?	Item 20 or Exhibits G and H 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 J.

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 arbitrate/litigate any claims with the Franchisor in the state in which your principal place of business in the Development Area is located. Out of state arbitration/litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate/litigate in the state in which your principal place of business in the Development Area is located than in your home state.

2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

NOTICE FOR THE STATE OF MICHIGAN

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

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

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

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

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

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

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

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

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

Any questions regarding this notice should be directed to: State of Michigan, Department of Attorney General, Consumer Protection Division, 670 Law Building, Lansing, Michigan 48913, telephone number (517) 335-7567.

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

The Franchisor

To simplify the language in this Disclosure Document, "Vanguard," "we" and "us" means Vanguard Cleaning Systems, Inc., the franchisor. "You" , "Subfranchisor" or "Area Franchisor" means the corporation or limited liability company that buys the master franchise and each shareholder or member of that area franchising entity. 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 Boulevard, Suite 303, San Mateo, California 94404. Vanguard's agents for service of process are listed in Exhibit J of this Disclosure Document.

Vanguard does not have any parent or predecessor.

Capitalized terms that are not defined in this Disclosure Document have the meanings that are included in the Master Franchise Agreement (Exhibit A).

Business of the Franchisor and the Franchise Offered

Vanguard offers and sells Vanguard Cleaning Systems® Master Franchises in the United States and Canada for qualified entities to operate as Vanguard's Subfranchisors. Under the form of Master Franchise Agreement attached as Exhibit A, Vanguard grants a Subfranchisor the right to subfranchise independently owned businesses providing commercial janitorial and building/facilities maintenance services and such other services as we authorize under the Vanguard Cleaning Systems service mark and using the Vanguard Cleaning Systems business System, as defined below, ("Janitorial Businesses") in a prescribed area (the "Development Area"). This Disclosure Document describes the master franchise offer made to prospective Subfranchisors in the United States. Vanguard does not conduct a commercial cleaning/facilities services business and is engaged exclusively in the business of awarding and supporting Vanguard Cleaning Systems Master Franchise businesses. In this Disclosure Document, we sometimes refer to a Master Franchise business as an Area Franchise business.

As a Vanguard® Area Franchisor, you will recruit subfranchisees, market and obtain accounts for services to be performed by subfranchisees' independent businesses, provide billing and collection services and other business development support to subfranchisees and deliver to interested subfranchisees your optional business system educational program (the "Business System Program") curriculum and other informational programs intended to reinforce standards and goodwill associated with the Marks. It is your responsibility to ensure that subfranchisees meet any mandatory brand standards and obtain and maintain the minimum insurance for their unit franchise businesses then required for subfranchisees.

Vanguard Janitorial Businesses have access to processes, standards, know-how and other proprietary information (the "System") and certain service marks and other commercial symbols of ours called the "Marks," which you sublicense them to use.

As a Subfranchisor, you will be subject to the Federal Trade Commission's Franchising Rule which requires the delivery of a Disclosure Document in a prescribed form to prospective subfranchisees before the sale of the subfranchise. Depending on the state in which you offer subfranchises, you may also be subject to state franchise registration and disclosure laws, which typically require registration

before offering or selling subfranchises and the delivery of the registered Disclosure Document to the prospective subfranchisee prior to the sale. These registrations and the Disclosure Documents must be renewed and amended periodically. The form of the Disclosure Document you would use and register follows the same format as this Disclosure Document, but it will contain information about the subfranchise being offered and about you. You will be solely responsible for ensuring your compliance with all applicable registration and disclosure laws, preparation of the Disclosure Document and related expenses. A list of the state franchise registration and disclosure laws is attached as Exhibit B, which is subject to change. You may not offer franchises for sale in a particular registration state until you receive an effective registration from the state, unless you or the transaction qualifies for an available exemption from registration under state law. Additionally, in certain of these registration states you must file advertising and other marketing materials with the applicable state agency prior to use or distribution in that state.

Area Franchisors may also be subject to certain state franchise relationship laws in your dealings with subfranchisees. These laws typically require good cause and prior written notice before you can terminate a franchise. They may also limit your rights to refuse to renew a franchise or refuse to approve the transfer of a franchise. Some of them also prohibit certain discrimination among franchisees by franchisors and other specified practices designated as unfair. A list of these laws is attached for your information as Exhibit C, which is subject to change. It is your responsibility to ensure that you are complying with all applicable laws in your dealings with subfranchisees.

If you become an owner of a Vanguard Cleaning Systems Area Franchise business, you will be an independent business owner and solely responsible for the day to day operations of that business, including the hiring, firing, disciplining, promoting, compensating, and scheduling of your own employees and all of the terms and conditions of their employment. The people you select to work in your Area Franchise business will be your agents and employees. They will not be our employees or agents in any manner, including as a joint or co-employer. Therefore, you will be solely responsible for ensuring that your business complies with all applicable laws and regulations, including the Fair Labor Standards Act, the Occupational Safety and Health Act, any state wage and hour 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, as well as privacy and data protection laws, rules and regulations. Like other businesses, your business may be subject to generally applicable laws like privacy and data protection, worker's compensation, OSHA regulations, environmental regulations and others. These regulations may require measures be taken for the protection of employees and the public. You should contact local and state authorities for detailed information on these requirements.

There are no regulations specific to subfranchisees' Janitorial Businesses known to Vanguard, 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 subject to the law, and possibly the licensing and reporting requirements established under Oregon law for certain property services contractors administered by the Bureau of Labor and Industries in that state. If you do business in California or Oregon, you should consult with local counsel to evaluate whether such statutes may also pertain to your Area Franchise business in those states.

The market for the services provided by Janitorial Businesses is well developed. Additional growth is expected from new business construction and the trend toward outsourcing janitorial and maintenance work. Typical customers of Janitorial Businesses include owners or operators of business and professional offices, as well as commercial, industrial, hospitality and medical facilities.

Competition includes nationally franchised and local janitorial and building maintenance businesses. The market for the sale of subfranchises is also fairly well developed. Typical purchasers of Janitorial Business franchises include people and companies interested in an investment opportunity with relatively low capital requirements, as well as existing commercial cleaning/facilities maintenance companies seeking to expand their account base. Competition for the sale of subfranchises will include national franchising organizations and some local and regional businesses offering comparable investments in franchises and business opportunities.

Owning a franchised business 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 a new business owner achieves is linked in part to financial, management and other resources; business, marketing, sales ability, management judgment and other personal skills. We cannot and do not guarantee your success or any income level.

Prior Business Experience

Vanguard offered franchises for independent Janitorial Businesses exclusively in California from 1984 through June 2013, when it transferred all its Vanguard Cleaning Systems® Janitorial Businesses (each, also called a "VCS Business") franchise agreements to RR Franchising, Inc., a California corporation formed in February, 2013, with its principal place of business at 6281 Beach Boulevard, Buena Park, CA 90621. We and RR Franchising, Inc. are considered affiliates only because the same individual holds the majority of shares in both companies, but they are separate and distinct companies and have different shareholder structures. That same individual owns VCS Enterprises ("VCS Enterprises"), which is the holding company that owns IN Franchising, LLC ("IN Franchising") and KY Franchising, LLC ("KY Franchising"), two other affiliates of ours. VCS Enterprises was formed in Delaware on April 7, 2025, and its principal place of business is 655 Mariners Island Blvd., Suite 303, San Mateo, CA 94404. It is not directly engaged in franchising, but it is the sole member/manager of our affiliates, KY Franchising and IN Franchising. KY Franchising and IN Franchising were formed on April 9, 2025, and April 8, 2025, respectively, for the purpose of acquiring active Vanguard unit franchise agreements and certain other assets of Fortitude Partners, LLC and Naptown Franchising, LLC (Vanguard Area Franchisors). This asset acquisition was finalized on April 30, 2025. KY Franchising a Kentucky limited liability company, is an Area Franchisor operating in certain areas of Kentucky with its principal place of business at 1230 Liberty Bank Lane, Suite 110 Louisville, KY 40222. IN Franchising is an Indiana limited liability company, which operates in certain areas of Indiana with its principal place of business at 1060 North Capitol Avenue, Suite 3-103. Indianapolis, IN 46204. On December 4, 2025, Vanguard also formed a wholly-owned subsidiary, VCS International, LLC, a Delaware limited liability company ("VCS International"), to sell Vanguard Cleaning Systems® Master Franchises for qualified entities to operate as VCS International subfranchisors in select international markets. VCS International has its registered office at 251 Little Falls Drive, Wilmington, Delaware 19808. Like Vanguard, RR Franchising, Inc., VCS International, KY Franchising and IN Franchising do not operate commercial cleaning services businesses and are engaged only in the business of awarding and supporting their respective subfranchisees. Vanguard, VCS International, KY Franchising, IN Franchising and RR Franchising, Inc. have never offered franchises or master franchise rights in any other line of business.

ITEM 2
BUSINESS EXPERIENCE

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. Mr. Lee is also the manager of VCS Enterprises, KY Franchising, and IN Franchising since their inception in May 2025. He is the President of VCS International since its inception in December 2025.

David Lee: Chief Strategy and Growth Officer

Mr. Lee joined Vanguard as Senior Vice President in August 2023 and was appointed Chief Strategy and Growth Officer in February 2024. Mr. Lee previously served as Chief Operating Officer for Public Storage headquartered in Glendale California, from September 2021 to August 2023. He was Senior Vice President Operations from September 2019 through September 2021, for The UPS Store located in San Diego, California, and served as that company's Vice President of Product Development & Print Services from May 2014 to September 2019. Mr. Lee is also the managing director of KY Franchising and IN Franchising since their inception in May 2025.

Eugene Kim: General Counsel and Chief Human Resources Officer

Mr. Kim joined Vanguard as General Counsel in July 2025. In March of 2026, he was also appointed Chief Human Resources Officer. From July 2018 until that time, he served as Vice President – Associate General Counsel with Vail Resorts Management Company in Denver, Colorado and from June 2014 to June 2018, he served as Global Counsel for RE/MAX, LLC in Denver, Colorado.

Eric Tanner, Vice President of Marketing and Brand Management

Mr. Tanner joined Vanguard as Vice President in February 2024. Mr. Tanner previously served as Senior Vice President of Franchise Marketing for Scorpion in Valencia, California, from January 2020 to February 2024. He was Vice President of Franchise Marketing for that company from August 2018 to January 2020, and Senior Internet Marketing Manager from June 2016 to August 2018.

ITEM 3
LITIGATION

Pending Litigation:

Alida Mazariegos, Paula Gonzalez, Jaime Amaya, Adrianna Tello, and Ryne Bass, 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, Inc. ("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 sought to represent a class of California-based unit franchisees on the theory that, under California law, they qualify as employees of the regional franchisor from which the franchise was purchased (i.e., WCV, RR, and Buddha) and Vanguard.

Ms. Gonzalez and Mr. Amaya also assert a claim for penalties under the Private Attorneys General Act ("PAGA") on behalf of themselves and other California franchisees based on alleged violations of the California Labor Code resulting from the defendants' alleged failure to treat them as employees.

In this action Plaintiffs contend the defendants violated various California laws by failing to treatment them as employees. Plaintiffs originally requested certification of seven wage-related claims, but they subsequently limited the request to four claims: Inaccurate wage statements, unlawful deductions, unreimbursed business expenses, and violations of the Business & Professions Code. Plaintiffs seek on behalf of themselves and the class unspecified amounts of damages and restitution in the form of unreimbursed business expenses and allegedly unlawful deductions, penalties (including PAGA penalties), declaratory judgments, attorneys' fees and costs, and interest. Defendants individually and collectively strenuously deny the allegations, maintain they have complied with all applicable laws and committed no violations, and intend to vigorously defend themselves against the claims.

The Court denied in part and granted in part Plaintiffs' motion for class certification, certifying a class defined to include individuals who meet all of the following criteria: they signed a Unit Franchise Agreement with a defendant, are not subject to an arbitration agreement covering the claims, and personally performed cleaning services during the period of October 1, 2016 to present for the Unit Franchise operating pursuant to the agreement signed by the same individual. Plaintiffs have indicated that they will file a Motion for Summary Judgment in April. Defendants will file their Motions for Summary Judgment in May. No trial date has been set.

Concluded Litigation:

Luiz Tomaz Da Costa, Flavio Melo Filho, Geraldo Dimas Figueiredo, 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 Area Franchisor 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 VCSI 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 these two actions, no litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Unless you are entering into a successor Master Franchise Agreement, you must pay an initial franchise fee that is negotiated with Vanguard considering factors such as the population (based on census data or other reliable sources), the number of potential commercial accounts in your Development Area and other relevant factors. There is no formula for determining the initial franchise fee. If you have no prior relationship with Vanguard, the initial franchise fee for a typical Development Area would most likely fall within a range of $100,000 and $350,000. Vanguard has offered, and may in its discretion continue to offer, discounted initial franchise fees to existing Subfranchisors or their affiliates or to employees of Vanguard. These Subfranchisors will sign a corresponding addendum to their master franchise agreement, a sample of which is attached to this Disclosure Document as Exhibit N, but is subject to change by Vanguard. Discounted initial franchise fees in these cases are expected to range between $10,000 and $75,000. In 2025, no initial fees were charged to existing Area Franchisor affiliates. Vanguard is not obligated to offer an additional master franchise or a discounted initial fee to you. Initial franchise fees are paid in full on signing the Master Franchise Agreement, unless financing is offered as described in Item 10 of this Disclosure Document.

Except as might be required by law in a particular case or as provided in Item 6, Footnote 5, no part of the initial franchise fee is refundable under any circumstances.

Vanguard reserves the right to change the way the initial franchise fees are established but has no current plan to do so.

ITEM 6
OTHER FEES

NAME OF FEE[1]	AMOUNT	DUE DATE	REMARKS
Royalty[2]	5% of your Gross Revenue, but Area Franchisors entering successor or multiple master franchise agreements may be charged a lesser royalty fee rate. [3]	10th day of each month.	Gross Revenue includes all amounts received from: the sale of subfranchises; the sale of goods or services to subfranchisees; subfranchisees' initial franchise fees, royalty fees, business support fees, marketing fees and other fee payments; or otherwise from the use of the Marks or System.
Business Development Fee[4]	Currently .5% of your Gross Revenue, although we can increase it occasionally, up to 1.5%.	10th day of each month.	Area Franchisors that began paying this fee when it was implemented in 2025 pay a discounted fee (.3%) as of the date of this Disclosure Document, which is also subject to adjustment by us up to 1.5%.
Late Payments	Prime rate of interest or highest applicable legal rate on all amounts not timely paid.	On demand.	Accrues from due date on principal amount not timely paid for any reason.
Transfer Fee	$10,000, unless transfer is to an immediate family member or the owner with a controlling interest.	Upon or prior to certain transfers of the franchise.	We have not charged this fee to date but may do so as one of the conditions to our consent to your transfer.
Renewal (Successor Term) Fee	$10,000	30 days before term of franchise expires.	Payable if you elect to enter into a new master franchise term after your current term expires.

NAME OF FEE[1]	AMOUNT	DUE DATE	REMARKS
On-Boarding Fee[5]	$10,000	Not less than 3 business days before you participate in a scheduled session	Unless your Designated Manager has previously been involved in the operation of an Area Franchise or has comparable experience in our view, he/she must participate in the On-Boarding program we offer before you can begin operating your Area Franchise Business.
Indemnity	You must indemnify, defend and hold Vanguard harmless from claims against Vanguard resulting from your acts or omissions or relating to your business as described in the Master Franchise Agreement.	Upon demand.	Includes all liability, costs of defense, obligations, damages and expenses and attorneys' fees. Excludes matters arising from Vanguard's intentional breach of agreement.
Insurance	We estimate insurance costs will be approximately 2% or more of your Gross Revenue, if you participate in general liability, crime and umbrella liability insurance coverage plans we currently offer.	When due to insurance carrier. If you participate in our group plan, you pay us your cost, which is paid by us directly to the carrier.	If we offer Subfranchisors 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. We are not required to maintain a group insurance program. Your master franchise business insurance must meet our minimum coverage standards. If you do not maintain the required insurance, we can purchase it for you and you must reimburse us.

NAME OF FEE[1]	AMOUNT	DUE DATE	REMARKS
Enforcement Costs	Cost to collect payments from you or to enforce post termination/expiration/ assignment terms of the Franchise Agreement. You pay your attorneys' fees in a dispute, and arbitration costs are shared by you and us.	On demand.	Includes reasonable attorneys' fees. Subject to applicable law and any remedies to which a party may later be entitled under law.
Interest on Underpayments & Audit Expense	Prime rate of interest or highest applicable legal rate on underpaid amounts. Possible costs of audit.	On demand.	Accrues from date the payments were due to us. Costs of audit payable if, understatement or underpayment is greater than 10%.

1. All payments are made to Vanguard. None are collected on behalf of any third party unless you participate in our insurance program, in which case you pay us your cost and we pay it to the carrier. Similarly, Vanguard occasionally negotiates rates for licensed products or subscription information services that are made available to Subfranchisors at their option under our license or subscription. If you participate in the program, you pay us your cost, which is paid by us directly to the service provider. All payments are nonrefundable. The above fees are uniformly initially offered to prospective Area Franchisors. However, we have negotiated, and continue to reserve the right to negotiate, different rates or fees with other Area Franchisors under appropriate circumstances and subject to applicable law. We also reserve the right to change in the future the type and amount of fees offered to Subfranchisors. If Vanguard has any fees, taxes, or other assessments imposed on it because of payments you make to Vanguard, then Vanguard can require that you pay it an additional amount so that the net amount Vanguard actually receives after the deduction, payment or withholding is the full amount of the royalty, fee or other amount Vanguard is entitled to be paid under the Master Franchise Agreement.

2. If Vanguard awards a Master Franchise Agreement to any of its affiliates or any existing Area Franchisors or their affiliates/transferees, it reserves the right to offer any of them a reduced fee and/or royalty rate in its discretion.

3. Subfranchisors entering into a successor term may qualify for a royalty fee rate structure that is less than 5%. If the Area Franchisor was operating under a lesser rate structure in its initial subfranchise term, the lesser rate will be carried forward for the successor term and will be specified in the Successor Term Addendum (Exhibit O of this Disclosure Document). Additional royalty fee reductions for Subfranchisors entering into a successor term also may be available as noted below.

Multiple Entities Rate:

If a Subfranchisor has one or more affiliates or related companies that operate a Vanguard Cleaning Systems subfranchising business under a separate master franchise agreement and their

combined calendar year Gross Revenue exceeds the then current Multiple Entity Gross Revenue Benchmark, the royalty fee rate provided under Subfranchisor's successor term addendum will be reduced by 1% on Gross Revenue received by them for the balance of the applicable calendar year only. All of them must be in good standing and not in default for such a reduction to apply. A Subfranchisor affiliate is a company that owns, is owned by or is under common control with Subfranchisor. A company is related to Subfranchisor when one or more individuals with an ownership interest in Subfranchisor also have an ownership interest in a Vanguard Cleaning Systems® subfranchising business commonly owned with immediate family members under a separate master franchise agreement. "Immediate family" includes an owner's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships.

The combined Gross Revenue Benchmark/calendar year as of the date of this Disclosure Document is $24,438,540 but is subject to annual adjustment by us. The then current Gross Revenue Benchmark will be increased in or around the first quarter of each calendar year by 2%, unless the percentage increase in the U.S. Bureau of Labor Statistics Consumer Price Index – All Urban Consumers (CPI-U) in the immediately preceding calendar year is greater than 2%, in which case the Gross Revenue Benchmark will be increased by the percentage increase in the CPI-U following the publication of such information. For purposes of the Gross Revenue Benchmarks, Gross Revenue is counted only for the calendar year in which it is received. The adjusted Gross Revenue Benchmark is applicable to all successor term addenda in effect as of the publication date of the adjustment. If for any reason the Gross Revenue Benchmark applicable to you differs from the Gross Revenue Benchmark applicable to one or more of your affiliates or related companies, the Gross Revenue Benchmark that is the highest of the differing Gross Revenue Benchmarks will apply to you and all of your affiliates and related companies.

If a Subfranchisor's Royalty Fee rate structure under the initial term master franchise agreement is more favorable than that described in the preceding paragraph, the more favorable rate structure applies.

Single Entities Rate:

If a Subfranchisor does not qualify for the Multiple Entities Rate as described above, it may qualify for a temporary reduction in its royalty fee rate as follows. If its Gross Revenue exceeds the then current Single Entity Gross Revenue Benchmark in a given calendar year, the royalty fee rate provided under its successor term addendum will be reduced by 1% on Gross Revenue received by it for the balance of the applicable calendar year only. It must be in good standing and not in default for such a reduction to apply.

The combined Gross Revenue Benchmark/calendar year as of the date of this Disclosure Document is $16,292,359 but is subject to annual adjustment by us. The then current Gross Revenue Benchmark will be increased in or around the first quarter of each calendar year by 2%, unless the percentage increase in the U.S. Bureau of Labor Statistics Consumer Price Index – All Urban Consumers (CPI-U) in the immediately preceding calendar year is greater than 2%, in which case the Gross Revenue Benchmark will be increased by the percentage increase in the CPI-U following the publication of such information. For purposes of the Gross Revenue Benchmarks, Gross Revenue is counted only for the calendar year in which it is received. The adjusted Gross Revenue Benchmark is applicable to all successor term addenda in effect as of the publication date of the adjustment.

4. Vanguard uses the Business Development Fees you and other Subfranchisors pay in its discretion for activities such as local search engine optimization; digital marketing; agency services; promotional, advertising, marketing and related activities; brand/image and website development; public relations, research and consulting services; stimulating account sales; any expenses associated with an advisory group established by us (if any); and for any other purpose which it considers reasonable to enhance the Marks and the System in any medium. Vanguard is under no obligation to spend the Business Development Fees for any particular purpose, at any particular time, or in any particular area, and all decisions about the use of these fees will be made only by it. Vanguard is not obligated to ensure that each Area Franchisor will benefit directly, indirectly or in proportion to Business Development Fees it has paid. Vanguard has the right to negotiate the amount of these fees and to implement the charge at a lesser amount, reserving the right to subsequent increases up to 1.5%, as provided in the Master Franchise Agreement. Canadian Area Franchisors are not charged a Business Development Fee as of the date of this Disclosure Document.

5. The On-Boarding Fee is non-refundable. If you are not making sufficient progress in the On-Boarding program, or fail to satisfactorily complete the program in our view, we can either require you to have a different owner (or acceptable substitute) complete the program or terminate the Master Franchise Agreement. If we choose to terminate the agreement, we will refund any Master Franchise Fee paid by you, less $10,000 to cover our costs, if you return any Manuals and other materials we have supplied you and sign our general release and mutual termination agreement.

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[1]	$100,000 - $350,000	Lump sum or financed	On signing of Master Franchise Agreement or per agreed terms	Vanguard
Rent[2]	$3,000 - $12,000	Lump sum	Monthly	Landlord
Lease Deposit[3]	$1,000 - $4,000	Lump sum	On signing lease	Landlord
Leasehold Improvements[4]	$1,000 - $5,000	As arranged	As arranged	Contractors
Equipment and Fixtures[5]	$5,000 - $15,000	As arranged	As arranged	Suppliers
Utility Deposits	$500 - $1,000	Lump sum	Before commencing business	Utility providers
Computer System[6]	$15,000 - $20,000	As arranged	As arranged	Suppliers

TYPE OF EXPENDITURE	ESTIMATED AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Licenses and Permits	$250 - $1,000	Lump sum	Before commencing business	Governmental agencies
Marketing and Advertising[7]	$5,000 - $10,000	Lump sum	As incurred	Suppliers
Office Supplies	$5,000 - $7,500	Lump sum	As incurred	Suppliers
Insurance[8]	$500 - $1,500	Lump sum	As arranged	Insurance Carriers
Legal and Accounting	$4,000 - $10,000	As arranged	As incurred	Attorneys and Accountants
Travel Expenses For On-boarding Program[9]	$14,711 - $15,556	As arranged	As incurred	Suppliers and Vanguard
Additional Funds[10]	$10,000 - $20,000	As arranged	As required	Third parties
TOTAL[11]	$164,961 - $472,556			

1: The fee typically ranges from $100,000 to $350,000 for companies that are not existing Subfranchisors or related to existing Subfranchisors, depending on the size of your development area. Financing may be available as described in Item 10. The amount shown in the table is for a lump sum payment.

2: Rent is based on our best estimate of the cost to lease 1,500 square feet of office space for 3 months. Rental costs can vary dramatically in different markets and could be lower if an executive suite is utilized. If you are already engaged in business with suitable space for a Vanguard business, you should not need to incur this as an additional expense.

3: The lease deposit estimate assumes one month's rent will be required.

4: If you already rent suitable space in an existing business, leasehold improvements should be negligible.

5: Fixtures and equipment include office furniture and telephone system.

6: Computer system components are described in Item 11. This cost range assumes you are opting for the account contact program and accounting program that we offer to you when you acquire your Master Franchise Agreement. If you choose to use different programs, your costs will be higher and will depend on the vendors you select.

7: This estimate is for an initial supply of marketing brochures, business cards and other materials for marketing to prospective subfranchisees and janitorial accounts, as well as advertising for prospective subfranchisees.

8: The estimate in the table is 3 month's cost for general liability, umbrella liability, and crime coverage for your business, assuming you participate in our optional group plan. Under the current group plan, your master franchise business will have insurance coverage meeting at least the following current minimum standards (which we can change): general liability insurance coverage on an occurrence basis against claims for bodily injury (including death), property damage, personal injury, and advertising injury, with a minimum liability limit of $1,000,000 per occurrence and $2,000,000 in the aggregate; umbrella liability coverage of $10,000,000; hired and non-owned automobile liability coverage of $1,000,000; and crime coverage of $1,000,000. We must be designated as an additional named insured under the previously named policies, as well as under any additional or supplemental liability policies you may obtain. Such insurance will be primary and non-contributory with respect to any insurance carried by us. You must also maintain any worker's compensation insurance coverage as required by law and an unemployment insurance account as required under applicable state law, estimates for which are not included in the above range as they vary significantly by state. Cyber insurance and employment practices liability insurance of One Million Dollars ($1,000,000) are strongly recommended but not required. No amount is included for vehicle coverage in the estimated insurance costs range since most Area Franchisor owners already own their vehicle and are required by law to maintain liability coverage meeting statutory minimums. Therefore, this is an ongoing expense most Subfranchisor owners have before they obtain the franchise.

9: Subfranchisors are required to participate in a subfranchise on-boarding program. Portions of the program currently are held in San Mateo, CA and at an Area Franchisor's business office, which usually is in Louisville, KY or Indianapolis, IN, but may be at an alternative subfranchisor's location. The estimated travel expenses are based on estimated cost averages for airfare, lodging, meals and car rental, assuming on-boarding is provided in San Mateo CA for one week, with one week spent either in Salt Lake City, UT or Indianapolis, IN. The range also includes your on-boarding fee of $10,000. Your actual expenses may be more or less than this range, depending on airfares from your specific location, the selected Area Franchisor's location, your lodging and car rental selections, as well as restaurant choices.

10: Additional funds are the estimated amounts you will need for the expenses of operation during the initial phase of the business, which is the three months after starting operation. These additional funds will be mainly for salaries and operating expenses, but the range given excludes royalties, business development fees and other fees and taxes. This estimate does not include an owner's draw. This estimate was based on our general knowledge of the industry and information occasionally relayed by Subfranchisors.

11: Your expenses may vary from and exceed those shown in this table. The amount you will spend is also dependent on your own decisions concerning the establishment of the business. The estimate of the total initial investment is not a representation that you will attain a break even point or profitability on making this investment. Vanguard does not make any representations concerning revenue or profits you may achieve. Your results are primarily dependent on your own efforts and business acumen.

Vanguard does not offer, either directly or indirectly, financing to its Subfranchisors for any of the above items, except possibly the initial franchise fee. All amounts paid to Vanguard are nonrefundable. Typically, amounts paid to third parties will not be refundable unless otherwise agreed.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We offer you the opportunity to license our optional customized computer software through Vanguard as described in Item 11 of this Disclosure Document, but you are not required to do so. You may purchase products and equipment you select from any reputable and dependable supplier of them, as of the date of this Disclosure Document. Vanguard will provide a suggested format for some of your marketing materials, but you arrange for printing them. Vanguard can establish minimum required brand standards for products and services, which you and your unit franchisees, as applicable, will meet. Vanguard may in its discretion modify its brand standards. Vanguard will disclose to you any minimum brand standards it adopts. Vanguard occasionally suggests suppliers, but you are not required to use approved suppliers or any specific designated suppliers as of the date of this Disclosure Document. Vanguard does not maintain any standard procedures for supplier approvals. Vanguard is not currently a supplier to you of any items you will use, other than certain marketing and advertising materials, the customized software described above and optional insurance coverage, as described below.

You must purchase insurance coverage in the types and amounts established by Vanguard. Current minimum coverage requirements are as described in Item 7 of this FDD. Vanguard currently negotiates rates with a carrier and arranges for your crime insurance, commercial general liability, hired and non-owned automobile liability and commercial umbrella coverage if you choose to purchase your insurance through its group program. If you participate in the program, you pay us your cost, which is paid by us directly to the carrier. We do not receive any revenue from Subfranchisors that purchase their own coverage through the group program, although unit franchisees who participate in the program pay their respective Subfranchisors a fee on their insurance purchases. Refer to Item 7 for additional insurance minimum requirements and policy details. We are not required to maintain a group insurance program. If Vanguard offers you the opportunity to participate in group insurance and you elect instead to independently obtain coverage, Vanguard can require you to enter into an independent coverage agreement or similar document to ensure Vanguard is afforded to its satisfaction coverage protection comparable to that available to Vanguard under the group insurance. You must ensure that the services provided by or through your Franchised Business and the Subfranchisees' Janitorial Businesses are covered under policies meeting at least the then current minimum coverage standards, regardless of whether you participate in any group plan or obtain independent coverage.

Similarly, Vanguard occasionally negotiates rates for licensed products or subscription information services that are made available to Area Franchisors at their option under our license or subscription. If you participate in the program, you pay us your cost, which is paid by us directly to the service provider. We do not receive any revenue from Area Franchisors for these services.

Vanguard does not derive revenue from any required purchase by or lease to you. Vanguard does not receive payment from any designated supplier in connection with franchisee purchases, although we have a right to do so under the franchise agreements. Some existing Subfranchisors may offer and sell a products package to their subfranchisees but will not purchase any package items from us.

Companies occasionally approach us with favorable terms that they offer to extend to the franchise organization to enhance their own sales volume. We usually share information like this that we receive from companies with our subfranchisors for them to use as they wish. We have in limited cases negotiated for a product or service, but subfranchisors and their subfranchisees are free to choose

alternative sources. We generally do not negotiate supplier arrangements for subfranchisors or their subfranchisees.

Franchisees do not get any material benefit or incentive from Vanguard for using designated or approved sources as none currently exist.

Owners or officers 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 Vanguard franchisees. Other than this type of minority ownership, no officer or owner of Vanguard has any ownership interest in any of your suppliers.

There are no purchasing or distribution cooperatives.

Purchases or leases which you must make in accordance with Vanguard's minimum brand specifications total between 3% and 5% of the cost of all purchases or leases to establish the business, and between 2% and 5% of the cost of all purchases and leases to operate the business.

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the master franchise agreement and other agreements. It will help you find more detailed information about your obligations in this agreement and in other items of this Disclosure Document.

	OBLIGATION	SECTION IN FRANCHISE AGREEMENT	ITEM IN THIS DISCLOSURE DOCUMENT
a.	Site Selection and Acquisition/Lease	Section 4.1	Item 11
b.	Pre-Opening Purchases/Leases	Sections 4.1 and 4.2	Items 7 and 8
c.	Site Development and Other Pre-Opening Requirements	Sections 4.1 and 4.2	Items 7 and 11
d.	Initial and Ongoing Training	Sections 3.1, 4.1, Exhibit B of Franchise Agreement and, Exhibits N and O of FDD	Items 7 and 11
e.	Opening	Section 4.1	Item 11
f.	Fees	Sections 2.2, 4.1, 5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.9, 5.10 and 9.3 Sections 1 and 10 of Exhibit O of FDD	Items 5 and 6
g.	Compliance With Standards and Policies/Manual	Article 4 generally, Sections 4.6 and 14.1	Items 8 and 11

	OBLIGATION	SECTION IN FRANCHISE AGREEMENT	ITEM IN THIS DISCLOSURE DOCUMENT
h.	Trademark and Proprietary Information	Articles 7 and 8	Items 13 and 14
i.	Restrictions on Products/Services Offered	Section 4.10	Items 8 and 16
j.	Warranty and Customer Service Requirements	Sections 4.15 and 4.6	Not Applicable
k.	Territorial Development and Sales Quotas	Not Applicable	Not Applicable
l.	Ongoing Product/Service Purchases	Section 4.2	Item 8
m.	Maintenance, Appearance and Remodeling Requirements	Section 4.2	Item 8
n.	Insurance	Sections 4.18 and 12.3	Items 6, 7 and 8
o.	Advertising	Article 6	Item 11
p.	Indemnification	Sections 2.2 and 12.1, Section 2 of FDD Exhibit O	Item 6
q.	Owner's Participation Management/Staffing	Sections 4.17 and 14.1	Item 15
r.	Records/Reports	Sections 5.4 and 5.8	Not Applicable
s.	Inspections/Audits	Section 5.8	Not Applicable
t.	Transfer	Article 9	Items 6 and 17
u.	Renewal (or Successor Franchise term)	Section 2.2	Item 17
v.	Post-Termination Obligations	Article 11	Item 17
w.	Noncompetition Covenant	Sections 8.4, 8.5, 8.6, 8.7 and 8.8	Item 17
x.	Dispute Resolution	Articles 13 and 14	Item 17
y.	Franchise Law Compliance	Section 4.4	Item 1
z.	Recruiting Subfranchisees	Section 4.3	Item 11
aa.	Obligations to Subfranchisees	Sections 4.7, 4.8 and 4.12	Not Applicable
bb.	Performance of Subfranchisees	Section 4.9	Not Applicable

	OBLIGATION	SECTION IN FRANCHISE AGREEMENT	ITEM IN THIS DISCLOSURE DOCUMENT
cc.	Guarantee of Subfranchisor's Obligations	Section 9.7 and Exhibit C, Section 4 of FDD Exhibit O	Item 15

ITEM 10
FINANCING

We do not anticipate offering financing to any Area Franchisor joining the Vanguard Cleaning Systems franchise organization that is not an existing Subfranchisor or is unrelated to an existing Subfranchisor. However, we can choose to offer financing for the initial franchise fee in our discretion. If we provide financing, you will make a negotiated down payment on signing the Master Franchise Agreement and we finance the balance. If Vanguard provides financing, we may require you to enter into a Secured Promissory Note similar to the one attached as Exhibit D. It requires payment of the balance (the amount of which will depend on the amount of your initial franchise fee and how much we finance) in up to 60 monthly installments starting the month after you sign the note. The interest rate on the note is 5% per annum simple interest as of the date of this Disclosure Document. However, we can change the rate and the other terms of any Note depending upon the rate environment and the circumstances of a particular transaction. You may also need to sign a Security Agreement similar to the one attached to this Disclosure Document as Exhibit E to obtain this financing. Under it, Vanguard will take a security interest in your accounts receivable, subfranchise agreements, notes receivable, cash and cash equivalents and equipment.

You may prepay the balance of the Promissory Note without penalty. The Promissory Note and Security Agreement do not contain waivers of defenses or similar provisions. If you default in payment or breach your Master Franchise Agreement or if certain other events occur like closure of your business, the entire balance can be declared immediately due. Vanguard can terminate your Master Franchise Agreement and recover from you its costs of collection, including attorneys' fees. The entire unpaid amount would also be payable as a condition to our consent to a transfer of your Master Franchise rights. Since you operate as a corporation or limited liability company, Vanguard can require the principal owners to personally sign the note as a co-maker. The Promissory Note is a negotiable instrument and is fully assignable. Assignment of the Promissory Note would not alter any of your or Vanguard's obligations under the Master Franchise Agreement or other agreements. Vanguard has no practice or present intent to assign or discount the note to a third party, but could do so. In that case, you would lose the ability to raise claims against Vanguard as defenses to payment of the note.

Except for financing described above, Vanguard does not offer direct or indirect financing. Vanguard does not guaranty any of your notes, leases or other obligations.

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

Except as listed below, Vanguard is not required to provide you with any assistance.

Pre-Opening Obligations

1. Vanguard will provide a subfranchise on-boarding program (Section 3.1 of Master Franchise Agreement).

2. Vanguard will lend you one copy of its Manuals (e.g., guides, manuals and other publications) for your use during the term of the Master Franchise Agreement (Section 3.2 of Master Franchise Agreement).

3. Vanguard will offer to license to you one copy of its custom account management software program and one copy of its custom accounting software program to assist you in the operation of the franchised business, at your option (Section 3.3 of Master Franchise Agreement; Software License Agreement).

4. Vanguard will work with you to establish a mutually acceptable schedule for the On-Boarding program, which your Designated Manager must complete before you begin operating the Area Franchise Business, unless he or she has comparable experience or another owner is permitted to substitute for the Designated Manager, as determined in Vanguard's discretion. (Section 4.1 of the Master Franchise Agreement).

If you are already a Subfranchisor currently operating a Vanguard Cleaning Systems® subfranchising business in a different geographical area under a separate master franchise agreement, or are a Related Company to such a Subfranchisor, you may be asked to sign an Addendum to your new master franchise agreement in which you acknowledge items 1 and 2, above, will not apply in the newly acquired master franchise agreement (See Exhibit N to this Disclosure Document).

After the Master Franchise Business Opens

1. Vanguard will provide you with advertising and marketing materials or samples of these materials for you to use or customize for use in the solicitation of janitorial accounts and the recruitment of subfranchisees (Section 3.4 of Master Franchise Agreement).

2. Vanguard will permit you to participate in a group insurance plan if one is being offered to Vanguard Area Franchisors, which you can also make available to your subfranchisees (Section 4.18 of Master Franchise Agreement).

3. Vanguard will permit you to participate in any group purchasing programs it may in its sole discretion arrange with suppliers (Section 4.18 of Master Franchise Agreement).

Advertising

The Master Franchise Agreement does not specifically require you to participate in any local or regional advertising cooperatives, and does not specifically empower Vanguard to form, change or dissolve advertising cooperatives. You are required under the Master Franchise Agreement to participate in all promotional and marketing activities reasonably required by Vanguard of its Subfranchisors. However, there currently are no promotional/marketing activities or advertising programs/cooperatives in which you are required to participate. There are no franchisee advertising councils.

Vanguard does not have a formal advertising program or an advertising fund. As noted in Item 6, Vanguard charges a Business Development Fee. Vanguard may choose to use the funds for activities such as local search engine optimization; digital marketing; agency services; promotional, advertising, marketing and related activities; brand/image and website development; public relations, research and consulting services; stimulating account sales; any expenses associated with an advisory group established by us (if any); and for any other purpose which it considers reasonable to enhance the Marks and the System in any medium. Vanguard has the right to make all decisions about any fees collected, including any possible related decisions, such as media selection and coverage areas, advertising sources, and any reimbursements for salaries, administrative costs, overhead and other expenses related to any activity funded by these fees. Any fees Vanguard collects can be deposited into its general funds and are not held in trust. Fees do not have to be spent in any geographic area or within any particular timeframe. There is no audit or accounting requirement for Business Development Fees. Vanguard formed a Business Development Fee Advisory Committee comprised of 5 elected representative Area Franchisors who provide guidance, feedback and a region-level perspective to advise on the strategic initiatives funded by the Business Development Fee, but the Committee does not have decision-making authority. Vanguard can change or eliminate the Business Development Advisory Fee Committee as it thinks appropriate.

You may use only those advertising, marketing and promotional materials, including those published in print, broadcast, Internet and other media, which meet Vanguard's brand standards for use of the Marks. Vanguard can request that samples of all advertising, marketing and promotional materials for any media, including the Internet, used in marketing your Franchised Business be submitted to us for review. You will not use any materials, publications or programs that Vanguard has disapproved. You will discontinue any domain name or URL that contains, uses or displays the words, "Vanguard Cleaning Systems" or "Vanguard", or the initials "VCS," or any Marks upon Vanguard's request, as well as any electronic advertising or social media, on our request. Vanguard has the right to maintain the exclusive web page using the Marks.

Computer System

You must have and maintain a computer system. We occasionally may recommend specifications for the system. We currently recommend a cloud-based network with work-stations and printers that can function within the then current Microsoft Windows operating system environment. As part of the computer system, we offer a customized account contact program (CRM) and a customized interface for the Quick Books accounting program. You may use these program or may independently obtain and use comparable programs from a reputable software provider.

The computer system performs account contact management, accounting, and cash management functions and retains related data. If you choose to use our customized versions of the account contact and accounting software programs, we license them to you under the form of Software License

Agreement attached to this Disclosure Document as Exhibit F. You are responsible for the costs and expenses associated with our custom software programs, and any related upgrades and modifications, and their installation on your system by our third-party designated software services provider.

A system meeting our recommendations costs between $15,000 and $20,000 to implement. You are responsible for the maintenance of your computer system. Since we do not require you to purchase specific hardware from a specific vendor or to obtain any particular support/maintenance services, these costs, if any, may vary significantly depending on the manufacturer, model or vendor, of which there are many. For these reasons, we are not able to estimate the cost of maintenance, updating, upgrading or support of the hardware. If you choose to use our customized accounting software, we estimate support and upgrades/updates for the software will range from $2,000-$5,000 per year. The sources and costs of support for our customized software programs may change in the future. We are unable to estimate the cost of upgrades/updates of comparable programs independently obtained by you.

We also recommend the ZoHo CRM system, with additional customization for your specific business. The estimated cost for 4 users per month is approximately $150 as of the date of this Franchise Disclosure Document. The customization is performed typically by another vendor, such as TopLine, Dash which is estimated to range from $15,000 to $20,000. We may recommend you upgrade or modify your system, but you are not required to do so.

Vanguard does not have independent access to the information generated or stored on your computer system.

Site Selection and Service Opening

Vanguard does not find a site for the Franchised Business or provide site selection assistance. You select a site within the Development Area. The only factor currently relevant to site selection is that the office for your Franchised Business be located within your Development Area. There is no contractual time limit for Vanguard to approve or disapprove your site, but Vanguard expects the time would not exceed 30 days. If you are already in business, your existing space may be suitable for the operation of the Franchised Business, but it needs to be located in your Development Area. You are required to open for business within 90 days of signing the Master Franchise Agreement. We do not anticipate that you will have trouble finding office space appropriate for the Franchised Business. However, if you cannot find appropriate space with diligent efforts, we would give you a reasonable extension of time to locate an appropriate site and open for business.

Vanguard does not require any special tenant improvements or decoration at the office of the Franchised Business. It is your responsibility to arrange for any tenant improvements that you choose to make, and to comply with local ordinance and building codes, including obtaining any required permits.

Vanguard expects the 90-day period will be sufficient to commence the operation. Factors affecting this time period will include how long it takes to find a site, complete any on-boarding program the Subfranchisor attends, get all required business licenses and insurance and bonding coverage, complete your franchise Disclosure Documents and register the franchise offering if registration is required in your state. A fully paid certificate of insurance and a copy of the endorsement identifying Vanguard as an additional named insured under the applicable required policies must be submitted by you to Vanguard before the Franchised Business begins operation and upon each renewal of the applicable policies. If you do not open for business on time, your franchise could be terminated by Vanguard without opportunity to cure under Section 10.2(b) of the Master Franchise Agreement.

However, if any excusable delay is anticipated and brought to our attention, such as a registration state's delay in processing your franchise registration application, you and Vanguard should be able to agree on a reasonable extension of time to open and avoid a termination for this reason. To be eligible for such an extension, you would need to have used diligent efforts to open on time and we are not obliged to grant any extension.

On-boarding Program and Manuals

Your Designated Manager is required to participate in an Area Franchisor On-Boarding program when you purchase your franchise that covers marketing for janitorial accounts, recruiting prospective subfranchisees, account retention and administration and accounting programs, among other subjects. An additional one or more of your other owners may participate with your Designated Manager if they wish, but no other person from your company may participate. The program lasts approximately three weeks (assuming 8-hour days and 5-business day weeks) and generally takes place at Vanguard's franchise headquarters in San Mateo, CA, and a designated subfranchisor's office. Vanguard also offers follow-up consulting after your business opening, the timing, location, manner and duration of which are in Vanguard's discretion. There is no set program schedule, and On-Boarding is provided on an as needed basis. On-Boarding may not cover consecutive days, and program materials and methods can include manuals, videos, videoconferencing and in-person consulting. The charge to attend the On-Boarding program is $10,000 (See Item 6 of this FDD), and you must cover your own travel, lodging and living expenses. In most cases, the program portion conducted at a designated Subfranchisor's office will take place in SLouisville, KY, or Indianapolis, IN, but we can choose a different location. You are not required to complete, and we are not obligated to offer you an opportunity to participate in, the On-Boarding program or to provide follow-up consulting if you are obtaining a successor franchise term or if you or a Related Company purchase an additional master franchise. (See Exhibits N and O of this Disclosure Document.)

The following table summarizes the content of the standard subfranchise On-Boarding program, but programs can vary depending on your Designated Manager's capabilities and background. The hours spent on each subject are estimates. The program includes both classroom, videoconferencing and field instruction. The hours devoted to each may vary. The actual time spent may vary and may be significantly less than what is shown below depending on your prior experience. Currently there are no requirements for you to attend any additional educational programs.

SUBFRANCHISE ON-BOARDING PROGRAM

SUBJECT	HOURS OF CLASSROOM PROGRAM	HOURS OF ON SITE PROGRAM	LOCATION
Organization, Account Sales and Commercial Cleaning Business Basics	30		Web-based sessions and video conference calls attended at your home or other selected locations

SUBJECT	HOURS OF CLASSROOM PROGRAM	HOURS OF ON SITE PROGRAM	LOCATION
Area Franchisor On Boarding: • Pre-Opening and Introductory Materials • Outside Consultants/Contractors • Insurance • Operating as a VCS Area Franchisor • Recruiting and Onboarding Unit Franchisees • Getting New Accounts – Inside Sales / Outside Sales • Starting up a New Account • Account Verticals • Brand Services • Office Management – Administration • Accounting	40		San Mateo, CA

SUBJECT	HOURS OF CLASSROOM PROGRAM	HOURS OF ON SITE PROGRAM	LOCATION
Field Experience in the following subject areas: • Operating as a VCS Area Franchisee • Recruiting Unit Franchisees • Onboarding New Unit Franchisees • Getting New Accounts – Inside Sales / Business Development • Getting New Accounts – Outside Sales • Starting up a New Account • Account Verticals • Brand Services • Office Management – Administration • Accounting		40	Louisville, KY, Indianapolis, IN or an alternative designated Subfranchisor office location

Instructors are members of an independent sales training consulting company, members of Vanguard's staff or a designated Area Franchisor's management team and may change from time to time. There is no minimum level of experience with Vanguard required of the instructors. Vanguard staff instructors have between 1 and 26 years' experience with Vanguard and 10 to 26 years' experience in their general subject areas.

You are responsible for offering a Business System instructional program for your subfranchisees. The program is optional for subfranchisees and is intended to assist them in understanding standards, maintaining the goodwill associated with the Marks, and otherwise performing their obligations as subfranchisees. Vanguard does not provide the optional Business System program to your subfranchisees.

You will have an opportunity to review Vanguard's manuals/guides (collectively, "Manuals") before you sign the Master Franchise Agreement. We will loan you a copy of each of them for you to use as long as you are a Subfranchisor. However, we are not obligated to loan you an additional copy if you or a Related Company purchase an additional master franchise and sign Exhibit N to this Disclosure Document. The Manuals include information, recommendations and requirements related to standards

and other content. The Manuals help to inform you of brand standards, but you should understand that your Area Franchise business is an independent business. You are free to conduct your business as you think best, so long as your operations remain consistent with the few mandatory elements of the Master Franchise Agreement/Manuals and any required brand standards and with all applicable codes, laws, regulations, ordinances and other legal requirements. Within those parameters, you are solely responsible to supervise, manage and control the day-to day-operations of your Area Franchise business. You are exclusively in charge of scheduling, staffing and management of your employees and contractors, the terms of their employment and their compliance with the System standards and legal requirements. Brand standards do not include any employment or security-related policies or requirements. The people you select to work in your Area Franchise business are exclusively your agents and employees. Vanguard is not a joint employer 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 Area Franchise 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. Vanguard is not responsible for any item or expense associated with your Area Franchise business payroll or for any other compensation or benefits related to your Area Franchise business employees or independent contractors.

ITEM 12
TERRITORY

The franchise is not granted for a specific location. You will receive a Development Area in your Master Franchise Agreement. The Development 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 (or portions) as shown on a map which would be attached to the agreement. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. Vanguard has the right to use alternative distribution methods, including soliciting business by Internet and using the Marks. However, your Development Area is a protected territory in that we will not establish or franchise, or grant master franchises for, independent Janitorial Businesses in the Development Area under the Marks. Vanguard also reserves certain rights to acquire competitors, as described below. Currently, we do not own or control any unit franchises or other businesses that provide commercial cleaning/building maintenance services to accounts or any competitive brands and have never owned or controlled any such companies. Vanguard may operate or grant franchises or Area Franchises for independent Janitorial Businesses under the Marks at any locations outside of the boundaries of your Development Area regardless of proximity to your Development Area. Vanguard has all rights inside the Development Area and outside which are not expressly granted to the Subfranchisor in the Master Franchise Agreement.

Unless we acquire an existing independent commercial cleaning/building maintenance services business and you do not exercise your right of first refusal as noted below, Vanguard will not establish or acquire and operate or grant licenses or franchises for others to establish and operate independent Janitorial Businesses or similar businesses under other marks in your Development Area. Vanguard does not currently operate or franchise and has no current plans to acquire a commercial cleaning service or related business under a different trade name or trademark in your Development Area.

In the future, Vanguard may have opportunities for expansion of its franchise business. Your territory rights as described above would not bar Vanguard or its affiliates from acquiring a commercial cleaning services/building maintenance company or organization that has locations inside of your

Development Area. However, in that case, Vanguard would offer you the option to purchase from Vanguard the business to be acquired within your Development Area and to operate it in your Development Area or to subfranchise it to a Vanguard Janitorial Business. The details of this option are described in Section 1.2(b) of the Master Franchise Agreement.

You may not establish, solicit or do business with janitorial accounts outside of your Development Area. Your subfranchisees can only service janitorial accounts in your Development Area, although they may reside elsewhere. We reserve the right to maintain the exclusive website using the Marks. You will discontinue any URL or domain name that uses our Marks if we request you to do so.

You are required to open an office in the Development Area before you begin operating. You are not required to obtain our approval of an office relocation, but your office is to be located in the Development Area. We have no formal relocation policies.

ITEM 13
TRADEMARKS

Registrations, Litigation, Infringing Uses

Vanguard's principal service marks are the words VANGUARD CLEANING SYSTEMS and the registered logo shown on the cover page of this Disclosure Document (the "Principal Marks"). Both are registered on the Principal Register of the United States Patent and Trademark Office as follows:

Mark	Registration Date	Registration Number	Classes
VANGUARD CLEANING SYSTEMS	October 27, 1998; renewed on October 31, 2018	2,200,583	37 (as amended 2020)
VANGUARD CLEANING SYSTEMS and design (logo)	February 8, 2005; renewed on March 20, 2014; renewed June 10, 2024	2,925,071	37
VANGUARD CLEANING SYSTEMS and design (logo)	November 1, 2011; renewed on July 14, 2021	4,048,280	37 (as amended 2020)
THE STANDARD OF CLEAN	December 13, 2011; renewed on July 7, 2021	4,070,385	35, 37 (as amended 2020)
VANGUARD (word only)	March 26, 2013; renewed on April 26, 2023	4,308,795	35, 37 (as amended 2019)
VANGUARD CLEANING SYSTEMS and design (logo)	February 25, 2014; renewed on September 28, 2023	4,488,511	35 (as amended 2020)

Mark	Registration Date	Registration Number	Classes
VANGUARD CLEANING SYSTEMS & Design (color logo)	July 14, 2015; renewed on November 20, 2024	4,772,976	35, 37 (as amended 2020)
Building Design service mark	April 20, 2021	6,327,106	35, 37
VANGUARD CLEANING SYSTEMS & Design (horizontal design b/w reverse)	July 30, 2024	7461700	37

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 Marks. There are no agreements currently in effect which significantly limit Vanguard's rights to use or license the use of the Marks in any manner material to the franchise.

Vanguard is not aware of any infringing or prior superior uses of the Marks that could materially affect your use of the Marks 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. You will do business under your legal entity name and an associated d/b/a, "Vanguard Cleaning Systems of (Designated Area)." You will make any fictitious name filings as may be required under applicable law. You may not change or add to the Marks when you use them. You cannot alter or use any other identifying words in connection with the Marks. You must follow the requirements of the Master Franchise Agreement and the brand standards for using the Marks. You cannot authorize anyone else to use the Marks except for your subfranchisees, who must also follow all of these requirements with respect to the Marks.

Vanguard is not obligated to take affirmative action in response to an infringement of the Marks or any other matter involving the Marks. Vanguard will take whatever action it considers appropriate and will have control over any litigation or settlement of these matters.

Vanguard is not obligated to defend, indemnify or reimburse you for damages, costs of defense if you are sued or made a party in some other proceeding because of the Marks, or for any other amount you may incur because of any alleged or apparent infringement against or by Vanguard, you, or any Vanguard Cleaning Systems subfranchisee(s) or any other Vanguard Cleaning Systems subfranchisor(s). However, you have to cooperate with Vanguard in connection with the defense or prosecution of any action involving the Marks as Vanguard reasonably requests. In that case, Vanguard will pay costs you incur in meeting any request it makes. Vanguard reserves the right under the Master Franchise Agreement to modify or cease using the Marks and to adopt new or substitute names and marks. You would need to comply with any such changes implemented by Vanguard at your own expense.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no filed or pending patent applications that are material to the franchise. Vanguard owns copyrights in its manuals, web-based instruction, and marketing and advertising materials, which you may use in the Franchised Business. These copyrights are not registered.

Vanguard has certain information which it considers Confidential Information, as defined in Section 8.1 of the Master Franchise Agreement, such as information relating to its business plans and objectives, marketing methods, business methods, the System, the contents of its Manuals, and proprietary aspects of any computer system or program. The System and Confidential Information can be changed by Vanguard as it considers appropriate. You must use the Confidential Information only in connection with the Franchised Business and may not disclose it to anyone except as expressly permitted by Vanguard. You must implement certain security measures to protect the Confidential Information and meet with any requirements we establish pertaining to compliance with privacy laws and data protection. We can reasonably require you to demonstrate compliance from time to time. Please refer to Section 8.2 of the Master Franchise Agreement for the details of your obligations regarding Confidential Information.

You, on behalf of yourself and your employees/agents, must disclose to us any technologies, concepts, discoveries and innovations for enhancing the System or relating to the Franchised Business (the "Innovations.") All Innovations are our property as a work made for hire to the fullest extent of the law. We are not obligated to use Innovations or to give compensation for them. If any Innovation does not qualify as a "work made-for-hire," you assign us ownership and all rights to it under the Master Franchise Agreement.

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

Each Master Franchise must be conducted as a limited liability company or a corporation. An individual who is a shareholder or managing member of that entity must act as the Designated Manager. Each Subfranchisor Owner will sign the Master Franchise Agreement. They and the person signing on behalf of the Area Franchisor as its representative also are parties to the Master Franchise Agreement.

Vanguard may require the individual shareholders or members of the Subfranchisor, as applicable, to personally guarantee the obligations and performance under the Master Franchise Agreement and any other agreement with Vanguard. You may not establish, assist, engage in or have any direct or indirect interest, in any business (other than the Franchised Business) that provides janitorial/building maintenance services or contracts to provide such services, or which franchises or

subfranchises others to operate such businesses, anywhere during the term of your Master Franchise Agreement and for 2 years after the term within a specified geographical area (the "Restricted Area"). During the term of your Master Franchise Agreement and for 2 years after the term within the Restricted Area, your owners will not directly or indirectly establish, assist, engage in or have any direct or indirect interest in any business (other than the Franchised Business or a related business established with our approval) which provides commercial janitorial services, building/facilities maintenance services and/or any other services authorized by Company, regardless of whether Subfranchisor has previously been authorized by us to offer such services.

You are responsible for any unauthorized use and disclosure of Confidential Information by the employees and/or any owners of the Franchised Business. You will supervise, manage and control the day-to-day operations of the Franchised Business and solely determine the methods and hours necessary to meet your obligations under your Master Franchise Agreement and any other agreement. You are exclusively in charge of hiring and firing, scheduling, staffing and management of your Franchised Business employees, and the terms and conditions of their employment and their compliance with the brand standards. You and your shareholders and members must not conduct yourselves or the Franchised Business in any manner that reflects unfavorably upon the good will and public image associated with the Marks.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

The Franchised Business may only offer and sell Vanguard subfranchises. You and your subfranchisees/subcontractors will not offer or provide any products/services not authorized in advance and in writing by us. You will provide business development support to subfranchisees and billing and collection services. You must remit to subfranchisees amounts due them for services provided to their accounts as part of your billing and collection functions. You can offer and sell accounts services that will be provided by your subfranchisees' independent businesses. You also can act as an agent for a subfranchisee and enter into account agreements in their behalf. You also may permit unit franchisees to enter into Vanguard Cleaning Systems® account contracts and to authorize you to be their exclusive agent for billing and collection purposes. Approved services currently include those commercial janitorial/facilities maintenance services Vanguard has associated with the Marks. You have an obligation to protect the integrity and goodwill associated with Vanguard's Marks by ensuring that brand standards are maintained for the protection of the brand. There are no contractual limits on Vanguard's right to modify authorized services. If you wish to offer, or to offer through subfranchisees or subcontractors, certain commercial janitorial and building/facilities maintenance services not previously authorized by us for the system or provided by or through your Area Franchise business, you have to request our written authorization before offering or providing those services. If we agree to your request, we can condition our authorization on certain protections, such as requiring you to offer or provide the requested services under a separate company, to fully indemnify us, and to have sufficient insurance to cover your indemnification obligations to us.

Each of your subfranchisees is required to sign a separate subfranchise agreement with you. We are not a party to the subfranchise agreement and have no performance obligations under it. A copy of the subfranchise agreement suggested form in effect as of the date of this Disclosure Document is attached as Exhibit E. to the Master Franchise Agreement. We also prepare a template franchise Disclosure Document that you adapt for use in your Development Area. You have the exclusive responsibility for ensuring with your franchise counsel that all documents are compliant with the laws

applicable to your Development Area and for any required state filings and that you comply with all franchise sales and business opportunity laws.

You will give us a copy of each disclosure document we may request and will not use or file any disclosure document we disapprove. However, we have no duty to review your disclosure document.

You may not solicit or do business with accounts outside of your Development Area, and any Vanguard Cleaning Systems accounts serviced by your subfranchisees' franchised businesses must be located in the Development Area.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

	PROVISION	SECTION IN AGREEMENT	SUMMARY
a.	Length of the franchise term	Section 2.1	20 years from date of Agreement.
b.	Renewal or extension of the term	Section 2.2	One additional 20 year successor term.
c.	Requirements for you to renew or extend	Section 2.2	You will be required to sign a new form of Master Franchise Agreement (including any applicable successor term addendum) or a successor term agreement, either of which may include materially different terms and conditions than your original contract, including higher fees/rates. Our current form of successor term addendum is attached as Exhibit O, but we can change the form over time. Additionally, you must: have substantially complied with the Master Franchise Agreement, give 180 days notice, sign a general release of claims against Vanguard, pay a $10,000 successor franchise fee, cure any defaults and pay amounts owed to Vanguard or affiliates.
d.	Termination by you	N/A	You may only terminate as may be provided by law. There is no contract provision for this.
e.	Termination by Vanguard without cause	N/A	Vanguard may only terminate for cause as provided below.

	PROVISION	SECTION IN AGREEMENT	SUMMARY
f.	Termination by Vanguard with cause	Sections 10.1 and 10.2	Section 10.2 provides specific grounds for immediate termination; other defaults require prior notice.
g.	"Cause" defined – curable defaults	Section 10.1	Termination if default not cured after 30 days notice of any default in any obligation under Master Franchise Agreement or under any other agreement with us, except where immediate termination provisions apply.
h.	"Cause" defined – non-curable	Sections 4.1 and 10.2	Not paying amounts due by five days after notice, not starting operation of franchise on time or failure to complete the On-Boarding process, abandonment of Franchised Business, bankruptcy or insolvency of you or owner of your controlling interest, seizure of assets, criminal conviction or no contest plea, unauthorized transfer, repeated defaults of same provision in a 12 month period whether or not corrected after notice, misrepresentations in acquiring franchise, noncompliance with law for 30 days after notice, violation of Restrictive Covenants of Article 8, imminent danger to public health or safety, 3 or more defaults under any provisions within 24 months, failure to maintain at least the minimum required insurance coverage, non-authorized use of Marks, Confidential Information or intellectual property, not paying undisputed Franchise Business debts within 15 days (or shorter period if applicable) after due date, engaging or being involved in activity that may have an adverse impact on the operation or reputation of your Franchised Business or us or our System.
i.	Your obligations on termination or nonrenewal	Article 11	Stop using Marks, including in web sites, web pages and social media, and de-identify, stop using Confidential Information, return all proprietary or confidential items, pay amounts due Vanguard, comply with post-termination noncompetition covenants, transfer subfranchise agreements and janitorial accounts to Vanguard if it elects to acquire them. A "nonrenewal" in this context means we and you do not enter into an extension of your Master Franchise Agreement or into a successor Master Franchise Agreement at the expiration of the initial term, regardless of the reason.

	PROVISION	SECTION IN AGREEMENT	SUMMARY
j.	Assignment of contract by Vanguard	Section 9.1	There is no restriction on our right to assign.
k.	"Transfer" by you – definition	Section 9.2	Any voluntary or involuntary assignment, transfer or sale of the Master Franchise Agreement, the franchise granted, or any ownership interest in the Subfranchisor, the Franchised Business or the assets used in it. Any Subfranchisor merger, consolidation or issuance of new securities.
l.	Vanguard's approval of transfer by franchisee	Section 9.2	Your transfers require Vanguard's prior written consent, except for transfer to an immediate family member that does not change control of the franchise, which only requires advance notice to Vanguard.
m.	Conditions for Vanguard approval of transfer	Section 9.3	You must be in compliance with the Master Franchise Agreement and transferees must be approved by Vanguard. For transfers of the agreement, the franchise, the Franchised Business or its assets or a Controlling Interest, these conditions apply also: We decline right of first refusal; you pay all amounts owed to us; new Designated Owner completes On-Boarding program and pays then current fee, if we so require; transferee takes assignment of applicable subfranchise agreements; transferee assumes your obligations under your master franchise agreement or signs new master franchise agreement if we require it (possibly with higher fees/rates than yours and other materially different terms) and any other documents as are then customarily used by us for a transfer, including personal guarantees; you and transferee sign any then-current consent to transfer forms; we receive transfer fee; you release us from all claims, to the extent permitted by law; amounts due you by transferee are subordinate to amounts transferee must pay us; your terms can't be too burdensome on transferee; we may require the transferee to form a new entity for conducting the Area Franchise Business; and you agree to the noncompetition restrictions, subject to local law. The current form of Consent To Transfer to a Third Party is attached as Exhibit M but is subject to change.

	PROVISION	SECTION IN AGREEMENT	SUMMARY
n.	Vanguard's right of first refusal to acquire your business	Section 9.6	You must notify us 45 days before proposed transfer of the agreement, the franchise, assets of the Franchised Business or a transfer that will change Controlling Interest. We have 10 business days after receiving all information required in the notice to match the terms. Does not apply to transfers to immediate family members or to the owner with a controlling interest.
o.	Vanguard's option to purchase your business	Sections 11.2 and 11.3	We have the right on termination, expiration or nonrenewal of the Master Franchise Agreement to acquire your subfranchise agreements without payment of consideration and/or to acquire your rights/interests in janitorial accounts for three times the monthly janitorial account volume using the last full month of operation, 50% down and balance paid over 60 months at prime interest.
p.	Your death or disability	Section 9.4	Heirs or representatives of the owner of the controlling interest may continue operating the franchise in compliance with the agreement, but the interest must be transferred within six months after death or disability subject to all the provisions of Section 9.3, with limited exceptions for immediate family of a Subfranchisor owner.
q.	Noncompetition covenants during the term of the franchise	Sections 4.10 and 8.4	You and your owners cannot operate or have an interest in any business providing janitorial/building maintenance services or contracting to provide those services or franchising others to operate such businesses.
r.	Noncompetition covenants after the franchise is terminated or expires	Section 8.5	For two years after termination, expiration or nonrenewal of the franchise, you and your owners cannot operate or have an interest in any business providing janitorial/building maintenance services or any other service you, your unit franchisees or a related company offered, or which contracts to provide those services or franchises others to operate such businesses in or within a 25-mile radius of the Development Area, to the extent permitted under applicable law.
s.	Modification of the agreement	Section 14.8	Agreement can only be modified by a writing signed by you and Vanguard. We can change our manuals and brand standards without your consent or approval.

	PROVISION	SECTION IN AGREEMENT	SUMMARY
t.	Integration/merger clauses	Section 14.8	Only the terms of the Master Franchise Agreement and exhibits are binding (subject to state law). No waiver of FDD representations. Any representations or promises outside of the disclosure document and Master Franchise Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Article 13	Except claims that are specifically excluded in Article 13: i) disputes are subject to informal negotiation for a minimum of 30 days; and ii) if not resolved through 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 Master Franchise Agreement.
v.	Choice of forum	Article 13 and 14.7	The arbitration proceeding will be no more than 45 miles from your principal place of business in the Development Area. Class actions and specified damages waived to the extent permitted under applicable law. Please see state specific addendum, if applicable. Subject to Article 13, venue for any litigation will be in an appropriate state or federal court with jurisdiction in the County in which your principal place of business in the Development Area is located. Please see the state-specific addenda to the Disclosure Document and Master Franchise Agreement, if applicable.
w.	Choice of Law	Section 14.7	Except for Federal Arbitration Act and Lanham Act, law of the state in which your principal place of business in the Development Area is located applies. But the provisions of any such state's statute, regulation or law regarding franchises does <u>not</u> apply unless jurisdictional, definitional and other requirements are met independently.

Any provision in the Master Franchise Agreement that provides for termination upon bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec 101 et seq.).

Please read the state specific addenda to this Disclosure Document and to the Master Franchise Agreement (if any) for additional limitations and modifications of the provisions described in the table above and elsewhere in this Disclosure Document that may apply in your state.

ITEM 18
PUBLIC FIGURES

Vanguard 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.

This financial performance representation includes a historic representation of the average Gross Cash Collected cumulatively and by quartile of 43 Area Franchise Businesses in the United States. Each Area Franchise Business means an entity with one or more master franchise agreements. The data was compiled based on monthly royalty reports providing Gross Cash Collected summaries for the applicable month (the "Gross Cash Collected Reports") submitted to us by the 43 Area Franchisor Businesses in operation during the full 12-month period (January 1, 2025 – December 31, 2025). This financial performance representation does not include data from 3 affiliate-operated Area Franchise Businesses. 2 of the Area Franchise Businesses each operate under two distinct Master Franchise Agreements for different geographical areas ("Development Areas") and reported their Gross Cash Collected on a consolidated basis. "Gross Cash Collected" is defined in Note 1, below.

AVERAGE ANNUAL GROSS CASH COLLECTED FOR CALENDAR YEAR 2025

Number of Area Franchise Businesses	43
Average Gross Cash Collected	$5,744,512
Median Gross Cash Collected	$5,302,411
Low/High Range	$519,294 - $13,645,652

Of the 43 Area Franchise Businesses included in the calendar year 2025 data, 18 (42%) attained or exceeded Average Gross Cash Collected.

AVERAGE ANNUAL GROSS CASH COLLECTED 1ST QUARTILE (2025)

Number of Area Franchise Businesses	11
Average Gross Cash Collected	$9,926,763
Median Gross Cash Collected	$8,659,797
Low/High Range	$8,205,464 - $13,645,652

Of the 11 Area Franchise Businesses included in the 1st Quartile, 4 (36%) attained or exceeded Average Gross Cash Collected.

AVERAGE ANNUAL GROSS CASH COLLECTED 2ND QUARTILE (2025)

Number of Area Franchise Businesses	10
Average Gross Cash Collected Revenues	$6,606,045
Median Gross Cash Collected Revenues	$6,762,595
Low/High Range	$5,344,749 - $7,686,616

Of the 10 Area Franchise Businesses included in the 2nd Quartile, 4 (40%) attained or exceeded Average Gross Cash Collected.

AVERAGE ANNUAL GROSS CASH COLLECTED 3RD QUARTILE (2024)

Number of Area Franchise Businesses	11
Average Gross Cash Collected	$4,586,014
Median Gross Cash Collected	$4,765,957
Low/High Range	$3,395,673 - $5,059,485

Of the 10 Area Franchise Businesses included in the 3rd Quartile, 5 (50%) attained or exceeded Average Gross Cash Collected.

AVERAGE ANNUAL GROSS CASH COLLECTED 4TH QUARTILE (2025)

Number of Area Franchise Businesses	12
Average Gross Cash Collected	$1,995,234
Median Gross Cash Collected	$1,764,472
Low/High Range	$519,294 - $3,509,737

Of the 12 Area Franchise Businesses included in the 4th Quartile, 5 (42%) attained or exceeded Average Gross Cash Collected.

General Notes:

1. Gross Cash Collected means payments received by the Area Franchise Business from the sale of subfranchises; from commercial cleaning accounts; from janitorial product sales; from marketing fees and in any other manner from the use of the Marks or System, without deduction for taxes, Franchise Payables (as defined in Note 2) or the cost of goods sold. Royalties, insurance administration fees and business support fees (collectively "Contract Fees"), which are owed to the Area Franchise Businesses under the unit franchise agreements, are not delineated in Gross Cash Collected Reports as these amounts are deducted by the Area Franchisor from commercial cleaning account cash payments before remitting Franchise Payables to unit franchisees. Contract Fees generally represent an average of 20.5% of Gross Cash Collected, according to a 2023 survey of 29 out of 44 Area Franchise Businesses (median 20.4%; high-low range = 15.3% to 31%). 13 out of 29 Area Franchise Businesses (45%) exceeded the 20.5% average.

2. Area Franchisors perform billing and collection services for Vanguard® commercial cleaning accounts and are required to remit to their unit franchisees commercial cleaning account payments for services performed by the unit franchise businesses (the Franchise Payables), less deductions taken for royalties, business support fees, marketing fees, insurance and all other amounts owed to the Area Franchisor under the unit franchise agreements. Gross Cash Collected includes the gross payments from commercial cleaning accounts billed on behalf of unit franchisees, without deduction for Franchise Payables due to unit franchisees.

3. As used in this Item 19, "Quartile" refers to the relative performance of our Area Franchisors. Accordingly, the "1st Quartile" refers to the top 25% of performing Area Franchisors participating in our survey based on Gross Revenues, the "2nd Quartile" refers to the next highest 25% of performing Area Franchisors in the survey, and so on.

4. Of the 43 Area Franchise Businesses for which data is reported, 26 are operated by Area Franchisors that operated multiple Area Franchise Businesses themselves or with their affiliates/related companies throughout 2025.

5. The average length of time the 43 Area Franchise Businesses have been operating under their current ownership is 15 years. The median length of time the 43 Area Franchise Businesses have been operating under their current ownership is 16 years. The lowest and highest lengths of time in operation are 1 to 23 years. (Partial years have been rounded up). Note that 12 of the 43 Area Franchise Businesses acquired the assets of former Area Franchise Businesses, which had been established and operating for a varying number of years prior to the acquisition.

6. There have been no master franchise sales by Vanguard to persons outside of the Vanguard® franchise organization for approximately 12 years.**7. Some outlets have earned this amount. Your individual results may differ. There is no assurance you will earn as much.**

We have not audited or independently verified the Area Franchise Businesses' Gross Cash Collected information included in this Item 19, which is reported to us on a cash basis. Written substantiation for the financial performance representation will be made available to the prospective master franchisee upon reasonable request.

Other than the preceding financial performance representation, Vanguard Cleaning Systems, Inc. does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing a master franchise, however, we may choose to provide you with the actual records of that company. If you receive any other financial performance information or projections of your future income from our employees or representatives, you should report it to the franchisor's management by contacting Ray Lee, President, Vanguard Cleaning Systems, Inc., 655 Mariners Island Boulevard, San Mateo, CA, Suite 303, 94404, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Subfranchisor Summary
For the Fiscal Years 2023, 2024 and 2025

Outlet Type	Year	Subfranchisors at the Start of the Year	Subfranchisors at the End of the Year	Net Change
Franchised	2023	48	48	0
	2024	48	48	0
	2025	48	45	-3
Company-Owned*	2023	1	1	0
	2024	1	1	0
	2025	1	3	+2
Total Outlets	2023	49	49	0
	2024	49	49	0
	2025	49	48	-1

The above chart and the Master Franchise charts that follow are tabulated based upon the number of Master Franchise Agreements in effect as of the applicable year end. Some Area Franchisors operate in multiple regions under a single master franchise agreement, and these Area Franchisors are identified in Exhibit G – List of Active Subfranchisors. Chart adjustments have been made to eliminate Canadian subfranchisors and satellite office locations operated under a single Master Franchise Agreement.

* We do not grant any franchises for commercial cleaning businesses, but our affiliate, RR Franchising, Inc., KY Franchising and IN Franchising operate an Area Franchise Businesses. As noted in Item 1, we and RR Franchising, Inc. are considered affiliates only because the same individual holds the majority of shares in all four companies, but they are separate and distinct companies. Our affiliates are also included in Table 3 because they operate under a master franchise agreement. VCS International is a subsidiary established to grant Vanguard master franchises exclusively in select international markets, and thus is not included as a Company-Owned unit in the above table.

Table No. 2
Transfers of Regions from Subfranchisors to New Owners (other than the Franchisor)
For the Fiscal Years of 2023, 2024 and 2025

State	Year	Number of Transfers
Virginia*	2023	1
	2024	0
	2025	0
North Carolina	2023	0
	2024	0
	2025	1

State	Year	Number of Transfers
Tennessee	2023	0
	2024	0
	2025	1
Total	2023	1
	2024	0
	2025	2

* This development area was purchased by a subfranchisor that is related to another subfranchisor operating in a separate development area under a separate master franchise agreement.

Table No. 3
Status of Subfranchisors
For the Fiscal Years of 2023, 2024 and 2025

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	2023**	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
AR	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
AZ	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
CA	2023**	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	0	5
CO	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
DE	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1

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	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	0	5
GA	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
IA	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
ID	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
IL	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
IN	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
KY	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
MD	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
MI	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
MN	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1

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
NV	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
NC	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
NE	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
NJ	2023**	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
NM	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
NY	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
OH	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
OR	2023	1	0	0	0	1	0	1**
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
PA	2023**	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
TX	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	0	4

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
TN	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
UT	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
VA	2023*	2	0	0	0	0	1	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
WA	2023**	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
WI	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Total**	2023	48	1	0	0	1	0	48
	2024	48	0	0	0	0	0	48
	2025	48	0	0	0	0	0	48

*Two Development Areas were purchased by the shareholders of two other Subfranchisors and combined into a single Development Area operating under a single master franchise agreement.

** Adjustments have been made to eliminate Canadian area franchisors and satellite office locations operated under a single Master Franchise Agreement.

A list of all Vanguard Subfranchisors as of December 31, 2025, is attached to the Disclosure Document as Exhibit G. A list of all Vanguard Subfranchisors who have left the Vanguard system in the year ending December 31, 2025, is attached as Exhibit H.

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

In some instances, former franchisees sign provisions restricting their ability to speak openly about their experiences with the Vanguard Cleaning Systems franchise system. Certain of our former Area Franchisors signed confidentiality clauses in the last three years. You may wish to speak with current and former Area Franchisors but be aware that not all former Subfranchisors will be able to communicate with you.

Table No. 4

Status of Company Owned Subfranchisor Outlets
For the Fiscal Years of 2023, 2024 and 2025

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
California	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1*
	2025	1	0	0	0	0	1
Indiana	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	1	0	0	1
Kentucky	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	1	0	0	1
Total Outlets	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	2	0	0	3

* We do not grant any franchises for commercial cleaning businesses, but our affiliate, RR Franchising, Inc., IN Franchising and KY Franchising, operate Area Franchise Businesses. As noted in Item 1, we and RR Franchising, Inc., IN Franchising and KY Franchising, are considered affiliates only because the same individual holds the majority of shares in each company, but they are separate and distinct companies with different shareholder structures.

Table No. 5
Projected New Master Franchises
As of December 31, 2025

State	Master Franchise Agreements Signed But Outlet Not Opened as of December 31, 2025	Projected New Master Franchised Outlets in the Next Fiscal Year (2026)	Projected New Company-Owned Outlet In the Next Fiscal Year
Oklahoma	0	1	0
Louisiana	0	1	0
Missouri	0	1	0
Total	0	3	0

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

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit I are our audited financial statements for the fiscal years ending December 31, 2025, 2024, and 2023. Our fiscal year end is December 31st.

ITEM 22
CONTRACTS

The following Exhibits to this Disclosure Document are the contracts used by us in offering franchises: Exhibit A is the Master Franchise Agreement, which includes a template subfranchisee (aka "unit franchise") agreement; Exhibit D is the Promissory Note; Exhibit E is the Security Agreement; Exhibit F is the Software License Agreement; Exhibit M is the Consent to Transfer to a Third Party; and Exhibit N is the Current Form of Addendum to Franchise Agreement For Existing Subfranchisors And Their Related Companies and Exhibit O is the Successor Term Addendum to Master Franchise Agreement.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

SUPPLEMENT TO DISCLOSURE DOCUMENT

STATE REQUIRED ADDENDA

ADDENDUM TO THE VANGUARD CLEANING SYSTEMS, INC.

FRANCHISE DISCLOSURE DOCUMENT

DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF HAWAII

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

IILLINOIS ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

AND MASTER FRANCHISE AGREEMENT

1. Illinois law governs the franchise agreement, other than any provision to the contrary contained in the franchise agreement which is deemed duly enforceable in legal proceedings between the parties.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. Franchisees rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
5. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FRANCHISOR
VANGUARD CLEANING SYSTEMS, INC.

By: _____
Signature

Print Name:_____

Title: _____

Date: _____

SUBFRANCHISOR_____

By: _____
Signature

Print Name:_____

Title: _____

Date: _____

MINNESOTA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

AND MASTER FRANCHISE AGREEMENT

1. Minnesota Statutes §80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of jurisdiction.

2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statues Section 80C.14, Subdivisions 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.

3. Item 13 of the Franchise Disclosure Document is modified with respect to Minnesota Franchisees as follows: The Minnesota Department of Commerce requires that the Franchisor indemnify Minnesota Franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of the Franchisor's trademarks or service marks infringes trademark rights of some third party. The Franchisor does not indemnify against the consequences of the Franchisee's use of the Franchisor's trademark except in accordance with the requirements of the franchise (and to the extent validly required as a condition to registration), and, as a condition to indemnification, the Franchisee must provide notice to the Franchisor of any such claim within 10 business days and tender the defense of claim to the Franchisor. If the Franchisor accepts the tender of defense, the Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
d to determine whether to appeal a final determination of the claim.

4. Minn. Rule 2860.4400J prohibits a franchisee from waiving its rights to a jury trial or waiving its rights to any procedure, forum or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes.

5. Any releases required as a condition of renewal and/or assignment/transfer will not apply to claims that may arise under the Minnesota Franchises Law.

6. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

7. THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

8. THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7

DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

VIRGINIA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Vanguard Cleaning Services, Inc. for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 17.h.

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

EXHIBIT A

TO THE MASTER FRANCHISE DISCLOSURE DOCUMENT

MASTER FRANCHISE AGREEMENT

VANGUARD CLEANING SYSTEMS®

MASTER FRANCHISE AGREEMENT

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VANGUARD CLEANING SYSTEMS

MASTER FRANCHISE AGREEMENT

THIS MASTER FRANCHISE AGREEMENT (this "Agreement") is effective on the _____ day of _____, 20____ (the "Effective Date") by and between Vanguard Cleaning Systems, Inc., a California corporation ("COMPANY"), and _____, a _____ [corporation] [limited liability company] ("SUBFRANCHISOR" or "Area Franchisor"), with reference to the following facts:

A. COMPANY is the owner of certain proprietary and other property rights and interests in and to:

(i) the service mark "VANGUARD CLEANING SYSTEMS®" and such other related Marks, trade names, service marks, logotypes, insignias, trade dress and designs as COMPANY may use from time to time (the "Marks"), which Marks as they currently exist are listed on Exhibit A attached hereto and made a part hereof, and

(ii) the processes, standards, know-how, customized software programs and proprietary information (the "System") for conducting and developing a franchise organization focusing upon the grant of Vanguard Cleaning Systems® franchises to independent businesses that provide commercial janitorial and building/facilities maintenance services under the "Vanguard Cleaning Systems" service marks and such other services as COMPANY may authorize from time to time (each a "Janitorial Business").

B. COMPANY desires to expand and develop its business under the Marks and the System, and seeks a subfranchisor who will recruit, assist, support and make instructional and informational programs available to Vanguard Cleaning Systems subfranchisees ("Subfranchisees") to operate independent Janitorial Businesses under the Marks and System within the Development Area as defined herein, while preserving the integrity of COMPANY's Marks, System, trade name and goodwill at all times (the "Franchised Business").

C. SUBFRANCHISOR desires to develop and operate an independent Franchised Business as an Area Franchisor of COMPANY using the Marks and the System, and COMPANY desires to grant to SUBFRANCHISOR the right to do so under the terms and conditions contained in this Agreement and in consideration of the obligations assumed by SUBFRANCHISOR under this Agreement.

WHEREFORE IT IS AGREED

1. GRANT OF MASTER FRANCHISE

1.1. Grant of Master Franchise

COMPANY hereby grants to SUBFRANCHISOR upon the terms and subject to the conditions of this Agreement, and SUBFRANCHISOR hereby accepts the right and obligation to recruit, screen, assist, support and make instructional and informational content available to Subfranchisees to operate independent Janitorial Businesses in the Development Area more fully described in Exhibit B, which is attached hereto and made a part hereof.

1.2. Development Area Protection

(a) For so long as this Agreement remains in effect COMPANY shall not directly establish or franchise any Janitorial Businesses in the Development Area, nor will COMPANY grant to anyone else area franchise rights to license independent Subfranchisees operating Janitorial Businesses within the Development Area. Notwithstanding the foregoing, COMPANY may acquire existing independent commercial cleaning/building maintenance services businesses, subject to the terms of Section 1.2(b) below. COMPANY may establish other Vanguard subfranchisors and franchisees at locations outside of the Development Area without regard to their proximity to the Development Area. COMPANY does not provide or promise marketing exclusivity within the Development Area. SUBFRANCHISOR acknowledges that it is impossible for COMPANY to ensure that other Vanguard franchisees or Subfranchisors will not market or provide service to accounts within the Development Area and there may be circumstances in which such activities by others in the Development Area are justified by business reasons.

(b) COMPANY reserves the right to acquire any existing independent commercial cleaning/building maintenance services businesses regardless of the location(s) of the acquired business or the accounts its serves, provided that if the acquired business is doing business within the Development Area COMPANY shall observe the requirements of this Section 1.2(b). If SUBFRANCHISOR is in full compliance with the terms of this Agreement and any other agreements with COMPANY, COMPANY shall offer to SUBFRANCHISOR the right to purchase and assume the accounts, contracts and other assets and obligations of the acquired business that are located within the Development Area, convert the business to one operating under the Marks and System and operate it as part of the business operated under this Agreement, or subfranchise the acquired business such that it operates as Subfranchisor's subfranchisee under the Marks and System. SUBFRANCHISOR shall have 10 business days after receipt of notice of the offer to accept it in writing. The price for the business offered to SUBFRANCHISOR shall be approximately the same price COMPANY paid for it, using any reasonable allocation method where the assets and liabilities offered to SUBFRANCHISOR relative to the Development Area were not the only ones acquired or assumed by FRANCHISOR in the transaction. If SUBFRANCHISOR does not accept any such offer or fails to purchase the business after accepting such offer, FRANCHISOR may convert the business that was offered to the Marks and System or continue to operate it under other names and marks. In any event, Franchisor may own and operate such acquired businesses directly or through its affiliates, or otherwise franchise all or part of such businesses to any party.

(c) SUBFRANCHISOR may not award franchises to Subfranchisees operating Janitorial Businesses outside of the Development Area. SUBFRANCHISOR also may not solicit, service or sell to (or permit its Subfranchisees to solicit, service, or sell to) janitorial accounts outside of the

Development Area without COMPANY's prior written consent, which may be granted or withheld in COMPANY's sole discretion.

(d) COMPANY reserves all rights in the Development Area and otherwise which are not expressly granted to SUBFRANCHISOR under this Agreement.

2. INITIAL TERM AND SUCCESSOR TERM

2.1. Term

The term of this Agreement (the "Term") shall be for a period of TWENTY (20) YEARS, commencing on the Effective Date hereof, unless sooner terminated in accordance with the provisions herein.

2.2. Successor Franchise

If SUBFRANCHISOR has substantially complied in all respects with the terms and conditions of this Agreement during its initial term, SUBFRANCHISOR will have the right to a successor franchise for ONE (1) ADDITIONAL TERM of TWENTY (20) YEARS but only if SUBFRANCHISOR:

(a) Provides written notice to COMPANY of intent to enter into a successor franchise term at least one hundred eighty (180) days before expiration of the initial term; and

(b) At least thirty (30) days before expiration of the initial term, at COMPANY's election, either signs a verification of extension of this Agreement for another twenty (20) years along with any then current renewal term addendum or executes COMPANY's then-current form of master franchise agreement for the additional twenty (20) year term, both of which may contain terms materially different from those herein, including but not limited to increased fees and rates, and which may include modified terms as appropriate for SUBFRANCHISOR's successor master franchise rights (e.g., no further terms, no on-boarding program option, payment of successor franchise fee instead of initial master franchise fee, etc.); and

(c) Executes a general release along with its owners in the form required by COMPANY releasing COMPANY and related parties from any and all claims arising up to and through the expiration date of the initial term. For purposes of this Agreement, a "general release" is COMPANY'S then current form releasing COMPANY and COMPANY affiliates, as defined in Section 2(f), and the officers, employees, agents, shareholders, members, directors and partners of any of the foregoing, from any and all claims, liabilities and/or obligations, of any kind or nature, known or unknown, and arising before the date of the release; and

(d) Pays COMPANY at least thirty (30) days before expiration of this Agreement a successor term fee of Ten Thousand Dollars ($10,000.00); and

(e) Prior to expiration of the initial term, cures any defaults which may arise prior to expiration provided that the foregoing will not diminish any of COMPANY's rights to refuse to enter into a successor term with SUBFRANCHISOR if SUBFRANCHISOR has not substantially complied with this Agreement throughout the term nor will it diminish any of COMPANY's rights to terminate this Agreement for noncompliance as provided in Section 10 of this Agreement; and

(f) Pays any amounts owed to COMPANY or any of its affiliates. For purposes of this Agreement, an "affiliate" is an entity which controls, is controlled by or is under common control with another entity.

3. OBLIGATIONS OF COMPANY

3.1. On-Boarding Program

(a) Not later than forty-five (45) days after the date of this Agreement (unless otherwise agreed by the parties), SUBFRANCHISOR shall complete Company's on-boarding program as provided herein and in Section 4.1 of this Agreement (the "On-Boarding program"). Such On-Boarding program is to inform SUBFRANCHISOR about COMPANY's System standards (collectively, the "Brand Standards"), to provide information on managing an area franchisor business and to inform about other matters that the COMPANY deems appropriate regarding the System. Instructional content will be provided at a location or locations designated by COMPANY. SUBFRANCHISOR shall bear all travel and living expenses of its personnel in connection with such program. The number and type of personnel to be used by COMPANY to provide the program information shall be wholly within the discretion of COMPANY. Such On-Boarding program shall be of such duration as COMPANY shall determine to be necessary to enable SUBFRANCHISOR to perform its obligations and to operate the Franchised Business pursuant hereto and to ensure that the integrity of COMPANY's Marks, trade name and goodwill are preserved.

(b) After the opening of the Franchised Business, at no additional charge to SUBFRANCHISOR, COMPANY shall provide additional consulting to SUBFRANCHISOR. Such consulting may be provided on-site, by phone or by videoconferencing and the frequency, timing and scheduling of any such session(s) shall be established by COMPANY in its discretion.

3.2. Manuals

During the Term of this Agreement, COMPANY will loan SUBFRANCHISOR one copy of the Manuals, which are a component of the System. "Manuals" means the compilation of System information contained in one or more guides, manuals or other publications on various subjects. Manuals can be communicated to SUBFRANCHISOR in different mediums, including electronic. SUBFRANCHISOR 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 the day to day operation of SUBFRANCHISOR'S Franchised Business. COMPANY can make additions, deletions or modifications to the Manuals. The Manuals are the property of COMPANY, and may not be duplicated, copied, disclosed or disseminated in whole or in part in any manner except with COMPANY's express prior written consent. SUBFRANCHISOR shall, however, provide each Subfranchisee with one (1) copy of the Subfranchisee manuals, as provided in each Subfranchise Agreement. SUBFRANCHISOR shall maintain the confidentiality and contents of the Manuals and the Subfranchisee manuals. Upon the termination of this Agreement, SUBFRANCHISOR shall return to COMPANY all copies of the Manuals and Subfranchisee manuals in its possession or control. A breach of Brand Standards is a breach of this Agreement.

3.3. Custom Software Programs

COMPANY will offer SUBFRANCHISOR one copy each of its custom account management software program and accounting software program to assist SUBFRANCHISOR in the operation of the Franchised Business. SUBFRANCHISOR may use COMPANY's programs or may independently obtain and use programs from an unrelated software provider. COMPANY will also offer SUBFRANCHISOR

any upgrades or modifications of its custom software programs which may be developed by or for COMPANY. SUBFRANCHISOR shall be responsible for such costs and expenses associated with Company's custom software programs and any related upgrades and modifications, and the installation thereof, as are provided in the then current software license agreement pertaining to the COMPANY software. SUBFRANCHISOR is solely responsible for obtaining a compatible computer system for the efficient operation of the applicable software. If SUBFRANCHISOR elects to use COMPANY'S customized programs, as described in this Section 3.3, above, SUBFRANCHISOR will enter into a license agreement governing the rights to use the software in the form attached to this Agreement as Exhibit D. COMPANY reserves the right to establish specifications for a computer system or computer programs to be used in the Franchised Business at any time in its discretion.

3.4. Advertising and Marketing Materials

COMPANY shall provide to SUBFRANCHISOR from time to time advertising and marketing materials or samples of advertising and marketing materials for SUBFRANCHISOR to use or customize for use in connection with the solicitation of accounts and the recruitment of Subfranchisees within the Development Area.

3.5. Additional Assistance of COMPANY

COMPANY will make available to SUBFRANCHISOR the benefits of COMPANY's information, experience, advice, guidance, and know-how in the manner and to the extent that COMPANY considers appropriate.

4. OPERATION OF THE FRANCHISED BUSINESS

4.1. Opening Requirements and On-Boarding

(a) SUBFRANCHISOR must commence the Franchised Business under the Marks and the System no later than ninety (90) days after the effective date of this Agreement. Specifically, SUBFRANCHISOR must have fulfilled the following conditions to opening within the ninety (90) day period:

i. Have established an office at a location within the Development Area which is ready and suitable for the operation of the Franchised Business;

ii. Have procured all insurance required under this Agreement;

iii. Have prepared a franchise disclosure document for the sale of subfranchises meeting all then-current requirements of applicable laws;

iv. Have obtained all required licenses and permits for the operation of the Franchised Business, including any required registrations of the subfranchisee offering;

v. Have hired and trained all staff necessary for the operation of the Franchised Business;

vi. Have delivered to COMPANY a copy of SUBFRANCHISOR'S articles of incorporation as filed with the state or operating agreement, as applicable, and the related state-issued entity/file number and federal identification number; and

vii. Have paid the On-Boarding fee and completed the Vanguard® On-Boarding program to COMPANY'S satisfaction.

(b) SUBFRANCHISOR'S Designated Manager must successfully complete the On-Boarding program before operating the Area Franchise Business. The On-Boarding fee for the program is as provided in Section 5.4 of this Agreement and is non-refundable. Such fee covers participation in the On-Boarding program for the Designated Manager and one or more additional Subfranchisor owners. There is no reduction or adjustment of the fee if only one individual participates in the On-Boarding program. The Designated Owner identified on Exhibit B to this Agreement must satisfy all On-Boarding and other franchise operations requirements. COMPANY can choose in its discretion to eliminate or shorten the program for persons who previously were involved in the operation of an Area Franchise or have comparable experience.

(c) The On-Boarding program will be at a time and place, and for such period, as COMPANY specifies. SUBFRANCHISOR will be responsible for all travel, living, incidental and other expenses for the Designated Manager and other owners/personnel attending the On-Boarding program and any other conferences or meetings, unless COMPANY agrees otherwise in writing.

(d) If COMPANY determines in its sole judgment that SUBFRANCHISOR has not successfully completed or is not making satisfactory progress in the On-Boarding process, COMPANY can either: (i) require that an alternative owner or other acceptable substitute complete the process, or (ii) terminate this Agreement. If COMPANY elects to terminate, then it will refund to SUBFRANCHISOR any Master Franchise Fee paid to COMPANY, less Ten Thousand Dollars ($10,000) to cover COMPANY'S sales and other expenses, provided that SUBFRANCHISOR returns any Manuals and other materials provided by COMPANY and SUBFRANCHISOR and its owners sign COMPANY'S form general release and mutual termination agreement, which preserves the post-termination provisions of this Agreement.

4.2. Equipment

SUBFRANCHISOR will at its sole expense provide all necessary equipment, furniture, fixtures, business forms and supplies and other materials (collectively "Equipment") for operation of the Franchised Business. COMPANY may reasonably change, modify and/or update any recommended Equipment specifications applicable to the Franchised Business from time to time.

4.3. Recruiting and Maintaining Subfranchisees

SUBFRANCHISOR shall use best efforts to actively recruit and maintain Subfranchisees to operate independent Janitorial Businesses within the Development Area.

4.4. Compliance with Franchise Laws

(a) In connection with SUBFRANCHISOR's solicitation of Subfranchisees and the execution and performance of all Subfranchise Agreements entered into in connection therewith, SUBFRANCHISOR shall comply with, and conduct all franchise promotion, advertising, recruitment and other activities in accordance with the Federal Trade Commission Franchise Rule (the "FTC Rule"), all

applicable state laws relating to the offer and sale of franchises and to franchise terminations, transfers and renewals and other franchise relationship issues, and all other applicable laws, rules and regulations. SUBFRANCHISOR shall prepare its own franchise disclosure document by having a qualified franchise attorney adapt COMPANY's form of franchise disclosure document to include all required information about SUBFRANCHISOR and provide such other material information as may be required under the circumstances. SUBFRANCHISOR'S disclosure document and related agreements will clearly describe the fact of SUBFRANCHISOR'S status as an independently owned and operated area franchisor, separate and distinct from COMPANY, and state that the only parties to a Subfranchisee's franchise agreement will be the Subfranchisee and SUBFRANCHISOR, with COMPANY having no obligation to Subfranchisee of any kind. SUBFRANCHISOR's franchise disclosure document will be prepared by a qualified franchise attorney and amended as necessary in accordance with the Franchise Registration and Disclosure Guidelines of the North American Association of Securities Administrators, the Federal Trade Commission Rule on Franchising and with any other requirements of applicable federal or state law. It will be SUBFRANCHISOR's sole responsibility to have and generate audited financial statements of SUBFRANCHISOR on a timely basis for inclusion in SUBFRANCHISOR's franchise disclosure document. SUBFRANCHISOR shall register its subfranchise offering and maintain proper franchise registrations in all states and jurisdictions where such registration is or shall be required and shall at all times comply with all of the provisions of all other applicable federal, state or local statutes, rules or ordinances. SUBFRANCHISOR shall provide COMPANY a copy of each disclosure document Company may request and agrees not to use or file any disclosure document or portion thereof disapproved by COMPANY.

(b) COMPANY'S failure to disapprove all or any portion of SUBFRANCHISOR's disclosure document shall not constitute a warranty or representation by COMPANY that said document complies with any applicable law or that the disclosures therein made by SUBFRANCHISOR are truthful and accurate, nor shall COMPANY'S review of or failure to disapprove any such document in any way waive, reduce or impair the COMPANY's right to be indemnified by SUBFRANCHISOR pursuant to Section 12.1 of this Agreement. COMPANY has no duty to SUBFRANCHISOR to review its disclosure documents.

(c) SUBFRANCHISOR shall maintain accurate and complete books and records of all of its subfranchise sales.

4.5. Signing of Prospective Franchisees

Each Subfranchisee of SUBFRANCHISOR shall enter into a separate Subfranchise Agreement between SUBFRANCHISOR and such Subfranchisee. A copy of COMPANY's current form of Subfranchise Agreement is attached hereto as Exhibit E. SUBFRANCHISOR shall prepare its own Subfranchise Agreement by having a qualified franchise attorney adapt COMPANY's form of Subfranchise Agreement for compliance with local law and as may be required under the circumstances.

4.6. Compliance with Brand Standards

SUBFRANCHISOR acknowledges that the Vanguard Cleaning Systems brand and image are core benefits of the franchise network and that, like SUBFRANCHISOR, Vanguard Cleaning Systems subfranchisees and other subfranchisors join the Vanguard Cleaning Systems franchise network to enjoy such benefits. COMPANY and SUBFRANCHISOR agree that the predictability of high quality products/services, product/service consistency of performance and similar factors are of key importance to Vanguard Cleaning Systems commercial cleaning services accounts and prospective accounts, to building a positive image and reputation for the Vanguard Cleaning Systems brand and franchise network, and to both

individual Subfranchisees and overall franchise network growth. COMPANY can establish minimum brand standards and SUBFRANCHISOR will abide by and cause its Subfranchisees to meet such minimum standards and policies. Neither the System nor any such brand standard shall mandate security-related policies or personnel policies or procedures, including those relating to hiring, firing, discipline, wages, scheduling and other terms and conditions of employment of SUBFRANCHISOR'S employees and contractors or subfranchisees' employees and contractors.

SUBFRANCHISOR shall also conduct the Franchised Business at all times in compliance with any required Brand Standards for area franchisors, as they may be modified from time to time by COMPANY, to ensure that standards associated with the Marks are consistent, maintained and preserved by Vanguard Cleaning Systems area franchisor businesses.

4.7. Obligations to Subfranchisees

SUBFRANCHISOR shall fully discharge and perform all of its obligations and duties to its Subfranchisees whether arising under the Subfranchise Agreements, under this Agreement or by operation of law. Without limiting the foregoing, SUBFRANCHISOR will provide all Subfranchisees with an opportunity to participate at their option in the SUBFRANCHISOR'S business system educational program (the "Business System Program") and make available billing and collections of accounts according to the terms of the applicable Subfranchisee's franchise agreement. SUBFRANCHISOR will be available during normal business hours to provide guidance and support to Subfranchisees.

4.8. Additional Assistance and Services

SUBFRANCHISOR shall provide all Subfranchisees with such additional assistance and services as may reasonably be required from time to time in connection with the operation of their independent Janitorial Businesses within the Development Area, the advertising and promotion of such Janitorial Businesses, and the use of the Marks and System at such Janitorial Businesses and compliance with any related required Brand Standards.

4.9. Performance by Subfranchised Janitorial Businesses

SUBFRANCHISOR will cause its Subfranchisees to conduct their independent Janitorial Businesses in accordance with their Subfranchise Agreements and any required Brand Standards to maintain the integrity of the Marks and related good will and to ensure the consistent quality of services to be provided under the Marks. SUBFRANCHISOR shall promptly inform all its Subfranchisees of any modifications to Subfranchisee manuals and Brand Standards.

4.10. Authorized Services

(a) SUBFRANCHISOR's Subfranchisees will offer and provide through their independent Janitorial Businesses such commercial janitorial, building/facilities maintenance services and other services as COMPANY may authorize from time to time, as determined in COMPANY'S discretion. COMPANY may add to, subtract from, and otherwise amend such authorized services from time-to-time upon notice to SUBFRANCHISOR, who will be responsible for ensuring its Subfranchisees' compliance with such changes. SUBFRANCHISOR must ensure that accounts can obtain all janitorial and any other authorized services essential to meeting COMPANY'S minimum standards associated with the Marks, as determined by COMPANY. SUBFRANCHISOR and SUBFRANCHISOR'S Subfranchisees/subcontractors will not offer or provide any products/services not authorized in advance and in writing by SUBFRANCHISOR. If

SUBFRANCHISOR itself or through its Subfranchisees/subcontractors wishes to offer certain commercial janitorial and building/facilities maintenance services not previously authorized by COMPANY for Area Franchisors generally or specifically for SUBFRANCHISOR or its Subfranchisees/subcontractors, SUBFRANCHISOR shall request COMPANY'S advance written authorization before offering or providing any such services, which COMPANY can provide or deny in its discretion.

(b) COMPANY may choose to condition its authorization for services requested by SUBFRANCHISOR on protections for COMPANY, including possibly, but not limited to, requiring i) that any such services/products be offered/sold by a limited liability company, corporation or other type of legal entity (a "Related Company") separate and distinct from SUBFRANCHISOR so as to ensure that there is no confusion regarding the scope of services provided under the Vanguard Cleaning Systems® brand; ii) that SUBFRANCHISOR fully indemnify and hold COMPANY harmless from any costs, damages, claims, expenses or liabilities of any kind directly or indirectly arising out of or related to the offer/delivery of such service/product by SUBFRANCHISOR or its Related Company; and iii) that SUBFRANCHISOR provide evidence of insurance coverage sufficient to permit SUBFRANCHISOR to meet such indemnification obligations and any applicable minimum standards established by COMPANY. Revenues from all commercial janitorial, building/facilities maintenance services and other COMPANY-authorized services shall be included in SUBFRANCHISOR'S computation of Gross Revenues, as provided in Section 5.6 of this Agreement, whether received or generated by SUBFRANCHISOR or a Related Company or their respective subfranchisees/subcontractors.

4.11. Forms

COMPANY may choose to make certain forms and templates available to SUBFRANCHISOR for use in the Franchised Business from time to time. COMPANY does not warrant the legal sufficiency or quality of any such forms or language that COMPANY may provide. SUBFRANCHISOR is responsible for having all such items reviewed and modified for compliance with local law by an attorney licensed to practice in the state(s) in which SUBFRANCHISOR's Franchised Business will operate.

4.12. Account Contracts and Collections

SUBFRANCHISOR may in its discretion contract directly with accounts in connection with the Franchised Business or enter into account contracts on behalf of and as agent for any Subfranchisee. SUBFRANCHISOR also may permit Subfranchisees to enter into Vanguard Cleaning Systems® account contracts and to authorize SUBFRANCHISOR as its exclusive agent for billing and collection purposes. All such accounts shall be accounts of the Franchised Business for purposes of this Agreement. Each contract to which SUBFRANCHISOR is a signatory shall be executed in SUBFRANCHISOR'S name, clearly indicating that it is an independently owned and operated Vanguard Cleaning Systems® subfranchising business. SUBFRANCHISOR may not assign, pledge or grant any security interest in any customer contracts or customer accounts receivable of the Franchised Business without the COMPANY'S written consent.

4.13. Billing and Collections

SUBFRANCHISOR will handle billing and collection for Subfranchisees' Vanguard Cleaning Systems® accounts and will use reasonable commercial efforts to collect all amounts due in a timely manner, unless otherwise permitted by COMPANY in writing. SUBFRANCHISOR shall remit all

amounts due to its Subfranchisees from these collections in a timely manner and in accordance with the Subfranchise Agreements.

4.14. Compliance with Laws; Fulfillment of Obligations

SUBFRANCHISOR will comply with all federal, state and local laws, regulations and ordinances applicable to the Franchised Business, including, but not limited to, local or state licensing requirements, franchise law requirements, workplace and occupational safety requirements, employment regulations and zoning restrictions. While COMPANY may from time to time provide information about such laws, regulations and ordinances and may issue legal compliance guidelines, SUBFRANCHISOR is solely responsible for identifying and complying with those laws, regulations and ordinances applicable to the Franchised Business, including to the extent applicable privacy and data protection laws, rules and regulations, Fair Labor Standards Act, the Occupational Safety and Health Act, any state wage and hour 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. SUBFRANCHISOR is solely responsible for the payment of all taxes, debts, and other obligations of the Franchised Business and will promptly pay and discharge the same as they become due. SUBFRANCHISOR agrees to give COMPANY within three (3) days of receipt, a copy of any notice received by SUBFRANCHISOR from any state, local or governmental agency or body pertaining to compliance with any codes or legal requirements, or the failure to comply with any codes or legal requirements, involving SUBFRANCHISOR's Franchised Business or the franchised business of SUBFRANCHISOR's Subfranchisees. At no time will SUBFRANCHISOR'S employees, contractors or Subfranchisees be, or be deemed to be, COMPANY'S employees, contractors or subfranchisees.

4.15. Good Business Practices

SUBFRANCHISOR will conduct the Franchised Business in an ethical, competent, courteous and professional manner. SUBFRANCHISOR will not take or omit to take any action or permit any action by any person under its control that in its commission or omission may damage, tarnish or detract from COMPANY's name or good reputation or the value of the Marks. SUBFRANCHISOR hereby acknowledges and agrees that COMPANY may, from time to time at COMPANY'S sole discretion, obtain background checks on SUBFRANCHISOR and SUBFRANCHISOR'S principals for any legitimate business reason, and SUBFRANCHISOR, on behalf of itself and its principals, expressly consents to this practice and any background check made under it.

4.16. Communication with COMPANY

SUBFRANCHISOR will timely return all of COMPANY's telephone calls and respond to all other communications from COMPANY to which a response is requested.

4.17. Best Efforts and Owner Participation

SUBFRANCHISOR shall use best efforts to fully develop the business opportunity represented by this Agreement. One of the shareholders or members of SUBFRANCHISOR who is an individual and not a business entity will act as the Designated Manager, unless otherwise permitted by COMPANY in its sole discretion. The Designated Manager identified on Exhibit B to this Agreement shall personally operate and manage the Franchised Business on a day-to-day basis and shall have completed the On-Boarding program, as provided in Section 4.10 of this Agreement.

4.18. Group Insurance Program and Purchasing Program

COMPANY may, but is not required to, permit SUBFRANCHISOR to participate in any group insurance which COMPANY may offer to Vanguard Cleaning Systems® businesses in its sole discretion. If COMPANY offers such a program, SUBFRANCHISOR may make the group insurance coverage available to Subfranchisees. If COMPANY offers SUBFRANCHISOR the opportunity to participate in group insurance and SUBFRANCHISOR elects instead to independently obtain coverage, COMPANY can require SUBFRANCHISOR to enter into an independent coverage agreement or similar document to ensure COMPANY is afforded to its satisfaction coverage protection comparable to that available to COMPANY under the group insurance. Whether SUBFRANCHISOR participates in a group program, if offered by COMPANY, or obtains coverage independently, SUBFRANCHISOR shall ensure that the services provided by or through SUBFRANCHISOR'S Franchised Business and the Subfranchisees' Janitorial Businesses are covered under policies meeting at least the then current minimum coverage standards, as provided in Section 12.3 of this Agreement. COMPANY may also permit SUBFRANCHISOR to participate in other group purchasing programs of COMPANY as may be arranged from time to time by COMPANY at its option.

5. INITIAL FEE, ONGOING FEES, REPORTING AND AUDITS

5.1. Master Franchise Fee

SUBFRANCHISOR shall pay to COMPANY a Master Franchise Fee of $_____, which is fully earned and payable in full upon the execution hereof unless the COMPANY in its sole discretion agrees to provide financing. COMPANY may establish the terms and conditions of any such financing in its sole discretion. The Master Franchise Fee is entirely non-refundable, except as provided in Section 4.1 (d) of this Agreement.

5.2. Royalty

On or before the tenth (10th) day of each month, SUBFRANCHISOR shall pay COMPANY a monthly Royalty in an amount equal to five percent (5%) of the "Gross Revenue" of the Franchised Business (as that term is defined in Section 5.6 below) received in the prior month for each month or portion thereof during the term of this Agreement.

5.3. Business Development Fee

SUBFRANCHISOR will pay COMPANY a monthly Business Development Fee in the amount of one and one half percent (1.5%) of Gross Revenue, which will be paid to COMPANY at the same time and in the same manner as SUBFRANCHISOR pays monthly Royalties as provided in Section 5.2 above. The Business Development Fees are nonrefundable and may be used by COMPANY in its sole discretion for activities such as local search engine optimization; digital marketing; agency services; promotional, advertising, marketing and related activities; brand/image and website development; public relations, research and consulting services; stimulating account sales; any expenses associated with an advisory group established by COMPANY (if any); and for any other purpose which COMPANY considers reasonable to enhance the Marks and the System in any medium. COMPANY is under no obligation to spend the Business Development Fees for any particular purpose, at any particular time or in any particular geographical area(s), and all decisions about the use of these fees shall be made by COMPANY in its sole discretion. COMPANY is not obligated to ensure that each Area Franchisor will benefit directly, indirectly or in proportion to Business Development Fees it has paid. All Business Development Fees collected may be deposited into COMPANY's general funds and need not be held in a separate account. Even if the

Business Development Fees are separately held or designated to be part of a special fund, they will not be held as trust funds. COMPANY is not a fiduciary with respect to the Business Development Fees. The Business Development Fees when paid belong exclusively to COMPANY, and COMPANY may use them in any manner consistent with this Section 5.3, including, but not limited to, for salaries, administrative costs, overhead and other expenses COMPANY incurs in connection with activities conducted pursuant to this Section. If the actual Business Development Fee charged by COMPANY to SUBFRANCHISOR at any time is an amount less than one and one half percent (1.5%) of Gross Revenue, COMPANY shall have the right to make subsequent increases totaling up to the full one and one half percent (1.5%) of Gross Revenue.

5.4 On-Boarding Fee

SUBFRANCHISOR shall pay to COMPANY an On-Boarding Fee of Ten Thousand Dollars ($10,000) for participation in the COMPANY'S On-Boarding program. The fee is due to COMPANY not less than three (3) business days prior to the start of the scheduled program and is non-refundable.

5.5 Monthly Reports

SUBFRANCHISOR will submit to COMPANY by the tenth (10th) day of each month a monthly report of the Gross Revenue of the Franchised Business received in the prior month for each month or portion thereof during the term of this Agreement. This monthly report will be on such form and contain such information as COMPANY may require.

5.6 Gross Revenue

"Gross Revenue", as used in this Agreement, means any and all revenue received by SUBFRANCHISOR or the Franchised Business of any nature whatsoever from the sale of subfranchises, from the provision of services or the sale of products to Subfranchisees, from the Subfranchisees' Vanguard Cleaning Systems® accounts or in any other manner whatsoever from the use of the Marks or System during the term of this Agreement and any successor franchise terms, including any moneys earned or received by SUBFRANCHISOR or the Franchised Business and the cash equivalent of any other consideration received by SUBFRANCHISOR or the Franchised Business from the use of the Marks or System, with deduction only for refunds actually paid.

5.7 Manner of Payment

COMPANY will have the right to establish from time to time the required manner and method of payment of Royalties and any other fees due hereunder. COMPANY may require payment by regular check, by certified funds, by electronic funds transfer or in any other commercially reasonable manner.

5.8 Audits and Records

(a) COMPANY or its duly authorized representatives shall have the right, at the expense of COMPANY, to inspect, audit and copy SUBFRANCHISOR's books and records to verify SUBFRANCHISOR's compliance with its obligations under this Agreement. Audits of the books and business records may not take place more than twice in any calendar year and must be during normal business hours and on reasonable notice to SUBFRANCHISOR, which shall not be less than three (3) business days.

(b) The exercise by COMPANY of any right to audit at any time or the acceptance by COMPANY of any statement or payment shall be without prejudice to any of COMPANY's rights or remedies and shall not bar COMPANY from thereafter disputing the accuracy of any payment or statement, and SUBFRANCHISOR shall remain fully liable for any balance due under this Agreement.

(c) SUBFRANCHISOR will maintain adequate books and financial records of the Franchised Business on an accrual basis in accordance with record keeping and accounting standards as required by law. Unless otherwise required by law, SUBFRANCHISOR shall maintain such books and business records for a period of not less than three (3) years from the date of the transactions to which such records relate.

5.9 Underpayments

If it is determined by COMPANY that SUBFRANCHISOR failed to pay fully any Royalties or any other amounts due under this Agreement, SUBFRANCHISOR will be liable for immediate payment as required to correct such underpayments, and for interest on the underpaid amount at the then-current Prime Rate as published in the most current edition of the Wall Street Journal (the "Prime Rate") or at the highest legal rate, whichever is lower, accruing from the date that such payments were actually due to COMPANY. In addition, if any audit or review of business records indicates there was an understatement or underpayment of Royalties due for any year in excess of ten percent (10.0%) of the Royalty originally reported, SUBFRANCHISOR will promptly reimburse COMPANY for the costs and expenses of conducting any such audit or review.

5.10 Interest on Late Payments

In addition to any other remedy available to COMPANY, if any payment due under this Agreement is not timely paid for any reason, interest shall accrue **and** be payable on such unpaid principal amount from and after the date on which the same became due, at the then-current Prime Rate, or the highest legal rate, whichever is lower.

5.11 Full Amounts Payable

If any payment from SUBFRANCHISOR to COMPANY 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 COMPANY, then COMPANY reserves the right to require SUBFRANCHISOR to pay COMPANY an additional amount so that the amount of the payment actually received by COMPANY after such deduction, payment or withholding is equal to the full amount due from SUBFRANCHISOR under this Agreement. If SUBFRANCHISOR is required to withhold amounts from any payments to COMPANY, then SUBFRANCHISOR must timely pay the appropriate authorities all withholding and/or other such taxes/amounts due and give proof of payment to COMPANY within five (5) days of the date made. SUBFRANCHISOR also will take such other steps as may be reasonably required to enable the COMPANY to obtain any available tax credit.

6. ADVERTISING

6.1. SUBFRANCHISOR's Advertising

SUBFRANCHISOR'S advertising and promotion will be in good taste and conform to ethical and legal standards. SUBFRANCHISOR may only use advertising, marketing and promotional materials (including communications in print, broadcast, on the Internet and in other media or form) which meet

COMPANY's specifications for use of the Marks. SUBFRANCHISOR'S uses of the Marks can impact COMPANY and other Vanguard Cleaning Systems® franchised businesses, so COMPANY can request that samples of all advertising, marketing and promotional materials for any media, including the Internet, used in marketing SUBFRANCHISOR'S Franchised Business, be submitted to COMPANY for review. SUBFRANCHISOR agrees not to use any materials, publications or programs, or portions thereof, for its Franchised Business which are disapproved by COMPANY. COMPANY reserves the right to establish and maintain the exclusive Internet site under the Marks. SUBFRANCHISOR agrees to discontinue any domain name or URL that contains, uses or displays the words "Vanguard Cleaning Systems" or "Vanguard", or the initials "VCS," or any Marks upon COMPANY'S request, as well as any electronic advertising or social media. Upon termination or expiration of this Agreement, SUBFRANCHISOR will stop all use of the Marks in all media, including, but not limited to, websites, web pages and social media. SUBFRANCHISOR 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 SUBFRANCHISOR containing the Marks. SUBFRANCHISOR 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 SUBFRANCHISOR will follow them if required.

6.2. Marketing and Promotion

SUBFRANCHISOR shall participate in any promotion and marketing activities reasonably required by COMPANY of its master franchisees.

7. MARKS

7.1. Ownership

COMPANY owns all right, title, and interest to the Marks, and to all applications, registrations, and other filings or notices made with respect thereto in any jurisdiction.

7.2. Limited License to Use Marks

SUBFRANCHISOR may use the Marks only in connection with the Franchised Business and only during the term of this Agreement in compliance with this Agreement and as otherwise directed by COMPANY. SUBFRANCHISOR may not use the Marks in connection with any other business or activity whatsoever or at any time after termination or expiration of this Agreement.

7.3. Acts in Derogation of the Marks

SUBFRANCHISOR shall not do or permit any act or thing to be done in derogation of any of the rights of COMPANY in connection with the Marks, either during the term of this Agreement or after. During or after the term of this Agreement, SUBFRANCHISOR shall not in any way dispute or impugn the validity of the Marks, or the rights of COMPANY to them, or the rights of COMPANY or other franchisees of COMPANY to use them. SUBFRANCHISOR and its shareholders and members shall not conduct themselves or the Franchised Business in any manner that reflects unfavorably upon the goodwill and public image associated with the Marks.

7.4. Termination of Trademark Use

Upon the transfer, expiration or the termination of this Agreement for any reason, SUBFRANCHISOR shall immediately cease all use of the Marks in every manner and medium. At

COMPANY's election, SUBFRANCHISOR shall destroy any physical objects bearing or containing any of the Marks or shall deliver the same to COMPANY at SUBFRANCHISOR'S expense, except to the extent such objects are properly acquired by a transferee in accordance with the terms of Section 9.2 of this Agreement.

7.5. Non-Use of Marks in SUBFRANCHISOR Name

SUBFRANCHISOR will not use any of the Marks or any words confusingly similar to them, in whole or in part, as or in the legal name of the SUBFRANCHISOR corporation or limited liability company. In particular, SUBFRANCHISOR shall not use the words "VANGUARD CLEANING SYSTEMS", "VANGUARD," "VCS", or any variant as part of SUBFRANCHISOR's corporate or limited liability company name. SUBFRANCHISOR shall do business under its legal name and a related d/b/a, "Vanguard Cleaning Systems of (Designated Area)," in operating the Franchised Business for so long as this Agreement remains in effect.

7.6. Assumed Name Registration

If SUBFRANCHISOR is required to do so by any statute or ordinance, SUBFRANCHISOR shall promptly upon the execution of this Agreement file with applicable government agencies or offices, a notice of SUBFRANCHISOR's intent to conduct SUBFRANCHISOR's business under the name "Vanguard Cleaning Systems of (Designated Area)." Promptly upon the termination or expiration of this Agreement SUBFRANCHISOR shall execute and file such documents as may be necessary to revoke or terminate such assumed name registration. If SUBFRANCHISOR fails to promptly execute and file such documents, SUBFRANCHISOR hereby irrevocably appoints COMPANY as SUBFRANCHISOR's attorney in fact to do so for and on the behalf of SUBFRANCHISOR.

7.7. Modification of Marks

COMPANY may change, improve or modify the Marks or delete any of the Marks or add new Marks from time to time. SUBFRANCHISOR will comply at SUBFRANCHISOR'S sole expense with any written instruction from COMPANY informing SUBFRANCHISOR to change, modify or discontinue any use of any Marks, or to adopt or use any additional Marks. SUBFRANCHISOR shall accept, use, and display, as may be applicable, such modified or additional Marks at SUBFRANCHISOR's sole expense and in accordance Brand Standards or other written instruction from COMPANY, as though they were specifically set forth in this Agreement.

7.8. Actions Involving the Marks

If SUBFRANCHISOR receives notice or is informed or learns that any third party, which SUBFRANCHISOR believes to be unauthorized to use the Marks, is using the Marks or any variant of them, SUBFRANCHISOR shall promptly notify COMPANY of the facts relating to such alleged use. COMPANY, in its sole discretion, shall determine if it wishes to take any action in connection with any alleged or apparent infringement against or by COMPANY, SUBFRANCHISOR, any Vanguard Cleaning Systems® subfranchisee(s) or any other Vanguard Cleaning Systems® subfranchisor(s). COMPANY is not obligated to defend, indemnify or reimburse SUBFRANCHISOR for any costs or expenses incurred by SUBFRANCHISOR which are associated with or related to any alleged or actual infringement or other matters involving the Marks or any resolution or settlement in connection therewith; provided, that SUBFRANCHISOR will cooperate with COMPANY in connection with the defense or prosecution of any matter involving the Marks as reasonably requested by COMPANY, and COMPANY will pay costs incurred by SUBFRANCHISOR in meeting COMPANY'S request. SUBFRANCHISOR shall have no

right to make any demand against any alleged infringer or to prosecute any claim of any kind or nature whatsoever against any alleged infringer for or on account of such infringement.

7.9. Non-Ownership of Marks

SUBFRANCHISOR has no right, title or interest in or to any of the Marks, except the license to use the Marks as provided in Section 7.2 above. SUBFRANCHISOR acknowledges that SUBFRANCHISOR shall not at any time assert any claim to any goodwill, reputation or ownership of the Marks by virtue of SUBFRANCHISOR's licensed use or otherwise.

8. CONFIDENTIAL INFORMATION, NONCOMPETITION AND INNOVATIONS

8.1. Confidential Information

COMPANY exclusively owns and will provide to SUBFRANCHISOR certain confidential information ("Confidential Information"). SUBFRANCHISOR and its owners will treat all Confidential Information strictly in accordance with the terms set forth in this Article 8 and other written instruction from COMPANY. For purposes of this Agreement, an "owner" includes SUBFRANCHISOR's shareholders, partners, members, managers and others having a direct or indirect, legal or beneficial ownership interest in SUBFRANCHISOR. "Confidential Information" means information, know how, data, trade secrets and proprietary material relating to the System and Vanguard Cleaning Systems® franchised businesses which is not generally known publicly or was not already known by SUBFRANCHISOR or its shareholders/members/partners before SUBFRANCHISOR became a subfranchisor. It includes Manuals and instructional materials; strategic marketing and other business plans; financial information; COMPANY business methods, data and statistics; COMPANY'S proprietary software programs; and all VCS templates and statistical and/or financial information and all related lists.

8.2. Protection of Confidential Information

(a) SUBFRANCHISOR and its owners will not use or disclose, directly or indirectly, any Confidential Information, as well as any account agreements and related customer information, whether in tangible or intangible form, to any person except as may be expressly permitted by COMPANY in writing. SUBFRANCHISOR will not copy, reproduce, duplicate or redact the Confidential Information in any form. SUBFRANCHISOR and its owners will use best efforts to take lawful measures to prevent the unauthorized use and disclosure of Confidential Information, and to prevent unauthorized persons or entities from obtaining or using such Confidential Information. SUBFRANCHISOR shall meet any requirements COMPANY may establish pertaining to compliance with privacy laws and data protection and provide COMPANY such information as COMPANY may reasonably require to demonstrate SUBFRANCHISOR'S compliance with the same.

(b) COMPANY has the right, and SUBFRANCHISOR hereby consents, to COMPANY using and disclosing all personal information collected from SUBFRANCHISOR and its owners for any purpose connected with the System, and this Agreement and its enforcement, including providing or listing contact information for SUBFRANCHISOR and its owners and employees for System communication purposes, including with landlords and other suppliers of goods or services, or prospective franchisees; posting on franchise system websites listing franchisees; in or in connection with COMPANY'S disclosure documents and, where applicable, prospectuses, statements of material facts and other securities filings and documents; and making reports or information received from SUBFRANCHISOR pertaining to the franchise, or portions thereof or extracts therefrom, available for inspection by prospective franchisees, to substantiate information contained in COMPANY'S disclosure

documents for prospective franchisees regarding the subject matter of such reports or information, as the same pertain to the Franchise or the System in general. COMPANY may also share such personal information where needed with its professional advisors, lenders or affiliates or under agreements with third parties relating to the Franchise or the System. COMPANY may give access to or transfer its files containing such personal information to a prospective purchaser or purchaser of the franchise system. SUBFRANCHISOR is responsible for obtaining any required consents from its owners and employees as may be necessary to comply with these provisions and applicable law.

(c) SUBFRANCHISOR may disclose Confidential Information to its employees and Subfranchisees only to the extent necessary to enable SUBFRANCHISOR to operate its independent Franchised Business in compliance with this Agreement and to enable the Subfranchisees to operate their independent Janitorial Businesses in compliance with their Subfranchise Agreements. SUBFRANCHISOR will be liable for any unauthorized use and disclosure of Confidential Information by its employees, owners, affiliates or by anyone controlled by or under common control with SUBFRANCHISOR, unless such disclosure is required by law or court order.

8.3. Survival

The obligations regarding nondisclosure of Confidential Information set forth in this Article 8 will survive the termination, nonrenewal or expiration of this Agreement.

8.4. Restrictions During Term

SUBFRANCHISOR will have access to Confidential Information and irreparable damage to COMPANY could result were it to be used in a Non-Vanguard Business, as defined herein, and it would be difficult, if not impossible, for SUBFRANCHISOR to operate a Non-Vanguard Business and also fully and faithfully perform its obligations hereunder. Therefore, SUBFRANCHISOR agrees that during the term of this Agreement and any successor franchise terms, SUBFRANCHISOR and its shareholders, partners, members, managers and other owners will not directly or indirectly establish, assist, engage in or have any direct or indirect interest, whether as an owner, partner, shareholder, employee, salesperson, consultant, officer, director, principal or agent, security holder, lender, investor or guarantor of, or for the benefit of, any business which provides services which can be provided by SUBFRANCHISOR'S Janitorial Businesses, SUBFRANCHISOR, or a Related Company, as provided in Section 4.10 of this Agreement or which contracts to provide such services (a "Non-Vanguard Business") or which franchises or subfranchises others to operate Non-Vanguard Businesses, at any location.

8.5. Post Term Restrictions

For a period of two (2) years after transfer, termination, expiration or nonrenewal of this Agreement for any reason (the "Covenant Term"), SUBFRANCHISOR and its affiliates and each of their respective shareholders, members, partners or other owners will not, either within the Development Area or within a 25-mile radius of the Development Area directly or indirectly, establish, assist, engage in or have any direct or indirect interest in, whether as an owner, manager, partner, shareholder, employee, salesperson, consultant, officer, director, principal or agent, security holder, lender, investor, or guarantor of, or for the benefit of, any Non-Vanguard Business, or a business which franchises or subfranchises others to operate Non-Vanguard Businesses. SUBFRANCHISOR agrees that the post-term covenants in this Section 8.5 are necessary to protect the interests of COMPANY in the Confidential Information and to protect the integrity of the System and other legitimate interests of COMPANY.

8.6. Compliance by Related Parties

SUBFRANCHISOR will cause each of its owners, shareholders, members, and managers including, without limitation, the Designated Manager and any other person, company, partnership or entity which directly or indirectly controls, is controlled by, or is under common control with SUBFRANCHISOR (collectively "Related Parties") to comply with and fully observe the provisions of this Article 8 and, at COMPANY's request, will require such Related Parties to execute a Nondisclosure and Noncompetition Agreement. SUBFRANCHISOR warrants and represents that each such Related Party acknowledges that the covenants set forth above are fair and reasonable and will not impose any undue hardship upon them since each has other considerable skills, experience and education, which afford them the opportunity to derive income from other activities.

8.7. Enforcement

If SUBFRANCHISOR breaches, or if any of SUBFRANCHISOR's Related Parties breach, any of the provisions of this Article 8 (the "Restrictive Covenants"), COMPANY will have the following rights and remedies, each of which shall be independent of the other and severally enforceable, and all of which shall be in addition to, and not in lieu of, any other rights and remedies available to COMPANY under law or in equity:

(a) To have the Restrictive Covenants specifically enforced, by preliminary injunction or otherwise, by any court having jurisdiction, all without the need to post a bond or any other security or to prove any amount of actual damage or that money damages would not provide an adequate remedy, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to COMPANY and that monetary damages will not provide an adequate remedy to COMPANY; and

(b) To require SUBFRANCHISOR:

(i) to account for and pay over to COMPANY all compensation, profits, monies, accruals, increments and other benefits derived or received by SUBFRANCHISOR or any Related Party deriving such benefits as a result of any such breach of the Restrictive Covenants; and

(ii) to indemnify and hold harmless COMPANY and each of its affiliates and all of their respective officers, directors, stockholders, employees, agents, and attorneys and their respective successors and assigns from and against any other losses, damages (including special and consequential damages), costs and expenses, including actual attorneys' fees and court costs (whether or not suit is filed), which may be incurred by COMPANY and which may result from or arise out of any such breach or threatened breach of the Restrictive Covenants.

8.8. Narrowing of Restrictive Covenants

COMPANY may elect to enforce or demand enforcement of the Restrictive Covenants to their full extent or at COMPANY's option, to such lesser extent as COMPANY determines is necessary to protect its interest. Each of the above covenants shall be deemed independent of any other covenant or provision of this Agreement. If any of the Restrictive Covenants in this Agreement are determined by a court or in arbitration to be unenforceable to an extent as to SUBFRANCHISOR and Related Parties because of excessive duration, geographic area, scope of business or otherwise, such restrictions will be reduced to the

level that provides the greatest protection to COMPANY and the System, but which is still enforceable. If a court of competent jurisdiction or an arbitrator deems any provision of this Agreement unreasonable, the court may declare a reasonable modification, and this Agreement shall be valid and enforceable as so modified. A determination by a court or in arbitration that any of the Restrictive Covenants is wholly unenforceable shall not bar or in any way affect the right of COMPANY to the relief provided above in any other jurisdiction.

8.9. Innovations and Intellectual Property

Subfranchisors collectively benefit from shared improvements and innovations introduced into the franchise network and/or incorporated in the System. Therefore, SUBFRANCHISOR agrees that SUBFRANCHISOR'S and SUBFRANCHISOR'S employees/agents' ideas, technologies, concepts, proposals/suggestions, materials and techniques for improving, expanding, modifying, enhancing or otherwise relating to the Franchised Business and/or the System (collectively, the "Innovations") shall be disclosed to COMPANY. Such Innovations shall be solely owned by COMPANY as a work made for hire to the fullest extent of the law, and SUBFRANCHISOR agrees on behalf of itself and its employees/ agents to promptly sign such documents as COMPANY believes may be necessary or advisable to preserve and protect COMPANY'S rights in the Innovations. COMPANY shall have no obligation to utilize Innovations and or provide compensation for any Innovation. To the extent any Innovation does not qualify as a "work made-for-hire," SUBFRANCHISOR hereby assigns to COMPANY ownership of and all related rights to any such Innovation and agrees to take whatever action (including signing assignment or other documents) as may be requested by COMPANY to ensure and perfect COMPANY'S rights in and to such Innovation. For avoidance of doubt, this Section 8.9 does not, and must not be construed to, authorize SUBFRANCHISOR and/or its Janitorial Businesses to offer or provide any products or services not authorized in writing and in advance by COMPANY or to operate the Franchised Business or conduct itself in a manner inconsistent with the terms of this Agreement.

8.10. Generative Artificial Intelligence

SUBFRANCHISOR acknowledges and agrees not to upload or share any Confidential Information (including any inputs of information containing trade-secrets, sensitive Confidential Information or personal information) with any unapproved third-party platforms, including Generative AI, except as authorized in writing by COMPANY. For purposes of this Agreement, "Generative AI" shall be deemed to include any generative artificial intelligence software, tools, or technologies, including natural language processing, deep learning algorithms, or machine learning models (collectively, "Generative AI"). In addition, SUBFRANCHISOR will prohibit its employees and/or agents from using any Confidential Information in Generative AI. In the event SUBFRANCHISOR utilizes any Generative AI, with or without COMPANY'S prior approval, SUBFRANCHISOR must comply with all applicable laws applicable to the use, including without limitation, all trademark, copyright, and biometric laws, and must not infringe on the intellectual property of a third party, or use such intellectual property without appropriate authorization or consent.

9. ASSIGNABILITY

9.1. Assignability by COMPANY

COMPANY has an unrestricted right to assign or otherwise transfer this Agreement, and any or all of COMPANY'S rights and/or obligations under it, in whole or in part, without SUBFRANCHISOR'S consent. SUBFRANCHISOR acknowledges and agrees that COMPANY may be sold and/or sell any or all

of 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 SUBFRANCHISOR, without SUBFRANCHSOR'S consent. COMPANY also may transfer or assign, independently or in conjunction with this Agreement, any promissory note made by SUBFRANCHISOR and payable to COMPANY without SUBFRANCHISOR'S consent. COMPANY shall not be liable for any obligations accruing hereunder after the effective date of any such assignment or transfer, provided the assignee/transferee agrees to perform COMPANY's obligations under this Agreement.

9.2. Assignment by SUBFRANCHISOR

SUBFRANCHISOR understands and acknowledges that the rights and duties created by this Agreement are personal to SUBFRANCHISOR and its owners and that COMPANY has granted the franchise to SUBFRANCHISOR in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of SUBFRANCHISOR and its owners. Accordingly, neither this Agreement nor the franchise (or any interest therein), nor any part or all of the ownership of SUBFRANCHISOR or the Franchised Business (or any interest therein), may be transferred without the prior written approval of COMPANY, and any such transfer without such approval will constitute a breach hereof and convey no rights to or interest in this Agreement, the franchise, SUBFRANCHISOR, or the Franchised Business. As used in this Article 9, a "transfer" includes the voluntary, involuntary, direct or indirect assignment, sale, gift or other transfer of any interest in: (i) this Agreement; (ii) the franchise; (iii) the ownership of SUBFRANCHISOR; or (iv) the Franchised Business or a substantial part of the assets used in the Franchised Business and includes any transfer of ownership of capital stock or membership interests; merger or consolidation or issuance of additional securities representing an ownership interest in SUBFRANCHISOR; any sale of voting stock of SUBFRANCHISOR or any security convertible to voting stock of SUBFRANCHISOR; transfer of an interest in SUBFRANCHISOR, this Agreement, the franchise or the Franchised Business in a divorce, insolvency, or corporate dissolution proceeding, to a trust or otherwise by operation of law; or transfer of an interest in this Agreement, the franchise, SUBFRANCHISOR, or the Franchised Business in the event of the death of an owner of SUBFRANCHISOR, by will, declaration of or transfer in trust, or under the laws of intestate succession. Notwithstanding the foregoing, COMPANY's consent shall not be required for a SUBFRANCHISOR owner to assign an interest in SUBFRANCHISOR or the Franchised Business to an immediate family member, provided that such assignment does not, alone or as part of a series of transactions, result in a change in the controlling interest in SUBFRANCHISOR or the Franchised Business and provided that prior written notice of the assignment is provided to COMPANY. For purposes of this Agreement, a "controlling interest" means either a fifty-one percent (51%) or greater ownership interest in SUBFRANCHISOR or the Franchised Business; provided, if there is no one ownership interest of at least fifty-one percent (51%) then "controlling interest" means the largest undivided ownership interest in SUBFRANCHISOR or the Franchised Business and refers separately to each of the highest percentage ownership interests if there is not one which is largest.

9.3. Conditions for Approval of Transfer

If SUBFRANCHISOR and its owners are in full compliance with this Agreement, COMPANY will not unreasonably withhold its approval of a transfer that meets the requirements of this Section 9.3. The proposed transferee and its owners must meet COMPANY's then-applicable standards for VANGUARD CLEANING SYSTEM subfranchisors. SUBFRANCHISOR may not subdivide the Development Area. SUBFRANCHISOR may not transfer this Agreement or the rights hereunder except in connection with a transfer of the Franchised Business as a going concern, including all janitorial accounts, subfranchise agreements and other essential assets of the Franchised Business. If the transfer is of this Agreement or the

entire Franchised Business or a substantial part of the assets used therein, or is a transfer of a Controlling Interest, alone or as part of a series of transactions, Company shall require in its discretion that some or all of the following conditions be met prior to, or concurrently with, the effective date of the transfer:

(a) Unless the transfer is to an immediate family member of a SUBFRANCHISOR owner or the owner of the Controlling Interest, COMPANY must have declined its right of first refusal under Section 9.6 below;

(b) The transferee and its owners must complete the On-Boarding program and pay the then current fee, if so required by COMPANY in its sole discretion and have sufficient business experience, aptitude and financial resources to operate the Franchised Business in the judgment of COMPANY;

(c) SUBFRANCHISOR must pay all amounts owed to COMPANY or to any of its affiliates, including the unpaid balances of any promissory note;

(d) The transfer must include an assignment of all of SUBFRANCHISOR'S rights and interest in all applicable Subfranchise Agreements to the same transferee, and the transferee shall expressly assume in writing all of the obligations of SUBFRANCHISOR under said Subfranchise Agreements;

(e) The transferee must, at COMPANY's election, either assume in writing all obligations under this Agreement or execute COMPANY's then-current form of master franchise agreement for the remaining term of this Agreement, which may contain higher fee rates/structures and other provisions materially different from the terms of this Agreement, and must execute such related documents as are then customarily used by COMPANY in connection with a transfer, including any required personal guaranty by transferee owners and/or consent to transfer forms;

(f) SUBFRANCHISOR or the transferee must have paid COMPANY a transfer fee of Ten Thousand Dollars ($10,000), unless the transfer is to an immediate family member of a SUBFRANCHISOR owner or the owner of the Controlling Interest;

(g) SUBFRANCHISOR and its owners must execute any required consent to transfer and/or a general release, in form satisfactory to COMPANY, of any and all claims, whether known or unknown, against COMPANY and any affiliates of COMPANY and their respective shareholders, officers, directors, employees, agents, successors and assigns;

(h) The price and terms of payment must not be so burdensome as to affect adversely the operation of the Franchised Business by the transferee in the COMPANY'S reasonable opinion;

(i) Subject to the provisions of Section 9.9, if any part of the sale price of the transferred interest is financed, the transferor must agree that all obligations of the transferee under or pursuant to any promissory note, agreements or security interests reserved by the transferor in the assets of the Franchised Business will be subordinate to the obligations of the transferee to pay fees and other amounts due to COMPANY and its affiliates;

(j) (j) The transferor and SUBFRANCHISOR must execute a noncompetition covenant in favor of COMPANY and the transferee in a form satisfactory to COMPANY; and

(k) The proposed transferee form a distinct legal entity for the sole purpose of owning and managing the Franchised Business and/or assets that are the subject of the transfer.

9.4. Death or Disability

Upon the death or permanent disability of the owner of the Controlling Interest in SUBFRANCHISOR**,** COMPANY will permit the heirs, personal representative, executor or conservator to continue operating the Franchised Business subject to compliance with all terms and conditions of this Agreement for a period of six (6) months after such death or legal incapacity. By the end of such six-month period, the interest of the owner of the Controlling Interest must be transferred to a new owner subject to all provisions of and satisfaction of all conditions provided in Section 9.3 above.

9.5. Effect of Consent

COMPANY's consent to any transfer under this Article 9 (including to a commonly controlled company under Section 9.7 below) will in no event constitute a novation or release of SUBFRANCHISOR or any of its shareholders or other owners. Upon completion of any such transfer, SUBFRANCHISOR shall discontinue all use of Confidential Information as provided herein and the Marks, including any physical objects bearing the Marks, and shall comply with the post termination provisions of Section 8.5 of this Agreement.

9.6. COMPANY's Right of First Refusal

At least forty-five (45) days prior to any proposed transfer: (i) of this Agreement or the franchise hereunder; or (ii) the Franchised Business or (iii) a substantial part of the assets used therein; or (iv) which would effect a change in the Controlling Interest, SUBFRANCHISOR will provide COMPANY with written notice of the proposed transfer, including all of the terms and conditions of the proposed transfer, the identity of the proposed transferee and a copy of any bona fide offer, proposed agreement to transfer or letter of intent for the proposed transfer. COMPANY or its designee will have ten business (10) days after receipt of the foregoing information in which to elect to acquire the interest to be transferred on the same terms and conditions as those contained in the notice; provided that COMPANY or its designee will not be required to match any terms and conditions which relate to an offer to buy or acquire any rights or assets or to assume any liabilities unconnected with the Franchised Business and may require that such terms and conditions be excluded from the offer and the offer restated to reflect the transfer only of rights, assets and liabilities related to the Franchised Business. COMPANY or its designee may substitute equivalent cash consideration for any non-cash consideration. If this right of first refusal is exercised, COMPANY or its designee will be entitled to acquire the interest subject to all customary representations and warranties from the transferor as to title and ownership of stock or assets, condition of the assets, liens and encumbrances, liabilities and contingent liabilities. The right of first refusal shall not apply if the transfer is to an immediate family member of a SUBFRANCHISOR owner or the owner of the Controlling Interest.

9.7. Corporate or Non-Individual Subfranchisors

Since SUBFRANCHISOR is a corporation or limited liability company all shareholders or managers/members of that entity must execute a form of undertaking and unconditional guaranty required by COMPANY (the current form of which is attached to this Agreement as Exhibit C) agreeing to be bound by all the terms, conditions and covenants (including Restrictive Covenants) of this Agreement and to be jointly and severally liable for the payment of all debts and obligations hereunder, unless otherwise permitted by COMPANY. Additionally:

(i) There must always be an individual shareholder or owner designated by SUBFRANCHISOR as the "Designated Manager", unless otherwise permitted by COMPANY in its discretion;

(ii) COMPANY must receive at its request copies of any articles or documents of incorporation or formation, shareholders agreement or limited liability company operating agreement, by-laws and other organizational documents; trust certificates, trust agreements, declarations of trust and comparable documents; and amendments and changes to any of the foregoing documents;

(iii) The names of the current shareholders, members or other owners and their respective titles and ownership interests are listed on Exhibit B of this Agreement, which will be updated by notice from SUBFRANCHISOR to COMPANY as changes occur.

(iv) All shares of capital stock in any corporation must bear the following legend: "The sale or other transfer of the shares of stock represented by this certificate is restricted by and subject to the terms and conditions of a written master franchise agreement with Vanguard Cleaning Systems, Inc."; and

(v) SUBFRANCHISOR may not own or be engaged in any business or activity other than the operation of the Franchised Business.

9.8. SUBFRANCHISOR Information

COMPANY will have the right, but not the obligation, to advise any prospective assignee of any uncured breaches or defaults by SUBFRANCHISOR under this Agreement, or any other agreement relating to the Franchised Business proposed to be assigned, transferred, or sold or any other material information regarding the Franchised Business. COMPANY will have no liability to SUBFRANCHISOR or its owners for making any such disclosures in good faith to a proposed transferee or assignee. COMPANY's approval of such proposed transaction will not, however, be deemed a representation or guarantee by COMPANY that the terms and conditions of the proposed transaction are economically sound or that, if the transaction is consummated, the assignee will be capable of successfully conducting the Franchised Business and no inference to such effect will be made from such approval.

9.9. No Encumbrances

SUBFRANCHISOR shall not in any event have the right to pledge, encumber, charge, hypothecate or otherwise give any third party a security interest in this Agreement in any manner whatsoever without the express prior written permission of COMPANY, which permission may be withheld for any reason whatsoever in COMPANY's sole subjective judgment, subject to applicable law.

10. TERMINATION

10.1. Termination for Breach Without Cure; Cross Default

This Agreement may be terminated by COMPANY for a breach by SUBFRANCHISOR upon thirty (30) days prior written notice, unless SUBFRANCHISOR cures such breach within such thirty

(30) day period. SUBFRANCHISOR'S default under this Agreement is a default under any other agreement or Promissory Note between SUBFRANCHISOR and COMPANY or any SUBFRANCHISOR owner and COMPANY (the "Other Agreements"). SUBFRANCHISOR'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 COMPANY of any rights or remedies available under law or equity or by contract.

10.2. Immediate Termination by COMPANY

Notwithstanding Section 10.1 above, this Agreement may be terminated by COMPANY immediately upon notice and without further opportunity to cure in any of the following events:

(a) If SUBFRANCHISOR fails to pay any amounts due to COMPANY within five (5) days after notice of nonpayment from COMPANY (or within such period as may be specified under any Promissory Note or any other agreement between COMPANY and SUBFRANCHISOR or any SUBFRANCHISOR owner); or

(b) If SUBFRANCHISOR fails to timely open the Franchised Business or satisfactorily complete the On-Boarding Program, both as required in Section 4.1 of this Agreement; or

(c) If SUBFRANCHISOR abandons the Franchised Business which includes, but is not limited to, SUBFRANCHISOR's failure, at any time during the term of this Agreement, to keep the Franchised Business open and operating for business (which includes maintaining telephone and email capability and responding to telephone calls/emails) for a period of ten (10) consecutive days or for any other period after which it is not unreasonable under the facts and circumstances for COMPANY to conclude that SUBFRANCHISOR does not intend to continue to operate the Franchised Business; or

(d) If SUBFRANCHISOR or the owner of the Controlling Interest is adjudicated bankrupt or judicially determined to be insolvent (subject to any contrary provisions of any applicable state or federal laws), or admits to its inability to meet its financial obligations as they become due, or makes a disposition for the benefit of its creditors; or

(e) The Franchised Business or a substantial part of the assets used in the Franchised Business are seized, taken over or foreclosed upon by a government official in the exercise of its duties, or seized, taken over, or foreclosed upon by a creditor or lienholder; or

(f) If SUBFRANCHISOR or the owner of the Controlling Interest is convicted of or pleads no contest to any criminal misconduct relevant to the operation of the Franchised Business or its reputation or is convicted of or pleads no contest to any felony; or

(g) If there is a transfer or purported transfer, as defined in Section 9.2 of this Agreement, in violation of the requirements of Section 9.2 or Section 9.3 of this Agreement; or

(h) If SUBFRANCHISOR defaults under the same provision of this Agreement more than once in any twelve (12) month period, whether or not corrected after notice; or

(i) If SUBFRANCHISOR makes any material misrepresentations relating to the acquisition of the Franchised Business or in connection with the Franchised Business which includes, but is not limited to, any knowing understatement of Gross Revenue; or

(j) If SUBFRANCHISOR fails to comply with federal, state or local law or regulation applicable to the operation of the Franchised Business for a period of thirty (30) days after receiving notification of such noncompliance from COMPANY or any governmental or quasi-governmental agency or authority; or

(k) If SUBFRANCHISOR fails more than three (3) times within any twenty-four (24) month period to comply with one or more requirements of this Agreement, whether or not corrected after notice; or

(l) If SUBFRANCHISOR or any of its owners violate any of the Restrictive Covenants of Article 8 of this Agreement; or

(m) If COMPANY reasonably determines that the continued operation of the Franchised Business presents an imminent danger to the public health or safety; or

(n) If SUBFRANCHISOR fails to maintain the insurance coverage required under this Agreement; or

(o) If SUBFRANCHISOR or a SUBFRANCHISOR owner infringes upon or uses the Marks, any Confidential Information or any other COMPANY intellectual property in a manner not authorized under this Agreement; or

(p) If SUBFRANCHISOR defaults in the payment of any undisputed Franchised Business debts, including those to employees, suppliers, subfranchisees, 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; or

(q) If SUBFRANCHISOR (or SUBFRANCHISOR'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 SUBFRANCHISOR'S Franchised Business, the COMPANY, the Vanguard Cleaning Systems® System or the goodwill and image associated with the Marks.

11. POST-TERMINATION OBLIGATIONS AND RIGHTS

11.1. SUBFRANCHISOR's Duties

Upon termination, nonrenewal or expiration of this Agreement for any reason or cause, SUBFRANCHISOR will at SUBFRANCHISOR's expense:

(a) Immediately and completely cease using the Marks or any other name or mark confusingly similar to any of the Marks and promptly take such action as is necessary to accomplish this requirement, including but not limited to removing signs, labels, telephone numbers, advertising, fixtures and furnishings that might tend to cause the public to associate SUBFRANCHISOR with COMPANY or its franchisees or the System; and

(b) Immediately cease using, in any manner, or for any purpose, directly or indirectly, any part of the System or the Confidential Information and immediately return to COMPANY:

(i) the original and all copies of any of COMPANY's custom or proprietary software and supplements thereto;

(ii) all Manuals, forms, brochures, video tapes, stationery, business cards and other printed matter or displays in any form or media containing any of the Marks or other devices, insignia, slogans and designs used by COMPANY;

(iii) the original and all copies of all Confidential Information provided to or maintained by SUBFRANCHISOR in all media, including without limitation, all documents, software, electronic files, computer tapes or disks and video tapes containing Confidential Information; and

(c) Within five (5) business days, pay to COMPANY and any Affiliate all sums due or accruing on or prior to the date of termination, nonrenewal or expiration in connection with this Agreement or any other agreement between SUBFRANCHISOR and/or any SUBFRANCHISOR owner and COMPANY and/or a COMPANY Affiliate; and

(d) Transfer the right to the telephone number(s) of the Franchised Business to COMPANY or its designee upon receipt of written request from COMPANY; and

(e) Comply with the post-termination noncompetition covenant of Section 8.5 of this Agreement to the extent permitted under applicable law.

For purposes of this Agreement, a "nonrenewal" occurs when COMPANY and SUBFRANCHISOR do not enter into an extension of this Agreement or into a successor master franchise agreement at the expiration of the term of this Agreement.

11.2. Disposition of Subfranchise Agreements

Upon and after termination, nonrenewal or expiration of this Agreement for any reason, SUBFRANCHISOR will no longer be authorized to provide support and assistance to its Subfranchisees under the Marks or the System. COMPANY has the absolute right, but not the obligation, to receive without the payment of any further consideration an assignment of SUBFRANCHISOR's existing Subfranchise Agreements and related documents and notes, as selected by COMPANY, entered into pursuant to this Agreement for independent Janitorial Businesses within the Development Area. Upon notice of COMPANY's election, which may be exercised at any time within 30 days before or after such termination, expiration or nonrenewal, SUBFRANCHISOR will assign to COMPANY or its designee the selected Subfranchise Agreements by executing such instruments of assignment as COMPANY requires to effectuate the assignment. SUBFRANCHISOR shall deliver to COMPANY or its designee along with the executed assignment documents copies of all files and records relevant to the Subfranchise Agreements assigned, including, but not limited to, information on the accounts handled by the applicable Subfranchisees.

11.3. Purchase of Accounts

COMPANY has the absolute right, but not the obligation, to purchase and receive an assignment of SUBFRANCHISOR'S right, title and interests in or relating to the then existing VANGUARD CLEANING SYSTEMS® accounts of the Franchised Business, as selected by COMPANY, on the termination, nonrenewal or expiration of this Agreement. Upon notice of COMPANY's election, which may be exercised at any time within 30 days before or after such termination, expiration or nonrenewal,

SUBFRANCHISOR will assign to COMPANY or its designee all of SUBFRANCHISOR'S right, title and interests in or relating to the selected accounts by executing such instruments of assignment as COMPANY requires to effectuate the assignment. SUBFRANCHISOR shall deliver to COMPANY or its designee along with the executed assignment documents copies of all files and records relevant to the accounts so assigned. The purchase price for SUBFRANCHISOR'S interest in or rights relating to the selected accounts will be an amount equal to three (3) times the monthly account volume of the Franchised Business pertaining to such accounts, as measured by the last full month of operation prior to COMPANY'S exercise of this purchase option. Fifty percent (50%) of the purchase price will be paid upon purchase with the balance paid under a promissory note in 60 equal monthly installments bearing interest at the prime rate as of the time the promissory note is made. COMPANY may deduct from the down payment any amounts owed by SUBFRANCHISOR to COMPANY and any COMPANY Affiliate and unpaid at the time of the purchase. Contracts for VANGUARD CLEANING SYSTEMS® accounts for which SUBFRANCHISOR has been appointed the agent of the applicable subfranchisee for billing and collection services and accounts in which SUBFRANCHISOR otherwise retains rights and/or interests shall be considered "existing VANGUARD CLEANING SYSTEMS® accounts of the Franchised Business" for purposes of this Section 11.3. COMPANY has the right, but no obligation, itself or through its designee, to accept and assume SUBFRANCHISOR'S appointment by subfranchisees as their agent for billing and collection purposes and for purposes of entering into account agreements as their agent, if applicable, and to exercise any rights and/or interests retained by SUBFRANCHISOR in any account, to the extent applicable. SUBFRANCHISOR shall sign, and shall cause applicable subfranchisees to sign, such instruments as may be necessary to effectuate the purposes of this Section 11.3.

11.4. Termination Without Prejudice

The expiration or termination of this Agreement will be without prejudice to the rights of either party hereto against the other party and such expiration or termination will not relieve either party of any of their obligations to the other party existing at the time of expiration or termination or terminate those obligations which expressly or by their nature survive the expiration or termination of this Agreement, including without limitation the provisions of Article 11 of this Agreement.

12. INDEMNIFICATION, INSURANCE AND LIMITATIONS ON LIABILITY

12.1. Indemnification by SUBFRANCHISOR

Except for matters arising exclusively from COMPANY's intentional breach of this Agreement or intentional or willful violation of any law or regulation, SUBFRANCHISOR shall defend, indemnify, reimburse and hold COMPANY harmless from and against any and all claims, causes of action, demands, requests for relief, judgments, costs, expenses, damages, or liabilities of any kind or nature, including but not limited to reasonable attorneys' fees, that COMPANY or any of its agents, officers, members, managers, shareholders, directors, employees and representatives (the "Indemnified Parties") may incur or suffer, arising out of or relating to: (i) SUBFRANCHISOR's breach of this Agreement; (ii) SUBFRANCHISOR's offers or sales of subfranchises; (iii) the nonperformance of, or other acts or omissions relating to, the Subfranchise Agreements of SUBFRANCHISOR; (iv) the acts or omissions of SUBFRANCHISOR or SUBFRANCHISOR's employees in operating the Franchised Business; (v) SUBFRANCHISOR's negligence or willful misconduct; (vi) SUBFRANCHISOR's violation of any law or regulation; (vii) any acts or omissions of SUBFRANCHISOR for which a Subfranchisee alleges COMPANY is liable; or (viii) any other acts or omissions of SUBFRANCHISOR pertaining directly or indirectly to the Franchised Business. COMPANY shall be entitled to select counsel to defend it in any action or proceeding for which SUBFRANCHISOR is obligated to defend, indemnify or reimburse COMPANY pursuant to this provision. COMPANY shall be entitled to control and direct the defense and

shall solely be entitled to settle any claim asserted against it. SUBFRANCHISOR acknowledges that this obligation to defend, 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 SUBFRANCHISOR'S Franchised Business, including any administrative actions, arbitrations, or investigations and appellate, post judgment or bankruptcy proceedings. SUBFRANCHISOR further acknowledges that this obligation to defend, indemnify and reimburse Indemnified Parties for costs and expenses, as described above, expressly applies to claims of every kind regardless of the basis of alleged liability, whether joint employer, ostensible agency, vicarious liability or otherwise, from, involving or relating to SUBFRANCHISOR'S subfranchisees or persons employed by or providing services to SUBFRANCHISOR or any of SUBFRANCHISOR'S janitorial subfranchisees. Such claims include, without limitation, those involving allegations of a violation of the Fair Labor Standards Act, the Occupational Safety and Health Act, any state wage and hour 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. All amounts payable by SUBFRANCHISOR under this Section are due upon demand. SUBFRANCHISOR is entitled to appoint separate independent counsel to represent SUBFRANCHISOR'S interests in such suits, proceedings, or claims, all at SUBFRANCHISOR'S expense. SUBFRANCHISOR'S obligations under this Section 12.1 survive the assignment, termination, nonrenewal or expiration of this Agreement.

12.2. Indemnification by COMPANY

Except for matters arising directly from SUBFRANCHISOR's breach of this Agreement, SUBFRANCHISOR's offers or sales of subfranchises, the nonperformance of or other acts or omissions relating to the Subfranchise Agreements of SUBFRANCHISOR, the acts or omissions of SUBFRANCHISOR or SUBFRANCHISOR's employees in the operation of the Franchised Business, or SUBFRANCHISOR's negligence or willful misconduct or violation of any law or regulation, any acts or omissions of SUBFRANCHISOR for which a Subfranchisee alleges the COMPANY is liable, or any other acts or omissions of SUBFRANCHISOR pertaining directly or indirectly to the Franchised Business , COMPANY will indemnify and hold harmless SUBFRANCHISOR from and against any and all claims, causes of action, demands, requests for relief, judgments, costs, damages or liabilities that SUBFRANCHISOR may incur or suffer, including reasonable attorneys' fees, exclusively arising out of an intentional breach by COMPANY of this Agreement.

12.3. Insurance

SUBFRANCHISOR will purchase and maintain at its own expense at all times during the term of this Agreement insurance coverage meeting at least the then required minimum standards for subfranchisors and will require its Subfranchisees to purchase and maintain throughout the term of their franchise agreements insurance coverage meeting the minimum standards for Subfranchisees provided in the most current unit franchisee guides, manuals or other publications distributed to Subfranchisors by COMPANY or as otherwise published by COMPANY. Minimum insurance requirements are subject to change and are in addition to any requirements imposed on SUBFRANCHISOR under law or any applicable lease. As of the Effective Date of this Agreement, the minimum insurance requirements for subfranchisors include the following: general liability insurance coverage on an occurrence basis against claims for bodily injury (including death), property damage, personal injury, and advertising injury, with a minimum liability limit of One Million Dollars ($1,000,000.00) per occurrence and Two Million Dollars ($2,000,000) in the aggregate; umbrella coverage of Ten Million Dollars ($10,000,000.00); hired and non-owned automobile liability coverage of One Million Dollars ($1,000,000.00); and crime coverage of One Million Dollars ($1,000,000.00). COMPANY must be designated as an additional named insured under

the previously named policies, as well as under any additional or supplemental liability policies SUBFRANCHISOR may elect to obtain. Such insurance will be primary and non-contributory with respect to any insurance carried by COMPANY. Commercial liability insurance coverage and crime insurance may be available through a COMPANY program, in its discretion. COMPANY is not required to maintain such a program, and SUBFRANCHISOR can elect to buy coverage with carriers of SUBFRANCHISOR'S choosing as long as the selected carriers meet then current Brand Standards. SUBFRANCHISOR must also maintain any worker's compensation insurance coverage as required by law and an unemployment insurance account as required under applicable state law. All insurance must be provided by an insurance company having an Alfred M. Best rating of better than A-. Such insurance will be primary and non-contributory with respect to any insurance carried by COMPANY. As proof of such insurance, a fully paid certificate of insurance and a copy of the endorsement identifying COMPANY as an additional named insured under the policy must be submitted to COMPANY by SUBFRANCHISOR before the Franchised Business commences operation and upon each renewal of the policy. Such insurance coverage must be initially effective as of a date no later than the date the Franchised Business commences operation. COMPANY shall receive at least thirty (30) days prior written notice of any amendment to or cancellation of a required policy. COMPANY will be entitled, throughout the term of this Agreement, to a copy of the prevailing policy(ies) of insurance, which will be furnished to COMPANY by SUBFRANCHISOR upon request. The policy(ies) of insurance must be non-cancelable except after thirty (30) days' prior written notice to COMPANY. If SUBFRANCHISOR does not obtain and maintain the required insurance, COMPANY may purchase it on SUBFRANCHISOR's behalf, in which case SUBFRANCHISOR shall reimburse COMPANY for the cost of doing so upon demand. COMPANY is not obligated to do so, and SUBFRANCHISOR'S failure to maintain required insurance is a material breach of this Agreement. SUBFRANCHISOR's Subfranchisees must also purchase and maintain all insurance required under the terms of their Subfranchise Agreements, and it is SUBFRANCHISOR's obligation to ensure that its Subfranchisees do so.

13. DISPUTE RESOLUTION

13.1. 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.

13.2. 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 the principal place of business for SUBFRANCHISOR'S Franchised Business is located will apply. With the exception of the claims expressly carved out below, this Agreement applies to any existing or future dispute brought by SUBFRANCHISOR, COMPANY, any other party or any agent acting on behalf of either.

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.

a) *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 SUBFRANCHISOR, COMPANY, any other party or any agent acting on behalf of either (including their subsidiaries, affiliates, shareholders, owners, officers, directors, managers, representatives, and employees): (1) disputes arising out of or related to SUBFRANCHISOR'S performance of services related to the Franchised Business under the "Vanguard Cleaning Systems®" trade name and/or its operation as a Subfranchisor for this purpose, including disputes relating to the services provided by SUBFRANCHISOR'S workers (including any services provided by a person signing this Agreement); (2) disputes arising out of or related to SUBFRANCHISOR'S Subfranchisees' performance of commercial janitorial services under the "Vanguard Cleaning Systems®" trade name and/or their operation as a Subfranchisee for this purpose, including disputes relating to the services provided by Subfranchisees' workers (including any services provided by a person signing a subfranchise agreement) (3) disputes arising out of or related to SUBFRANCHISOR'S relationship or purported relationship with COMPANY; (4) disputes arising out of or related to any standard, specification, or operating procedure relating to the establishment or operation of the Franchised Business and (5) disputes arising out of or relating to this Agreement or a breach thereof, as well as disputes relating to the interpretation or application of this Agreement, 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, expense reimbursement, property damage, background checks, franchise and business opportunity law compliance and related franchising requirements, 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, and all other 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).

(b) *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. 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).

(c) *Additional Excluded Claims:* 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 in small claims court; and (3) claims pending against Company in a state or federal court or arbitration as of the date of

SUBFRANCHISOR'S receipt of this Agreement (unless already subject to an agreement to arbitrate between the parties and that agreement is superseded by this Agreement).

13.3. Class Action Waiver

The parties agree to bring any dispute in arbitration on an individual basis only, and not on a class, collective or representative basis. Accordingly:

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

ii) Claims which by law cannot be arbitrated or subjected to pre-dispute arbitration agreement under controlling law are not subject to this Article 13.

iii) Company will not take any retaliatory action in response to any exercise of rights SUBFRANCHISOR or SUBFRANCHISOR'S Subfranchisees 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, COMPANY may lawfully seek enforcement of Article 13 of this Agreement and seek dismissal of such class, collective and/or representative action or claims.

iv) This Class 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.

13.4. Arbitration Procedures and Rules

The Arbitrator shall be selected by mutual agreement of SUBFRANCHISOR and COMPANY. Unless SUBFRANCHISOR and COMPANY mutually agree otherwise, the Arbitrator shall be an attorney licensed to practice in 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 an alternative set of AAA 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 COMPANY by emailing Raymond Lee (or the then current President) at rlee@vanguardcleaning.com or calling 650-287-2400. Further, the rules may easily be found through a web-based search on Google or Bing.

(a) 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. Claims which would be compulsory counter-claims, if brought in court under the state law provided in Section 14.7 must be filed in an arbitration proceeding brought under this Agreement or be barred to the extent permitted under applicable law.

(b) All claims in arbitration are subject to the same statutes of limitation that would apply in court. Notwithstanding Section 14.14 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 14.14 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.

(c) The location of the arbitration proceeding shall be no more than 45 miles from SUBFRANCHISOR'S principal place of business in the Development Area, unless each party to the arbitration agrees otherwise. Arbitrators in any proceeding under this Article 13 will apply applicable law, and a failure to apply the applicable law in accord with Section 14.7 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.

13.5. 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 COMPANY and SUBFRANCHISOR equally, unless otherwise required by applicable law. In the event SUBFRANCHISOR contends that, as a matter of law, it is not responsible for payment of any Arbitration Costs, SUBFRANCHISOR will have no obligation to pay any portion of the contested Arbitration Costs until, and only if, the Arbitrator determines that SUBFRANCHISOR is responsible for the costs. If necessary for arbitration of the dispute, COMPANY agrees to advance the amount of the Arbitration Costs contested by SUBFRANCHISOR – 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 SUBFRANCHISOR is responsible for any amount of the Arbitration Costs already paid by COMPANY, SUBFRANCHISOR will remit payment of that amount to COMPANY within a reasonable period of time after the Arbitrator's determination becomes final or, if regulated by law, within the time allowed by law.

13.6. 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. Each party (including its owners, principals and guarantors, if applicable) hereby waives to the fullest extent permitted by law, any right or claim to any punitive, exemplary, penal, multiple, incidental, indirect, special, consequential or other damages (including without limitation loss of profits) against the other party (including its respective subsidiaries, affiliates, shareholders, officers, directors, managers, representatives, and employees, in their corporate and individual capacities) arising out of any cause or claim whatsoever and agrees that the claiming party (including its owners, principals, and guarantors, if applicable) shall be limited to the recovery of actual

damages sustained. Subject to the foregoing, 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.

13.7. Right to Consult With an Attorney

SUBFRANCHISOR has the right, and is encouraged, to consult with private counsel of SUBFRANCHISOR's choice with respect to any aspect of, or any claim that may be subject to, this Agreement.

13.8. Use of Arbitration Awards

No findings, conclusions, orders or awards emanating from any arbitration proceeding conducted pursuant to Article 13 of this Agreement 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.

13.9. Survival and Enforcement

The terms of Articles 13 and 14 shall survive termination, assignment, nonrenewal or expiration of this Agreement. If any portion of Article 13 or 14 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.

14. MISCELLANEOUS

14.1. Relationship of the Parties

SUBFRANCHISOR and COMPANY are independent contractors. SUBFRANCHISOR is free to conduct its Franchised Business as SUBFRANCHISOR deems best so long as SUBFRANCHISOR'S operations remain consistent with this Agreement, any applicable Brand Standards and all applicable codes, laws, regulations, ordinances and other legal requirements. SUBFRANCHISOR will supervise, manage and control the day to day operations of the Franchised Business and determine the methods and hours necessary to meet its obligations under this Agreement and any other agreement to which SUBFRANCHISOR is a party, including its agreements with Subfranchisees. SUBFRANCHISOR is exclusively in charge of hiring and firing, disciplining, promoting, compensating, scheduling, staffing and management of SUBFRANCHISOR'S Franchised Business employees, and the terms and conditions of their employment and their compliance with the System standards. SUBFRANCHISOR'S Franchised Business is, and shall be kept, totally separate from any other that COMPANY may operate. SUBFRANCHISOR acknowledges and agrees that no fiduciary, employment, joint employer, joint venture, agency or partnership relationship between COMPANY and SUBFRANCHISOR is created by or will be implied from this Agreement or the parties' course of conduct. Neither COMPANY nor SUBFRANCHISOR will make any agreements, representations or warranties in the name of or on behalf of

the other, nor represent that their relationship is other than an independent contractor, franchise relationship. SUBFRANCHISOR will at all times identify the Franchised Business as an independently owned area franchisor of COMPANY in all of its business dealings and to the general public and will require the same of SUBFRANCHISOR'S independently owned and operated Subfranchisees, which shall hold themselves out as independently owned Subfranchisees of SUBFRANCHISOR. COMPANY may require SUBFRANCHISOR to display notices at its place of business, on invoices, brochures or other materials, that the Franchised Business is an independently owned and operated business of SUBFRANCHISOR and that each Subfranchisee's Janitorial Business also is independently owned and operated. In entering into this Agreement, both SUBFRANCHISOR and COMPANY 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. SUBFRANCHISOR has no relationship with COMPANY'S employees, and COMPANY has no relationship with SUBFRANCHISOR'S employees.

14.2. Waiver and Delay

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.

14.3. Force Majeure

Neither COMPANY nor SUBFRANCHISOR will be in breach of this Agreement for any failure to perform any obligations or requirements of this Agreement that results from fire, flood, earthquake or other act of God, war, insurrection, labor strike or government shutdown. Any time period for the performance of an obligation shall be extended for the amount of the time of the delay. The application of this clause shall not result in an extension of the term of this Agreement.

14.4. Survival of Terms

The covenants and obligations contained in this Agreement which, by their terms, require performance by the parties after the expiration, assignment, nonrenewal or termination of this Agreement, including, but not limited to, those in Article 8, Article 11, Article 13 and Sections 12.1 and 12.2, will be enforceable and survive the expiration, assignment, nonrenewal or other termination of this Agreement for any reason whatsoever.

14.5. Successors and Assigns; Joint and Several Liability; Third Party Rights

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 COMPANY or SUBFRANCHISOR and their respective successors and assignees, subject to the restrictions on assignment contained herein. 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. If SUBFRANCHISOR is owned by more than one (1) person or entity, or a combination thereof, the obligations and liabilities of each such persons or entities to COMPANY hereunder are joint and several.

14.6. Individual Undertakings

All current and future shareholders, officers, members, managers and directors of any company that signs this Agreement as SUBFRANCHISOR personally and individually acknowledge and accept the duties and obligations imposed on SUBFRANCHISOR by the terms of this Agreement. As a condition to the granting of the master franchise or to the consent to an assignment under this Agreement by COMPANY, COMPANY can require each of SUBFRANCHISOR'S owners and each of their respective spouses or domestic partners to execute a Guaranty in the form of Exhibit C attached hereto. Each of the undersigned SUBFRANCHISOR owner(s)/SUBFRANCHISOR 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.

14.7. Governing Law and Venue

(a) 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 in which SUBFRANCHISOR'S principal place of business in the Development Area is located (unless otherwise expressly provided in any such agreement), without giving effect to any conflict of laws; PROVIDED, that the provisions of any such state's statute, regulation or law regarding franchises or business opportunities (including without limitation any franchise/business opportunity registration and disclosure law or franchise relationship law) shall not apply unless jurisdictional, definitional, and other requirements thereof are met independently of this Section.

(b) Subject to Article 13 and except to the extent prohibited by law or as otherwise provided in any state addenda applicable to SUBFRANCHISOR'S principal place of business in the Development Area, 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 the County in which SUBFRANCHISOR'S principal place of business in the Development Area is located. 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. COMPANY WAIVES ALL RIGHTS TO PROCEED ON A CONSOLIDATED, COMMON OR CLASS BASIS IN ANY ACTION AGAINST SUBFRANCHISOR AND SUBFRANCHISOR OWNERS. SUBFRANCHISOR AND SUBFRANCHISOR OWNERS WAIVE ALL RIGHTS TO PROCEED ON A CONSOLIDATED, COMMON OR CLASS BASIS IN ANY ACTION AGAINST COMPANY, EXCEPT FOR CLAIMS WHICH BY LAW CANNOT BE ARBITRATED OR SUBJECTED TO PRE-DISPUTE ARBITRATION AGREEMENT UNDER CONTROLLING LAW.**

14.8. Entire Agreement

This Agreement, including the recitals and all addenda and ancillary agreements signed concurrently with this Agreement, contains all of the terms and conditions agreed upon by the parties hereto with reference to the subject matter thereof. All prior agreements, promises, representations, and understandings are expressly superseded hereby and merged herein except for representations stated in the COMPANY's franchise disclosure document for the area franchise delivered to SUBFRANCHISOR in connection with the offer of this Agreement. Furthermore, no existing arbitration agreement between the

parties shall be superseded unless disputes subject to the prior agreement are also deemed arbitrable under Section 13, 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 13. No officer or employee or agent of COMPANY has any authority to make any representation or promise not contained in this Agreement or in such disclosure document, and SUBFRANCHISOR agrees that it has executed this Agreement without reliance upon any such extraneous representation or promise. 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 COMPANY reserves the right to make changes to the Manuals and Brand Standards without SUBFRANCHISOR'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 or to grant a successor master franchise agreement to, this Agreement or otherwise.

14.9. No Warranty of Success; No Waiver of Claims

COMPANY has not promised that SUBFRANCHISOR will or is likely to be successful in or realize any profits from the operation of the Franchised Business. SUBFRANCHISOR understands that the success of the Franchised Business is dependent on SUBFRANCHISOR's own efforts and business acumen, among other factors. No statement, questionnaire, or acknowledgment signed or agreed to by a subfranchisor in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

14.10. Titles for Convenience; Construction

Titles and captions used in this Agreement are for convenience only and will not be deemed to affect the meaning or construction of any of the terms, provisions, covenants, or conditions 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." COMPANY'S sole discretion means that COMPANY may consider any set of facts or circumstances that it deems relevant in rendering a decision. If COMPANY makes a decision, neither a mediator nor an arbitrator or judge shall substitute his or her judgment for the judgment so exercised by COMPANY. The fact that a mediator, arbitrator or judge might reach a different decision than the one made by COMPANY is not a basis for finding that COMPANY made its decision arbitrarily or unlawfully. COMPANY's duty to exercise reasonable business judgment in making certain decisions does not restrict or limit COMPANY's right under this Agreement to make other decisions based entirely on COMPANY's sole discretion as permitted by this Agreement.

14.11. Severability

Nothing contained in this Agreement will be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provisions of this Agreement or any required Brand Standard and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, such statute, law, ordinance or regulation will prevail. The provision of this Agreement or the Brand Standard affected will be curtailed and limited only to the extent necessary to bring it within the requirements of the law. If any arbitrator or court of appropriate jurisdiction deems any provision of this Agreement unenforceable, such provision will be modified only to the extent necessary to

render it enforceable and this Agreement will be valid and enforceable and the parties agree to be bound by and perform same as thus modified.

14.12. Counterparts

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which together will be deemed to be one and the same instrument.

14.13. SUBFRANCHISOR Acknowledgments

(a) SUBFRANCHISOR acknowledges that SUBFRANCHISOR is solely responsible for all taxes of any kind incurred or paid in connection with SUBFRANCHISOR'S Franchised Business and the products and services it provides, including as provided in Sections 4.14 and 5.11, above, and SUBFRANCHISOR'S payment and reimbursement obligations in connection with such responsibilities have been expressly negotiated by SUBFRANCHISOR and COMPANY.

(b) SUBFRANCHISOR represents and acknowledges that SUBFRANCHISOR has received, read and understands this Agreement and COMPANY's Franchise Disclosure Document and that COMPANY has given SUBFRANCHISOR ample time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement. SUBFRANCHISOR represents and acknowledges that SUBFRANCHISOR has received, at least fourteen (14) calendar-days prior to the date on which this Agreement was signed, the COMPANY's Franchise Disclosure Document required by law, as modified by any applicable state addenda attached to it. SUBFRANCHISOR 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 Franchised Business and the prospects for that business. SUBFRANCHISOR represents that SUBFRANCHISOR has either consulted with such advisors or has purposely declined to do so. Further, SUBFRANCHISOR represents that SUBFRANCHISOR reviewed the Manuals before signing the Master Franchise Agreement.

(c) SUBFRANCHISOR represents and acknowledges that SUBFRANCHISOR has not received or relied on any guarantee, express or implied, as to the revenues, profits or likelihood of success of the Franchised Business. Specifically, SUBFRANCHISOR 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 sales, earnings or profits SUBFRANCHISOR may realize in the operations of the Franchised Business.

SUBFRANCHISOR represents and acknowledges that there have been no representations by COMPANY'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. SUBFRANCHISOR acknowledges that SUBFRANCHISOR is responsible for the success of SUBFRANCHISOR's Franchised Business, which will be dependent upon SUBFRANCHISOR's management skills, financial controls, business skills, marketing and business development efforts and other capabilities.

14.14. 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 electronic mail transmission. Notices shall be effective at the earlier of i) the time of actual receipt; or ii) immediately on transmission by email; 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.

If to SUBFRANCHISOR: _____

_____

_____

Email: _____

If to COMPANY: VANGUARD CLEANINGS SYSTEMS, INC.

Raymond Lee, President

655 Mariners Island Blvd., Suite 303

San Mateo, CA 94404

Fax: (650) 591-1545

Email: Rlee@vanguardcleaning.com

14.15. "SUBFRANCHISOR" Construed

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

14.16. Discretionary Enforcement; Practices

COMPANY 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 SUBFRANCHISOR and/or any other subfranchisor or other person, in a lawful manner without liability. SUBFRANCHISOR understands, acknowledges and agrees that COMPANY may have offered master franchises in the past, may currently be offering master franchises and/or may offer master 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 COMPANY has varied, or will vary, the terms on which COMPANY offers master franchises, the charges COMPANY receives and other arrangements with a particular subfranchisor to suit the circumstances of a particular

transaction, the particular subfranchisor's situation or otherwise, in each case in its sole discretion and without liability, to the extent permitted by law.

This Agreement is effective only upon execution by both COMPANY and SUBFRANCHISOR and the undersigned SUBFRANCHISOR owner(s) and SUBFRANCHISOR Representative. Signature pages may be executed manually, by e-signature technology or by other means of electronic transmission and shall be deemed to have the same effect as delivery of an original.

Signatures on following page

VANGUARD CLEANING SYSTEMS, INC. _____

By: _____
Signature of COMPANY representative

Name: Raymond Lee

Title: President

Date: _____

By: _____
Signature of SUBFRANCHISOR representative

Name: _____

Title: _____

Date: _____

SUBFRANCHISOR Owners:

Print Name: _____

Signature: _____

Position/Title: _____
Percentage of ownership: _____%

Date: _____

SUBFRANCHISOR Owner Address:

_____
_____
_____

Email: _____

Print Name: _____

Signature: _____

Position/Title: _____
Percentage of ownership: _____%

Date: _____

SUBFRANCHISOR Owner Address:

_____
_____
_____

Email: _____

Print Name: _____

Signature: _____

Position/Title: _____
Percentage of ownership: _____%

Date: _____

SUBFRANCHISOR Owner Address:

_____
_____
_____

Email: _____

Print Name: _____

Signature: _____

Position/Title: _____
Percentage of ownership: _____%

Date: _____

SUBFRANCHISOR Owner Address:

_____
_____
_____

Email: _____

EXHIBIT A
TO THE MASTER FRANCHISE AGREEMENT

THE MARKS

THE MARKS

Mark	Registration Date (U.S.)	Registration Number (U.S.)	Class
VANGUARD CLEANING SYSTEMS	October 27, 1998; renewed on October 31, 2018	2,200,583	37 (amended in 2020)
VANGUARD CLEANING SYSTEMS and Design (logo indicated below)			
	February 8, 2005; renewed on March 20, 2014; renewed June 10, 2024	2,925,071	37
VANGUARD CLEANING SYSTEMS and design (logo indicated below)	November 1, 2011; renewed on July 14, 2021	4,048,280	37 (amended in 2020)
THE STANDARD OF CLEAN	December 13, 2011; renewed on July 7, 2021	4,070,385	35, 37 (amended in 2020)
VANGUARD (word only)	March 26, 2013; renewed on April 26, 2023	4,308,795	35, 37 (amended in 2019)
VANGUARD CLEANING SYSTEMS and design (logo)	February 25, 2014; renewed September 28, 2023	4,488,511	35 (amended in 2020)
VANGUARD CLEANING SYSTEMS & Design (color logo)	July 14, 2015; renewed November 20, 2024	4,772,976	35, 37 (amended in 2020)
Building Design service mark	April 20, 2021	6,327,106	35, 37

Mark	Registration Date	Registration Number	Class
VANGUARD CLEANING SYSTEMS & Design (horizontal design b/w reverse)	July 30, 2024	7461700	37

EXHIBIT B
TO THE MASTER FRANCHISE AGREEMENT

1. The Development Area is either depicted on a map attached hereto or is described as follows:

_____

_____

2. The Designated Manager is:

_____

(SUBFRANCHISOR is to notify COMPANY in advance if at any time it wants to select another SUBFRANCHISOR Owner to become the Designated Manager.) COMPANY may require the successor Designated Manager to satisfactorily complete the On-Boarding program prior to assuming the role of Designated Manager for SUBFRANCHISOR'S Franchised Business, in COMPANY's sole discretion . In that event, SUBFRANCHISOR shall pay COMPANY the then current On-Boarding fee not less than three (3) business days prior to participating in the scheduled On-Boarding program.)

EXHIBIT C
TO THE MASTER FRANCHISE AGREEMENT

OWNER'S GUARANTY AND ASSUMPTION OF SUBFRANCHISOR'S OBLIGATIONS

In consideration of, and as an inducement to, the execution by Vanguard Cleaning Systems, Inc. ("COMPANY") of that certain Master Franchise Agreement of even date herewith (the "Agreement") between COMPANY and _____ ("SUBFRANCHISOR"), or in consideration of and as an inducement to COMPANY's consent to a transfer to or of SUBFRANCHISOR under the Agreement, each of the undersigned parties including:_____
_____ (each a "Guarantor") hereby personally and unconditionally: (1) guarantees to COMPANY and its successors and assigns for the term of the 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 COMPANY, 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 SUBFRANCHISOR, Guarantor or any other person as a condition of liability;

(5) any requirement that COMPANY proceed against or exhaust its remedies with respect to SUBFRANCHISOR 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 upon demand if SUBFRANCHISOR fails or refuses to do so punctually;

(3) such liability will not be contingent or conditioned upon pursuit by COMPANY of any remedies against SUBFRANCHISOR 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 COMPANY may, from time to time, grant to SUBFRANCHISOR

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 (and any extensions) and as long as any performance is or might be owed under the Agreement by SUBFRANCHISOR and for so long as COMPANY has any cause of action against SUBFRANCHISOR or any Guarantor;

(5) the liability and obligations under this Guaranty and Assumption will not be diminished, relieved or otherwise affected by any modification by SUBFRANCHISOR and COMPANY of the terms or conditions of the Agreement; and

(6) he or she acknowledges having read and understood the Agreement and further agrees that this Guaranty and all other matters concerning COMPANY 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 Articles 13 and 14 of the Agreement, as though each Guarantor were "SUBFRANCHISOR" for purposes of such Articles.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature on the same day and year as the Agreement was executed.

GUARANTOR(S)	PERCENTAGE OF OWNERSHIP OF SUBFRANCHISOR
_____	_____%
Signature	
_____	_____%
Signature	
_____	_____%
Signature	

EXHIBIT D
TO THE MASTER FRANCHISE AGREEMENT

SOFTWARE LICENSE AGREEMENT

SEE EXHIBIT F OF THE MASTER FRANCHISE DISCLOSURE DOCUMENT FOR A COPY OF THE SOFTWARE LICENSE AGREEMENT.

EXHIBIT E
TO THE MASTER FRANCHISE AGREEMENT

CURRENT FORM OF SUBFRANCHISE AGREEMENT

(subject to change)

[AREA FRANCHISOR'S NAME]

FRANCHISE AGREEMENT

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FRANCHISE AGREEMENT

THIS AGREEMENT is made by and between _____ [**AREA FRANCHISOR'S LEGAL NAME]** ("Franchisor") and _____ [a corporation] [a limited liability company] with a principal place of business located at _____ (hereinafter collectively called "You" or "Franchisee").

RECITALS

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

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. Franchisor has been granted an area 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. 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. Grant to Franchisee

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

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 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.

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 and copies of required endorsements, 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.

3. Franchisor's Pre-Operating Commitments

A. Business System Program.

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

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 Business System Program or in any additional programs. A Franchisee Owner is any person with an ownership interest in Franchisee.

4. VCS Accounts

Franchisee has no obligation to accept or pay for any VCS Account Transfers, if offered by Franchisor. 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. If a VCS Account is offered and accepted by Franchisee, Franchisor can require that Franchisee sign the then current and applicable VCS Account Transfer form, which will specify the payments due from Franchisee in

connection with the VCS Account, as further described in Section 12 A. of this Agreement. (Refer to the Account Transfer and Acceptance forms attached as Exhibits I and J of Franchisor's Franchise Disclosure Document). In accepting an Account Transfer, Franchisee is solely responsible for meeting the Account Cleaning Services Agreement requirements described in the applicable Account agreement 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 Section 19 B. of this Agreement.

5. **Franchisor Services to VCS Businesses**

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. 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. Collections and Accounting.

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 VCS 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. 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. 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. 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. 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 Franchisor or the Vanguard Cleaning Systems® brand 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. 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. 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 or such other account arrangement as may be established by Franchisor. "Ancillary Services" do not include commercial janitorial or building/facilities maintenance services or any other services authorized by Licensor to be provided by Vanguard Cleaning Systems® subfranchisors or their subfranchisees or subcontractors. Franchisee shall notify Franchisor in writing of the ancillary services/products Franchisee wishes to provide one or more VCS Accounts before offering/delivering any ancillary services/products to VCS Accounts. If Franchisor and Franchisee mutually agree that such proposed product/service is ancillary within the meaning of this Section 5 F., Franchisee may proceed. 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. Vanguard Cleaning Systems Marks and System.

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. 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 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. Franchisee may not use the Marks as part of its legal Business Entity name.

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. 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. 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. 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. 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. Unit Franchise Guide(s). During the Term of this Agreement, Franchisor will loan Franchisee one copy of the Unit Franchise Guide(s), which are a component of the VCS System. "Guides" means the compilation of VCS System information contained in one or more guides, manuals or other publications on various subjects. Guides can be communicated to Franchisee in different mediums, including electronic. Franchisee has no right or interest in the Guides other than a license to use them while this Agreement is in effect. The Guides 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 Guides.

C. Confidential and/or Proprietary Information.

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

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. 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, X, YouTube, or other social media or applications, without Franchisor's prior written consent.

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 Guides 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. Accounts and System Protections; Non-solicitation.

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. 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 and/or contract with

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

A. Franchisee is an Independent Contractor; Legal Compliance.

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. 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 Accounts, employees 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, permits, filings and registrations required by any government agency in connection with the VCS Business and provide proof of the same upon Franchisor's request. 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. 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. 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. 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. 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 area franchisors, like Franchisor. Neither it nor its employees perform commercial cleaning services.

8. VCS Business Activities

A. Brand Protections.

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 Systems 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 Guides 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 franchise network's reputation, image and goodwill and to maintain uniform quality, Franchisee also agrees to comply with the following terms in conducting its VCS Business:

i) Franchisee is free to determine which, if any, Account Transfers Franchisee wishes to accept. 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) Franchisee agrees to correct promptly deficiencies identified by or through a VCS Account;

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

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., Franchisee agrees not to use or publish any materials or programs for its VCS Business using the Marks which are 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 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 ten percent (10%) of Gross Revenues for the use of the System and the Marks, among other 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. Marketing Fee. Franchisee will pay Franchisor a fee (a "Marketing Fee") for marketing and related services performed by Franchisor in connection with obtaining any Account that Franchisee chooses to accept from Franchisor. A Marketing Fee is also due on increases in services billings for an Account after any initial Account Transfer billing commitment has been met. Franchisee has no obligation to accept or pay for any VCS Account Transfers, if offered by Franchisor. A Marketing Fee is payable in full when Transfer 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 Account Transfer and Acceptance forms attached as Exhibits I and J 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. 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 equipment and capabilities necessary to meet 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. 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. 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. 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 A, 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. 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. VCS Business Insurance Requirements.

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. General liability and umbrella 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 either Franchisor or Licensor. 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 are as published in the Guides, or as otherwise published by Franchisor or Licensor.:

2. Franchisee will give Franchisor certificates of such required coverage and copies of endorsements reflecting Franchisor's and Licensor's status as additional insureds 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. 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. 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. 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 Successor Terms

A. Successor Terms. 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 elect to enter into a successor franchise for Franchisee's VCS Business when the term of this Franchise Agreement expires 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 this Agreement is to expire;

ii) Franchisee gives Franchisor written notice of Franchisee's decision to enter into a successor franchise term 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 this Agreement is to expire;

iv) Franchisee timely signs, at Franchisor's sole option, either a term extension addendum or the form of franchise agreement and ancillary documents then used by Franchisor for franchisees entering into successor terms, 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 elect to enter into the franchise for two additional five (5) year successor terms thereafter if Franchisee meets the conditions for obtaining a successor term in effect at the time of the expiration of the applicable term.

19. Termination

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) 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) 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) If Franchisee has made any material misrepresentation or omission in the application for the Franchise;

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

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) 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

viii) 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. 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. 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. 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 area 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. 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. 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. Assignment Conditions.

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

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

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

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

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) 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) 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) 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. 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. 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. 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:

_____

_____

_____

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 Guides 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. 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. 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. 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. 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. "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. 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 A 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. 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. 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 _____, without giving effect to any conflict of laws; PROVIDED, that i) the provisions of Section 6 F. shall be construed and enforced in accordance with the laws of the state in which any claimed breaching activity occurs; and ii) the provisions of any _____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. 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 _____ County, _____. 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 LAWS OF THE STATE CHOSEN IN SECTION 31 A., WHICH BY LAW ARE NOT SUBJECT TO A CONSOLIDATED, COMMON OR CLASS ACTION WAIVER.**

32. Dispute Resolution

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. 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.

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. *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 (including their subsidiaries, affiliates, shareholders, owners, officers, directors, managers, representatives, and employees): (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; (3) disputes arising out of or related to any standard, specification, or operating procedure relating to the establishment or operation of the franchised business, and (4) disputes arising out of or relating to this Agreement or a breach thereof, as well as disputes relating to the interpretation or application of this Agreement, 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, expense reimbursement, property damage, franchise and business opportunity law compliance and related franchising requirements, 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, and all other 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. *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. 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. *Additional Excluded Claims*: 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 in small claims court; and (3) claims pending in a state or federal court or arbitration as of the date of Franchisee's receipt of this Agreement.

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

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

2. Claims under the laws of the State chosen in Section 31 which by law may not be brought in arbitration are not subject to the arbitration requirements of this Section 32**.**

3. 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.

4. This Class 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. 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 practice in 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 an alternative set of AAA 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 (*Area Franchisor contact name)* at (*contact's email address)*.com or calling (*contact's phone number)*. Further, the rules may easily be found through a web-based search on Google or Bing.

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. Likewise, additional claims that would be compulsory or necessary if the dispute were brought in court under the state law provided in Section 31 must be asserted in the same arbitration proceeding, including counter-claims and counter complaints, or the claims will be waived and/or barred to the same extent as if the dispute were being adjudicated in court under applicable law.

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.

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. 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. 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. Each party (including its owners, principals and guarantors, if applicable) hereby waives to the fullest extent permitted by law, any right or claim to any punitive, exemplary, penal, multiple, incidental, indirect, special, consequential or other damages (including without limitation loss of profits) against the other party (including its respective subsidiaries, affiliates, shareholders, officers, directors, managers, representatives, and employees, in their corporate and individual capacities) arising out of any cause or claim whatsoever and agrees that the claiming party (including its owners, principals, and guarantors, if applicable) shall be limited to the recovery of actual damages sustained. Subject to the foregoing, 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. 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. 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. 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, pandemic, epidemic, endemic 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. Receipt of this Agreement and the Franchise Disclosure Document. 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. 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 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. 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. Risk Assessed. Franchisee represents that Franchisee has conducted an independent investigation of the business contemplated by this Agreement. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

E. No Guarantee of Success. Franchisor makes no representations or warranties, express or implied, as to the potential success of the business venture contemplated hereby. Franchisee acknowledges that the operation of Franchisee's VCS Business is dependent upon Franchisee's management skills, financial controls, business skills, marketing and business development efforts and other factors.

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 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. 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. 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. Signature pages may be executed manually, by e-signature technology or by other means of electronic transmission and shall be deemed to have the same effect as delivery of an original.

Agreed and accepted by the undersigned.

THE EFFECTIVE DATE IS: _____

FRANCHISOR

_____

[AREA FRANCHISOR'S LEGAL NAME]

By:_____
Signature

Print Name: _____

Title: _____

*****

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:_____ Print Name:_____

Signature:_____ Signature:_____

Position/Title:_____
Percentage of ownership: _____%

Position/Title:_____
Percentage of ownership _____%

TOTAL 100%

Franchisee Owner Address:

_____

_____

Fax: _____

Email: _____

Franchisee Owner Address:

_____

_____

Fax: _____

Email: _____

EXHIBIT A

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 B

TO THE FRANCHISE AGREEMENT

INDEPENDENT CONTRACTOR ACKNOWLEDGEMENT

I hereby acknowledge that my company, _____, has been awarded a Vanguard Cleaning Systems® franchise by _____ (my Vanguard Cleaning Systems® Area Franchisor) 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 area franchisor, 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 and insurance that may be required to operate my VCS Business, including automobile, liability and workers' compensation insurance, are maintained and meet minimum coverage requirements, as required by 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

EXHIBIT B

TO THE MASTER FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE REGISTRATION AND DISCLOSURE LAWS

FRANCHISE REGISTRATION AND DISCLOSURE LAWS

Federal Trade Commission Rule on Franchising

California Franchise Investment Law

Connecticut Business Opportunity Investment Act

Florida Sales of Business Opportunities Act

Hawaii Franchise Investment Law

Illinois Franchise Disclosure Act

Indiana Franchises Law

Kentucky Sale of Business Opportunities

Maryland Franchise Registration and Disclosure Law

Michigan Franchise Investment Law

Minnesota Franchises Law

Nebraska Seller-Assisted Marketing Plan Act

New York Franchises Law

Oregon Franchise Transactions Law

North Dakota Franchise Investment Law

Rhode Island Franchise Investment Act

South Dakota Franchise Investment Act

Texas Business Opportunity Act

Utah Business Opportunity Disclosure Act

Virginia Retail Franchising Act

Washington Franchise Investment Protection Act

Wisconsin Franchise Investment Law

EXHIBIT C

TO THE MASTER FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE RELATIONSHIP LAWS

FRANCHISE RELATIONSHIP LAWS

Alaska Distributorships

Arkansas Franchise Practices Act

California Franchise Relations Act

Connecticut Franchises Law

Delaware Franchise Security Law

District of Columbia Franchising Act of 1988

Hawaii Franchise Rights and Prohibitions

Illinois Franchise Disclosure Act

Indiana Deceptive Franchise Practices

Iowa Franchises Law

Maryland Fair Distributorship Act

Michigan Franchise Investment Law

Minnesota Unfair Practices Law

Mississippi Pyramid Sales Law

Missouri Franchise Law

Nebraska Franchise Practices Act

New Jersey Franchise Practices Act

North Dakota Franchise Merchandise Return

Puerto Rico Dealers' Contracts Law

Virginia Retail Franchising Act

Virgin Islands Franchised Business Law

Washington Franchise Investment Protection Act

Wisconsin Fair Dealership Law

EXHIBIT D

TO THE MASTER FRANCHISE DISCLOSURE DOCUMENT

SECURED PROMISSORY NOTE

PROMISSORY NOTE
SECURED BY SEPARATE SECURITY AGREEMENT

$_____ Date: _____
San Mateo, California

FOR VALUE RECEIVED, _____ ("Maker"), hereby promises to pay to the order of Vanguard Cleaning Systems, Inc. a California corporation ("Holder"), at 655 Mariners Island Blvd., Suite 303, San Mateo, CA 94404, or at such other place as Holder may from time to time designate by written notice to Maker, the principal sum of _____ ($_____), together with interest on the unpaid balance of said sum at the rate of ___ percent (__%) per annum from the date of this Promissory Note ("Note").

1. Interest Computation; Payments. Principal and interest shall be paid in _____ (__) monthly installments, to be paid on the first day of each and every month beginning on _____, and continuing until _____, at which time the entire unpaid balance of principal and interest hereunder shall be due and payable. Interest shall be computed on the basis of a 360 day year composed of twelve 30-day months. All principal and interest shall be payable in lawful money of the United States of America.

2. Pre-payment. This Note may be prepaid by Maker in full or part at any time without penalty or premium. Any prepayment shall be credited first upon interest then accrued and the remainder upon principal, and interest shall cease to accrue upon principal so credited.

3. Default; Right to Accelerate. If: (i) any payment of principal or interest is not made when due; (ii) any event of default (defined in Section 4 below) has occurred or is continuing under the Security Agreement; (iii) Maker materially breaches The Master Franchise Agreement between Maker and Holder; or (iv) Maker transfers The Master Franchise Agreement or a controlling interest in Maker or a substantial part of the assets used by Maker in Maker's business, then the entire unpaid principal balance of this Note and interest then accrued, whether or not otherwise then due, shall at the option of Holder become immediately due and payable without demand or notice.

4. Security Agreement. This Note is secured by a Security Agreement of even date herewith executed by Maker, as Debtor, and Holder as Secured Party (the "Security Agreement"), encumbering certain accounts receivable, notes receivable, contract rights, cash and cash equivalents, and equipment located in _____ County, _____, and is subject to all of the terms and conditions and entitled to all of the benefits of said Security Agreement.

5. Waiver. Failure of Holder to exercise any right hereunder shall not constitute a waiver of the right to exercise the same in the event of any subsequent default, or any event of continuance of any existing default after demand for strict performance thereof.

6. Usury. Notwithstanding anything herein or in the Security Agreement to the contrary, no provision contained herein or therein shall require the payment or permit the collection of interest in excess of the maximum non-usurious interest permitted by applicable law (the "Maximum Rate"). If any interest in excess of the Maximum Rate is provided for, or shall be adjudicated to be so provided for, then Maker shall not be obliged to pay interest to the extent that it is in excess of the Maximum Rate and any excess interest which may have been collected shall be either applied as a credit against the then unpaid principal amount hereof or refunded to Maker.

7. Attorneys' Fees. If collection is sought or an action is instituted on this Note or the Security Agreement, the prevailing party shall be entitled to its reasonable attorneys' fees.

8. Time of the Essence. Time is of the essence of the performance hereof.

MAKER:

By: _____

Its: _____

EXHIBIT E

TO THE MASTER FRANCHISE DISCLOSURE DOCUMENT

SECURITY AGREEMENT

SECURITY AGREEMENT

This Security Agreement is made as of the _____ day of _____, _____ by and between VANGUARD CLEANING SYSTEMS, INC., a California corporation ("Secured Party"), and _____ ("Debtor").

The parties hereto hereby agree as follows:

1. Grant of Security Interest. In consideration of Secured Party extending a loan to Debtor, and to secure the prompt payment of the Obligations (as defined in Section 2 hereof), Debtor hereby grants to Secured Party a security interest in the following personal property now or hereafter owned or acquired by Debtor (collectively, the "Collateral") and located at _____ (collectively, the "Property"), subject to the provisions of this Security Agreement:

1.1 All present and future right, title and interest of Debtor in and to all equipment (as defined in Division 9 of the California Uniform Commercial Code (the "UCC"), and whether existing now or in the future) now or in the future located at, upon or about, or affixed or attached to or installed in, the Property, or maintenance, management, operation, or occupancy of the Property, and all accessories, additions, attachments, parts, proceeds, products, repairs, replacements and substitutions of or to any of such property; subject, however, to the right of Debtor to remove, in the ordinary course of business, such equipment for the purpose of replacement with similar items of the same quality performing the same functions, which replacements shall, themselves, become part of the collateral (the "Personal Property Collateral");

1.2 All income, rents, issues, profits, earnings, receipts, accounts, royalties, fees and revenues, which, after the date of this Agreement and while any portion of or with respect to the indebtedness secured by the Security Agreement remains unpaid, may accrue from the Personal Property Collateral or that may be received or receivable by Debtor from any hiring, using, letting, leasing, sub-hiring, subletting, or subleasing of any of the above items or the Property;

1.3 All intangible property and rights belonging to Debtor and relating to the Property or the operation of Debtor's business thereon, or used in connection with it. Without limiting the generality of the foregoing, such items include, without limitation, any and all accounts receivable, notes receivable, contract rights, deposit accounts, cash and cash equivalents, instruments and documents (as those terms are defined in the UCC) (whether or not yet earned by performance);

1.4 All causes of action, claims, compensation, and recoveries, for any damage to the Personal Property Collateral, or for any conveyance in lieu thereof, whether direct or consequential, or for any damage or injury to the Personal Property Collateral, or for any loss or diminution in value of the Personal Property Collateral;

1.5 All products and proceeds of any and all of the foregoing, including, but not limited to, proceeds from voluntary or involuntary disposition and insurance proceeds or other payments by reason of loss or damage to any of the foregoing, and any and all renewals, replacements, substitutions, additions, accessions and attachments for or to any of the foregoing, and any and all tools, parts and equipment used in connection with any of the foregoing, and any and all rents, issues, royalties, fees and profits of any of the foregoing, all whether now owned, existing or hereafter arising; and

1.6 All property similar to the foregoing hereafter acquired by Debtor.

2. Obligation Secured. The following are the obligations secured by this Agreement (collectively, the "Obligations"):

(a) Payment by Debtor of all sums at any time and from time to time owing under that certain Promissory Note secured by separate Security Agreement dated _____, in the principal amount of _____ _____, executed by Debtor as Maker in favor of Secured Party as Holder (the "Note");

(b) Payment and performance of all other obligations of Debtor to Secured Party arising out of any other documents executed by Debtor in connection with the loan evidenced by the Note; and

(c) Payment of all costs and expenses incurred by Secured Party or on its behalf: (i) to obtain, preserve, protect and enforce this security interest and exercise its rights and remedies with respect to the Collateral or any part thereof; and (ii) to maintain, preserve and protect the Collateral or any part thereof. Such costs and expenses may include, without limitation, taxes, assessments, insurance premiums, repairs, reasonable attorneys' fees and legal expenses, reasonable accountants' fees, rent, storage costs, and expenses of sale of the Collateral or any part thereof.

3. Location of Collateral. Except as required in the ordinary course of business from time to time, the Collateral shall at all times be located at the Property.

4. Warranties and Representations. Debtor warrants and represents to Secured Party that:

4.1 Debtor is, or upon acquisition will be, the sole and absolute owner of the Collateral and any part thereof.

4.2 None of the Collateral is (or with respect to after acquired property will be when acquired) subject to any lien, encumbrance or security interest other than the security interest granted hereby, and no financing statement has been filed with respect to the Collateral other than the financing statement relating to the security interest granted hereby.

4.3 All information now or hereafter supplied by Debtor to Secured Party or at Secured Party's request or instructions, is and will be correct when supplied in all material respects.

5. Covenants of Debtor. Until the Obligations have been paid or performed in full, Debtor agrees:

5.1 To furnish to Secured Party such information concerning Debtor (as it specifically relates to Promissory Note and this Security Agreement) and the Collateral as Secured Party may reasonably request from time to time;

5.2 To use its best efforts to preserve and protect the Personal Property Collateral; to maintain the Personal Property Collateral in good working order; to replace the Personal Property Collateral with items of substantially the same quality, nature and function upon the destruction thereof or the expiration of its useful life; and to permit Secured Party to inspect the Personal Property Collateral from time to time;

5.3 To pay all charges of any nature against the Collateral prior to their delinquency and not permit to exist any lien, charge, interest or claim of any person, except Secured Party hereunder, against the Collateral; provided, however, that upon any failure by Debtor to do so, Secured Party may: (i) pay such amounts which it deems necessary or remove any lien, charge, interest or claim (but shall have no obligation to do so), and Debtor shall reimburse Secured Party for any amounts (including attorneys' fees and costs) so expended promptly upon demand therefor by Secured Party; or (ii) require Debtor to obtain a written subordination agreement in a form satisfactory to Secured Party executed by the beneficiary of such lien, charge, interest or claim within five (5) days of demand therefor by Secured Party;

5.4 To timely perform under the terms of the Note and this Security Agreement and, in the event of Debtor's default thereunder or hereunder, repay immediately on demand all expenses (including reasonable attorneys' fees, legal expenses and costs and the cost of filing financing statements and any renewals or extensions thereof) incurred by Secured Party under this Security Agreement from the date of such expenditure;

5.5 That any replacements or renewals of the Collateral hereafter acquired by Debtor for use by Debtor at the Property shall immediately become subject to this Security Agreement, including without limitation other account agreements, franchise agreements, additional account business agreements and promissory notes from franchisees. Upon demand of Secured Party, Debtor, in order to further confirm the same, shall execute a new or amended security agreement and a financing statement in a form satisfactory to Secured Party;

5.6 Not to commence or permit to continue any proceeding in bankruptcy, receivership or similar proceedings, or commit any act of bankruptcy or make any assignment for benefit of creditors or become insolvent;

5.7 Not to sell, contract to sell, lease, encumber or dispose (except as otherwise provided in Section 5.2 above) of the Collateral or any interest therein without the written consent of Secured Party, which consent may be withheld in Secured Party's sole and absolute discretion;

5.8 To insure (and maintain such insurance at all times during the term of the Note) the Personal Property Collateral, with Secured Party as loss payee, against such hazards, in such form as Secured Party may reasonably require and in such amounts as Secured Party may require, not to exceed the fair market value from time to time of the Personal Property Collateral, and deliver the policies or appropriate certificates to Secured Party;

5.9 To pay when due all taxes, assessments and charges now or hereafter affecting the Collateral; and

5.10 To appear in and defend any action or proceeding which may affect Secured Party's security interest in or Debtor's title to the Collateral.

6. Rights of Secured Party. Secured Party may, in its sole discretion: (i) contact account debtors to verify information furnished by Debtor, (ii) notify account debtors and obligors on instruments to make payment directly to Secured Party; (iii) take any action which Debtor is required to take or which Secured Party deems necessary or advisable to obtain, preserve, protect and enforce this security interest, and maintain, preserve and protect the Collateral (including, but not limited to, taking those actions set forth in Section 7 hereof, without notice to Debtor, and add all costs and expenses of the same to the

Obligations (but the Secured Party is under no duty to take any such action); (iv) release the Collateral or any part thereof that is in the Secured Party's possession to Debtor, temporarily or otherwise; (v) take control of proceeds and other funds generated by the Collateral, such as dividends, interest and proceeds or refunds from insurance, and use the same to reduce any part of the Obligations; (vi) waive any of its rights hereunder without such waiver prohibiting the later exercise of the same or similar rights; (vii) require Debtor to give possession or control of the Collateral or any part thereof to the Secured Party; (viii) revoke any permission or waiver or any indulgence previously granted to Debtor, and (ix) exercise any other rights Secured Party may have. Secured Party may only exercise the rights described in (ii) and (vii) above after an Event of Default (as defined below).

7. Payments of Charges. In the event Debtor at any time or times fails to pay when due any insurance premium or any taxes or fees imposed by any governmental agency (except when contested in good faith and with respect to which Debtor has established adequate reserves pursuant to generally accepted accounting principles) or any payment which is or may become a lien, encumbrance, attachment, levy or charge upon, or result in a temporary protective order with respect to, any of the Collateral, the Secured Party may, without waiving or releasing any obligation or liability of Debtor hereunder or under the Lease or the waiving of any Event of Default, upon three (3) business days prior written notice to Debtor, make such payment or any part thereof, or obtain a discharge and take any other action with respect thereto that Secured Party deems advisable to protect its security interest in the Collateral.

8. Event of Default. Each of the following shall constitute an event of default ("Event of Default") hereunder:

8.1 The occurrence of a default under the Note, any other document executed by Debtor in connection with the loan evidenced by the Note, or this Security Agreement;

8.2 The impairment, in Secured Party's sole discretion, of the value or priority of the security interest in the Collateral or any material part thereof;

8.3 Any loss, theft, damage, destruction, sale or encumbrance to or of the Collateral or any material part thereof;

8.4 A dissolution or other termination of Debtor's existence or of any one individual constituting Debtor, or any merger or consolidation of Debtor with a third party.

8.5 Entry of any judgment against Debtor or the filing of any financing statement with respect to any of the Collateral other than relating to this security interest;

8.6 Breach by Debtor of any provision of this Security Agreement (other than a breach covered by Section 8.7 below), which breach is incurable or remains uncured for a period of ten (10) days following written notice thereof to Debtor;

8.7 Any representation, warranty or statement to Secured Party was false when made or furnished, or a substantial adverse change occurs in any fact warranted or represented in this Security Agreement;

8.8 Any of the Collateral has been attached, seized or levied on at any time pursuant to any court order or other legal process and the continuance of any such order or such legal process shall have remained unstayed and in effect for a period of at least ten (10) consecutive days;

8.9 Any material default by Debtor under the Master Franchise Agreement between Debtor and Secured Party.

If an event of Default has occurred, the Secured Party may exercise any and all of the rights and remedies available to a party under the Uniform Commercial Code as in force in the State of California, as well as all other rights and remedies. Secured Party may exercise such rights and remedies without demand for performance or other demand, advertisement or notice of any kind (except the notice specified in (f) below of time and place of public sale or time of private sale) to or upon Debtor, to the extent permitted by law, or any other person (all and each of which demands, advertisements and/or notices are hereby expressly waived). Without limiting the generality of the foregoing, Secured Party may:

(a) Incur costs and expenses, including, but not limited to, reasonable attorneys' fees, legal expenses and costs appropriate to the exercise of any rights, power or remedy with respect to the Collateral or any part thereof;

(b) Collect and take possession of the Collateral or any part thereof and render it usable, and repair and renovate the same without, however, any obligation to do so, and enter upon any real property (including the Property) where the same may be located for that purpose;

(c) Control, manage, rent and lease the Collateral or any part thereof, and collect all rents and income from the Collateral and apply the same to the reimbursement of Secured Party for any costs or expenses incurred hereunder and to the payment of Debtor's Obligations;

(d) Sue Debtor or any other person or entity liable for payment and performance of Debtor's Obligations;

(e) Dispose of the Collateral (or contract to do so) or any part thereof and apply the proceeds to reimbursement of Secured Party for any costs or expenses incurred hereunder and to the payment of Debtor's obligations and liabilities hereunder, and the balance to the payment of Obligations. Such disposition of the Collateral or any part thereof may be by public or private sale or sales, at any exchange, brokers' board or elsewhere. The parties agree that written notice to Debtor five (5) business days prior to the date of public sale of the Collateral or (5) business days prior to the date after which private sale or any other disposition of the Collateral will be made shall constitute reasonable notice (all other notices, demands or advertisements of any kind being expressly waived by Debtor), but notice given in any other reasonable manner or at any other time shall be sufficient.

Debtor shall deliver from time to time to Secured Party, as requested by Secured Party, current lists of the Collateral (including any proceeds).

The rights, powers and remedies of Secured Party provided in this Security Agreement are cumulative, may be exercised singly or concurrently, and are not exclusive of any right, power or remedy of the Secured Party provided by law or equity. Secured Party shall have no obligations to resort to the Collateral or any other security that is or may become available to it.

9. Notice. Any notice or other communication hereunder shall be in writing and shall be deemed given and effective: (i) when delivered personally, by telex or telecopier, or by overnight courier service; or (ii) three (3) days after the postmark date if mailed by certified or registered mail, postage prepaid, return receipt requested, addressed to a party at its address stated below its signature hereto or to such other address as such party may designate by written notice of change of address in accordance with the provisions of this Section 9.

10. Miscellaneous.

10.1 This Security Agreement constitutes the entire agreement between the parties hereto relating to the subject matter hereof and supersedes all prior and all contemporaneous oral and written negotiations, commitments and understandings of the parties with respect to the subject matter hereof.

10.2 This Security Agreement may not be changed or amended except by a writing executed by the party against whom such change or amendment is invoked.

10.3 The rights and privileges of Secured Party shall inure to the benefit of its successors and assigns. All representations, warranties, covenants and, agreements of Debtor shall bind Debtor's successors and assigns. Debtor's consent shall not be required with respect to any assignment or other transfer by Secured Party of its rights and interests in the Security Agreement and/or in the Collateral.

10.4 This security Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California applicable to contracts entered into and to be performed within that State. Definitions in the Uniform Commercial Code as in force in the State of California shall apply to words and phrases in this Security Agreement. If such definitions in the Uniform Commercial Code conflict, the definitions of Division 9 shall apply.

10.5 No failure or delay on the part of Secured Party in the exercise of any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or remedy preclude any other or further exercise thereof, or the exercise of any other right, power or remedy. Furthermore, the taking of this Security Agreement shall not waive or impair any other security Secured Party may have or hereafter acquire for the payment or the performance of the Obligations, nor shall the taking of any such additional security waive or impair this Security Agreement; but Secured Party may resort to any security it may have in any order it may deem proper, and notwithstanding any security interest of Secured Party, Secured Party shall retain its rights of setoff against Debtor. Secured Party shall have no obligations to resort to the Collateral or any other security that is or may become available to it. No waiver by Secured Party will be effective unless and until it is in writing and signed by Secured Party.

10.6 This Security Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute but one and the same instrument.

10.7 The headings are for reference purposes only and are not to be considered in construing this Security Agreement.

10.8 If any provision of this Security Agreement shall be held invalid or unenforceable, in whole or in part, such provision shall be modified to the minimum extent necessary to

make it or its application valid and enforceable, and the validity and enforceability of all other provisions of this Security Agreement and all other applications of such provision shall not be affected thereby.

10.9 The parties agree that this Security Agreement shall be fairly interpreted in accordance with its terms without any strict construction in favor of or against either party and the ambiguities shall not be interpreted against the drafting party.

10.10 The pleading of the statute of limitations to any demand for the performance of any obligation secured hereby is hereby waived to the extent permitted under applicable law.

10.11 The individuals executing this Security Agreement on behalf of Secured Party and Debtor do hereby warrant and represent that they are fully authorized to execute this Security Agreement on behalf of such respective party and to bind the respective party to the terms and provisions hereof, and that such parties are hereby so bound.

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement as of the date first above written.

SECURED PARTY:	DEBTOR:
VANGUARD CLEANING SYSTEMS, INC., a California corporation	_____
By:_____	By:_____
Name: Raymond C. Lee	Name:
Its: President	Its:
Date:	Date:
Address for notices:	
655 Mariners Island Blvd., Suite 303	_____
San Mateo, CA 94404	_____

EXHIBIT F

TO THE MASTER FRANCHISE DISCLOSURE DOCUMENT

SOFTWARE LICENSE AGREEMENT

VANGUARD SOFTWARE LICENSE AGREEMENT

This Software License Agreement (this "Agreement") is made between Vanguard Cleaning Systems, Inc., with offices at 655 Mariners Blvd., Suite 303, San Mateo, California 94404 ("VANGUARD") and _____, located at _____ ("SUBFRANCHISOR") and is effective on _____("the Effective Date").

WHEREAS, VANGUARD and SUBFRANCHISOR have entered into a Master Franchise Agreement (the "Franchise Agreement") dated _____, pursuant to which VANGUARD has granted to SUBFRANCHISOR a master franchise for the operation of a business that will grant subfranchises to and support independent businesses providing commercial cleaning services under the Vanguard Cleaning Systems® brand within a specific Development Area (the "Master Franchised Business"); and

WHEREAS, VANGUARD owns or is licensed to sublicense certain customized software programs (together, the "Custom Programming") that is used in connection with certain software products (the "Software Products") to facilitate certain contact and accounting tasks for Vanguard Master Franchised Businesses; and

WHEREAS, the Franchise Agreement contemplates the offer of a license or sublicense, as applicable, for the Custom Programming by VANGUARD to SUBFRANCHISOR for use with the Software Products in SUBFRANCHISOR'S operation of the Master Franchised Business, at SUBFRANCHISOR'S option; and

WHEREAS, SUBFRANCHISOR has independently chosen to accept VANGUARD'S offer of the license/sublicense (collectively, a "license" for purposes of this Agreement) for the Custom Programming, as provided above.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. GRANT OF LICENSE.

A. VANGUARD grants to SUBFRANCHISOR, and SUBFRANCHISOR accepts from VANGUARD, a personal, nonexclusive, nontransferable license to use the Custom Programming and any such modifications, upgrades or additions thereto which may be provided by VANGUARD or its designee upon the terms set forth herein.

B. SUBFRANCHISOR acknowledges and agrees that the license granted by this Agreement extends solely to the use by the SUBFRANCHISOR and its authorized employees, agents and representatives of the Custom Programming with Software Products licensed independently by VANGUARD for use on the computer system used by SUBFRANCHISOR in connection with the Master Franchised Business (hereinafter the "Computer System"). The use of the Custom Programming for any purpose other than in connection with the operation of the Master Franchised Business pursuant to the Franchise Agreement is prohibited.

C. SUBFRANCHISOR shall not export the Custom Programming in any form from the United States of America.

D. SUBFRANCHISOR has chosen in its sole discretion to obtain this license to use the Custom Programming and to acquire a license for the Software Products. While SUBFRANCHISOR may opt to use the Custom Programming and Software Products as tools in managing its Master Franchised Business, SUBFRANCHISOR is exclusively in charge of supervising, managing and controlling the day to day operations of the Master Franchised Business and determining the methods and efforts necessary to meet its obligations under this Agreement and any other agreement to which SUBFRANCHISOR is a party, including SUBFRANCHISOR'S subfranchise agreements with its unit franchisees. No fiduciary, employment, joint employer, joint venture, agency or partnership relationship is created by or will be implied from this Agreement or the parties' course of conduct.

2. TERM OF LICENSE.

A. The term of this Agreement shall begin on the effective date of the Franchise Agreement and will terminate automatically with the termination or expiration of the Franchise Agreement, unless earlier terminated as provided herein.

B. If SUBFRANCHISOR transfers possession of any copy of the Custom Programming licensed under this Agreement without the prior written consent of VANGUARD, the license granted herein for the Custom Programming shall automatically terminate.

C. In the event of a transfer in compliance with Article 9 of the Franchise Agreement (hereinafter "Transfer"), VANGUARD, at its option, shall require the transferee to execute a then current version of VANGUARD's Software License Agreement or to accept an assignment of this license in accordance with the terms of this Agreement. In connection with any such assignment, SUBFRANCHISOR shall provide to VANGUARD an executed copy of an agreement providing for the assignment of this Agreement to, and its acceptance by, the transferee, pursuant to which the transferee shall assume all of SUBFRANCHISOR's obligations hereunder.

D. Upon termination or expiration of this Agreement or upon a Transfer as provided in Section 2 C., above, SUBFRANCHISOR and all owners of an interest in SUBFRANCHISOR shall immediately cease all use of the Custom Programming and shall ensure that all authorized users do the same.

3. TAXES.

If VANGUARD 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 VANGUARD in connection with this Agreement and the license granted herein, then VANGUARD can require SUBFRANCHISOR to pay or reimburse VANGUARD a corresponding amount.

4. INSTALLATION AND MAINTENANCE.

A. SUBFRANCHISOR shall arrange with a third-party services provider designated by VANGUARD for the installation of the Custom Programming, as well as for the installation of any upgrades, modifications or additions to the Custom Programming to the extent that they are made available, and shall pay such third-party services provider such charges as such provider may assess in connection with each such installation. If and to the extent SUBFRANCHISOR elects to engage such

third-party services provider for any purpose in addition to the installation of the Custom Programming, it shall contract separately for the same under an agreement negotiated between SUBFRANCHISOR and such third-party services provider. Such additional services are not contemplated under this Agreement, and VANGUARD shall have no responsibility or liability in connection with any such additional services. SUBFRANCHISOR shall be solely responsible for any amounts due such third-party services provider in connection with any services it provides SUBFRANCHISOR. If travel to SUBFRANCHISOR's location is required to complete installation or for other support purposes, SUBFRANCHISOR shall pay for the travel and lodging expenses for VANGUARD's/such services' provider's personnel, as applicable.

B. SUBFRANCHISOR may choose to accept and use any upgrades, modifications and/or additions to either the Custom Programming or the Software Products as they may be made available; however, VANGUARD shall not be obligated to provide any upgrades, modifications or additions to the Custom Programming. SUBFRANCHISOR shall pay upon request VANGUARD or its designee, as applicable, for the cost incurred by VANGUARD or such designee in providing any such upgrades, modifications or additions to the Custom Programming.

C. All user documentation related to the Custom Programming provided by VANGUARD or such third-party services provider shall be returned to the applicable source upon termination or expiration of this Agreement.

D. SUBFRANCHISOR is solely responsible for the selection and maintenance of SUBFRANCHISOR'S Software Products and Computer System and all expenses related to such Software Products and Computer System and any modifications thereto.

5. <u>ALTERATIONS AND REPRODUCTION</u>.

A. No alterations, modifications, enhancements or translations of any kind may be made to the Custom Programming, except as may be approved by VANGUARD.

B. SUBFRANCHISOR shall not alter or remove any copyright notices, trademarks and any other proprietary legends or logos appearing on any element or portion of the Custom Programming, including any updates, new releases or back-up copies thereof.

C. SUBFRANCHISOR acknowledges and understands that changes or modifications SUBFRANCHISOR makes to the Software Products with which the Custom Programming interfaces, such as "Act!" and "Quickbooks", may cause the Custom Programming to malfunction or to cease functioning. SUBFRANCHISOR is advised to seek professional assistance from VANGUARD'S designated third-party services provider before making any such changes or modifications. VANGUARD disclaims any and all responsibility or liability for any consequences of any such changes or modifications by SUBFRANCHISOR, and SUBFRANCHISOR hereby accepts sole responsibility for the same.

6. <u>OWNERSHIP AND PROTECTION</u>.

A. The Custom Programming licensed to SUBFRANCHISOR and any copies of the same made by SUBFRANCHISOR, including any translations, compilations, partial copies, modifications, and updates thereof, are owned by VANGUARD or its licensors. Both during the term of this Agreement and thereafter, title and copyright, patent, trade secret and other intellectual property and proprietary rights in

the Custom Programming (including but not limited to the programs, routines, subroutines, concepts, formulas, ideas, specifications, applications and know-how, regardless of the physical object, article, media or documentation in or on which they are imbedded) are and shall remain the property of VANGUARD or its licensors.

B. SUBFRANCHISOR will not sell, transfer, disclose or otherwise make the Custom Programming available to anyone other than its authorized employees, agents and representatives, and SUBFRANCHISOR shall keep confidential and protect the Custom Programming from unauthorized disclosure. In addition, SUBFRANCHISOR shall not attempt to reverse engineer, disassemble, reverse translate or in any manner decode the object code of the Custom Programming in order to derive their source code.

C. SUBFRANCHISOR shall take such action with respect to its employees as is necessary to ensure compliance with this Section 6.

D. VANGUARD does not have independent access to any information generated or stored on SUBFRANCHISOR'S Computer System, whether input in connection with SUBFRANCHISOR'S use of the Custom Programming and Software Products or otherwise. Data input into such Computer System by SUBFRANCHISOR and its authorized users is solely owned by SUBFRANCHISOR (unless originally provided by VANGUARD to SUBFRANCHISOR).

7. LIMITED WARRANTY.

EXCEPT AS OTHERWISE SPECIFIED HEREIN, THE CUSTOM PROGRAMMING IS PROVIDED "AS IS", WITHOUT WARRANTY OF ANY KIND OR NATURE.

VANGUARD DOES NOT PROVIDE ANY WARRANTIES AS TO THE FUNCTION OR USE OF THE CUSTOM PROGRAMMING WITH SOFTWARE PRODUCTS, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE. THE ENTIRE RISK AS TO THE QUALITY AND PERFORMANCE OF THE CUSTOM PROGRAMMING AND SOFTWARE PRODUCTS IS WITH SUBFRANCHISOR. VANGUARD DOES NOT WARRANT THAT THE FUNCTIONS CONTAINED IN THE CUSTOM PROGRAMMING AND SOFTWARE PRODUCTS WILL MEET SUBFRANCHISOR'S REQUIREMENTS OR THAT THE OPERATION OF THE CUSTOM PROGRAMMING AND SOFTWARE PRODUCTS WILL BE UNINTERRUPTED OR ERROR FREE. VANGUARD MAKES NO WARRANTY OR REPRESENTATION THAT THE CUSTOM PROGRAMMING FUNCTIONS CAN BE PERFORMED WITH ANY LICENSED SOFTWARE SELECTED BY SUBFRANCHISOR FOR USE ON ITS COMPUTER SYSTEM. **VANGUARD AND ANY VANGUARD LICENSOR SHALL NOT BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY NATURE WHATSOEVER FOR ANY BREACH OF WARRANTY OR FOR ANY ACTION ARISING OUT OF FRANCHISOR'S FAILURE TO PERFORM FRANCHISOR'S RESPONSIBILITIES UNDER THIS AGREEMENT.**

SUBFRANCHISOR ACKNOWLEDGES THAT WHILE THE CUSTOM PROGRAMMING IS AN OPTIONAL TOOL INTENDED TO ASSIST SUBFRANCHISOR IN ITS BUSINESS OPERATIONS, SUBFRANCHISOR IS SOLELY RESPONSIBLE FOR ENSURING THE ACCURACY OF REPORTS AND DATA RESULTING FROM USE OF THE CUSTOM PROGRAMMING AND

FOR COMPLIANCE WITH ALL APPLICABLE LAWS IN CONNECTION WITH ANY FUNCTIONS PERFORMED BY THE CUSTOM PROGRAMMING.

8. DEFAULT.

A. Any of the following will constitute an act of default hereunder:

(1) The failure by either party to perform any term, condition, or covenant of this Agreement, which failure has not been corrected within thirty (30) days of the date of written notice of such failure given to it by the other party; or

(2) SUBFRANCHISOR:

(a) is or becomes insolvent, or a party to any bankruptcy or receivership proceeding or any similar action affecting the financial condition or property of SUBFRANCHISOR and such proceeding has not been dissolved within thirty (30) days, or

(b) makes a general assignment for the benefit of creditors, or

(c) causes or permits liens to attach or purport to attach to the Custom Programming, or

(d) ceases doing business in the normal course, or

(e) has committed a default under the Franchise Agreement which default has not been cured, if curable, in the period specified in the Franchise Agreement.

B. In the event an act of default shall occur, the party not in default shall have the right to and may elect any or all of the following remedies which shall be cumulative and not exclusive:

(1) declare this Agreement immediately terminated;

(2) if the default arises out of a failure by SUBFRANCHISOR to observe the provisions of Section 6 of this Agreement, then it is hereby expressly agreed that remedies at law shall be inadequate and VANGUARD or VANGUARD's licensor may obtain such injunctions and/or affirmative relief as will adequately protect its best interests; and

(3) pursue each and every other remedy available at law and equity.

9. INDEMNITY.

A. SUBFRANCHISOR shall indemnify and hold VANGUARD harmless from any and all claims, costs, expenses, damages and liabilities for damage or injury to persons or property arising out of or related to the use, possession or operation of the Custom Programming that is not authorized by or that is in violation of the terms of this Agreement. This indemnity shall survive the termination of this Agreement.

B. VANGUARD is not obligated to defend or indemnify SUBFRANCHISOR in any infringement proceeding brought against SUBFRANCHISOR by any third party in connection with the Custom Programming or Software Products. If SUBFRANCHISOR's use of the Custom Programming is enjoined or prohibited as a result of an infringement claim, VANGUARD or its licensor will either: (1) use best efforts to procure for SUBFRANCHISOR the right to continue using the Custom Programming; or (2) use commercially reasonable efforts to replace the Custom Programming with non-infringing programming or products. **THE FOREGOING IS SUBFRANCHISOR'S EXCLUSIVE REMEDY IN THE EVENT SUBFRANCHISOR'S USE OF THE CUSTOM PROGRAMMING IS PROHIBITED OR ENJOINED BECAUSE OF A THIRD PARTY'S INFRINGEMENT CLAIMS.**

10. LIMITATION OF LIABILITY.

In no event will VANGUARD be liable for any damages caused by SUBFRANCHISOR's failure to perform SUBFRANCHISOR's responsibilities or for any indirect, special or consequential damages (including, but not limited to, lost profits, lost savings or interruption of business), or for any claim by SUBFRANCHISOR or any other party for damages arising from or in connection with the delivery, use or performance of the Custom Programming or Software Products, even if VANGUARD has been advised of the possibility of such loss or damages, or for any claim against SUBFRANCHISOR by any other party.

11. FORCE MAJEURE.

Neither party shall be responsible for delays or failures in performance under this Agreement resulting from acts or occurrences beyond the control of such party which may not be overcome by due diligence, and such performance shall be suspended during the continuance of such act or occurrence.

12. GENERAL PROVISIONS.

A. Except for the Franchise Agreement, this Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes any and all previous negotiations, proposals, commitments, writings, advertisements, publications and understandings of any nature whatsoever. By execution hereof, the signer hereby certifies that he/she has read this Agreement and is duly authorized to execute it on behalf of SUBFRANCHISOR.

B. Section headings are inserted for convenience only and shall not be used in any way to construe the terms of this Agreement.

C. This Agreement may not be modified or amended, nor any rights of either party waived, except in writing, signed by duly empowered and authorized representatives of the parties hereto.

D. Any notice required by this Agreement shall be given in writing, sent by certified U.S. Mail, postage prepaid, return receipt requested, to the address for the recipient stated at the beginning of this Agreement, or to such other address as the parties may, from time to time, specify by written notice. Notices shall be considered given and received within seven (7) days of deposit with U.S. Mail, or as of the date evidenced by the applicable U.S. Postal Service return receipt card, whichever occurs earlier.

E. If one or more of the provisions contained herein shall be declared invalid, illegal or unenforceable in any respect under any applicable statute or rule of law, then such provisions shall be

considered inoperative to the extent of such invalidity, illegality or unenforceability, and the remainder of this Agreement shall continue in full force and effect.

F. This Agreement shall be construed in accordance with, and governed by, the laws of the State of California. All proceedings arising out of or relating to this Agreement by or between VANGUARD or other related parties and SUBFRANCHISOR or its owners or other related parties shall be brought and conducted only in an appropriate state or federal court with jurisdiction located in San Mateo, California, or, if inapplicable, in the nearest vicinity thereof. The parties consent to such jurisdiction and waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. For avoidance of doubt, this Section 12 F. does not, and is not intended to, apply to or modify in any manner the terms of the Franchise Agreement, including without limitation those terms pertaining to claims and disputes and the resolution thereof.

By its execution of this Agreement, SUBFRANCHISOR acknowledges that he or she has read this Agreement, understands it, and agrees to be bound by its terms and conditions.

FRANCHISOR

VANGUARD CLEANING SYSTEMS, INC.

A California Corporation

_____

Signature

_____

Title

SUBFRANCHISOR (Corporation/LLC)

_____

Name of Entity

_____

Type of Entity

_____

Signature

_____

Name

_____

Title

EXHIBIT G

TO THE MASTER FRANCHISE DISCLOSURE DOCUMENT

LIST OF ACTIVE SUBFRANCHISORS
AS OF DECEMBER 31, 2025

Name	Address	City	State	Zip	Phone
Willcam, Inc.	200 Cahaba Park Circle, Ste. 121	Birmingham	AL	35242	205-972-4161
(2nd location)	7027 Madison Pike, Ste. 108	Huntsville	AL	35806	256-430-4646
Phidora Group, Inc.	551 White Road, Suite B	Springdale	AR	72762	479-717-2410
Sandstone Group, LLC*	2727 W. Baseline Road, Ste 7	Tempe	AZ	85283	602-748-4545
Prestige Worldwide, Inc.	5301 Office Park Dr., Ste. 200	Bakersfield	CA	93309	661-395-3009
RR Franchising, Inc.* ***	6281 Beach Blvd., Ste. 225	Buena Park	CA	90621	714-228-1940
(2nd location)	925 Ygnacio Valley Rd., Suite 100	Walnut Creek	CA	94596	925-356-0970
Buddha Capital Corporation*, **	91 D'Arcy Parkway	Lathrop	CA	95330	209-858-5737
Buddha Capital Corporation*, ** (2nd master franchise)	1435 Alhambra Blvd., Ste. 101	Sacramento	CA	95816	916-985-2532
Wine Country Ventures, Inc.	765 Baywood Drive, Suite 143	Petaluma	CA	94954	707-658-2391
Redstone Group, LLC	13275 E. Fremont Place, #320	Centennial	CO	80112	720-639-8090
Delmar Corporate Cleaning Services, Inc.**	260 Chapman Road, Ste. 104B	Newark	DE	19702	302-861-8006
AMS Capital, Inc.	3181 N. Bay Village Ct., Ste. A200	Bonita Springs	FL	34135	239-454-3212
(2nd location)	2571 North Toledo Blade Blvd., Ste. 1	North Port	FL	34289	941-423-7670
Northeast Quality Services, Inc.	7235 Bentley Road, Suite 300	Jacksonville	FL	32256	904-332-9090
Tobias Group, Inc.	1400 NW 107 Avenue, Ste. 410	Miami	FL	33172	786-517-9590
(2nd location)	4440 PGA Boulevard, Ste. 600	Palm Beach	FL	33410	561-283-8645
At Your Service Team Enterprises, Inc.**	260 Maitland Ave., Ste. 400	Altamonte Springs	FL	32701	407-373-6058
At Your Service Team Enterprises, Inc.** (2nd master franchise)	3820 Northdale Blvd., Ste. 304	Tampa	FL	33624	813-849-6500
Pebel Advisors, Inc.	270 Scientific Drive, Suite 18	Peachtree Corners	GA	30092	770-916-1119
Inland N. W. Franchising, Inc.*	94 S. Cole Road	Boise	ID	83709	208-424-0201
Boundless Horizons of Iowa, Inc.	1441 29th Street, Suite 112	West Des Moines	IA	50266	515-478-8610
Rocking D Holding Company	800 Roosevelt Road, Ste. A-318	Glen Ellyn	IL	60137	630-984-4130

Name	Address	City	State	Zip	Phone
IN Franchising, LLC ***	1060 N. Capitol Ave. Suite #3-103	Indianapolis	IN	46204	463-238-9090
KY Franchising, LLC ***	1230 Liberty Bank Ln., Ste. 110	Louisville	KY	40222	502-855-8500
Delmar Corporate Cleaning Services, Inc.** (2nd master franchise)	6810 Deerpath Rd, Ste 315	Elkridge	MD	21075	443-461-0040
Winkel & Associates, LLC	140 Engelwood Drive, Ste. A	Orion	MI	48359	248-481-3297
Split Rock Management, Inc.	3459 Washington Dr., Ste. 109	Eagan	MN	55122	651-379-4000
Boundless Horizons, Inc.	13057 West Center Rd., Ste. 20	Omaha	NE	68144	402-614-0978
Capstone Service, Inc.	6280 McLeod Drive, Ste. 100	Las Vegas	NV	89120	702-266-9899
Jemps Management, LLC*	131- Gaither Drive, Suite D	Mount Laurel	NJ	08054	856-231-1200
GJLT Management, LLC	115 Rte 46 West, Suite A-8	Mountain Lakes	NJ	07046	973-334-3355
Bremmany, LLC	2301 Yale Blvd., SE, Ste. C-6	Albuquerque	NM	87106	505-796-4450
Parity-Whats, Inc.	155 Airport Executive Park	Nanuet	NY	10954	914-478-5500
Innovative Offerings, Inc.	300 Main St., Ste. 16/17	East Rochester	NY	14445	585-662-5340
PJSJ Enterprises, Inc.	626 Rex Corp Plaza, 6th Floor	Uniondale	NY	11556	516-858-4555
Midway Franchising, LLC*	9541 Julian Clark Avenue, Ste. 211	Huntersville	NC	28078	704-523-3636
(2nd location)	2275 Vanstory Street, Suite 103	Greensboro	NC	27403	336-553-3881
Midway Franchising, LLC*	2301 Stonehenge Drive, Suite 200	Raleigh	NC	27615	919-870-9099
Yates Cleaning, Inc.*	7370 Kingsgate Way, Suite H	West Chester	OH	45069	513-834-8252
(2nd location)	3700 Lacon Road	Hilliard	OH	43026	614-639-5003
Phidora Group, Inc. (2nd location)	7633 E. 63rd Pl., Ste. 347	Tulsa	OK	74133	918-960-4450
Pacific Pearl Investors, LLC	5319 SW Westgate Dr., Ste. 250	Portland	OR	97221	503-914-4697
Quality Services, LLC*	121 N Cedar Crest Blvd.	Allentown	PA	18104	610-871-1895
(2nd location)	100N Wilkes-Barre Blvd.	Wilkes Bare	PA	18702	570-218-4000
Central Pennsylvania Services, LLC*	5006 Trindle Road, Suite 100	Mechanicsburg	PA	17050	717-260-3678
(2nd location)	2275 Swallow Hill Road, Bldg. 1000, Ste. 4	Pittsburgh	PA	15220	412-276-5360

Name	Address	City	State	Zip	Phone
PJG Enterprises, Inc.	467 Buck Road, Suite B45	Huntingdon Valley	PA	19006	215-396-2018
Side by Side Productions, Inc.	4219 Hillsboro Pike, Ste. 204	Nashville	TN	37215	615-298-4333
Gilliam Investments, Inc.	2201 Brookhollow Plaza Dr., Suite 445	Arlington	TX	76006	972-479-9800
Brett Properties, LLC	2008 W. Koenig Lane	Austin	TX	78756	512-961-5310
Brett Enterprises, LLC	6950 Portwest Drive, Suite 110	Houston	TX	77024	713-869-8966
Brett Systems, Inc.	1638 Lockhill Selma	San Antonio	TX	78213	210-525-0710
Keystone Group, LLC	1568 South West 500, Ste. 201	Woods Cross	UT	84010	801-292-4700
All One Cleaning Services, Inc.*	1403 Greenbrier Pkwy, Ste. 450	Chesapeake	VA	23320	757-366-0576
(2^{ND} location)	7130 Glen Forest Drive, Ste. 402	Richmond	VA	23226	804-525-7201
Hardy & Associates, Inc.	6912 220^{th} Street SW, Ste. 306	Mountlake Terrace	WA	98043	425-778-0240
Inland N.W. Franchising, Inc.* (2^{ND} location)	920 North Argonne Rd, Ste. 129	Spokane Valley	WA	99212	509-922-1499
Saint Croix Management Incorporated	11220 W. Burleigh Street, Suite 100	Wauwatosa,	WI	53222	414-763-1777

*Denotes a Subfranchisor operating multiple regions under a single master franchise agreement.

**Denotes a Subfranchisor operating multiple regions under a corresponding number of master franchise agreements.

***Like our affiliate RR Franchising, Inc., KY Franchising, LLC and IN Franchising, LLC operate as subfranchisors under master franchise agreements with us.

CANADA

Name	Address	City	State	Zip	Phone
1164093 Alberta Ltd.*	2150 29 St. NE, Unit 10	Calgary	AB	T1Y7G4	403-736-0555
1164093 Alberta Ltd *	4808 87 Street NW, Ste. 130	Edmonton	AB	T6E5W3	780-988-0590
0915134 B.C. Ltd	5589 Byrne Road, Suite 220	Burnaby	BC	V5J 3J1	604-558-1852
2188374 Ontario Inc.	5160 Explorer Drive, Unit 20	Mississauga	ON	L4W4T7	905-614-0400
102219834 Saskatchewan Ltd.	20^{th} St. W	Saskatoon	SK	S7M 0W6	780-619-6568

*Denotes a Subfranchisor operating multiple regions under a single master franchise agreement.

EXHIBIT H

TO THE MASTER FRANCHISE DISCLOSURE DOCUMENT

LIST OF FORMER SUBFRANCHISORS

(LEAVING THE VANGUARD SYSTEM IN THE YEAR ENDED DECEMBER 31, 2025)

FORMER SUBFRANCHISORS

(LEAVING THE VANGUARD SYSTEM IN THE YEAR ENDED DECEMBER 31, 2025)

Name	City	State	Phone
Naptown Franchising, LLC**	Indianapolis	Indiana	502-475-3862
Fortitude Partners, LLC**	Louisville	Kentucky	502-475-3862
Dreyhayem, Inc.*	Raleigh	North Carolina	919-749-2636
Side By Side Productions, Inc.*	Nashville	Tennessee	615-613-3563

* These Development Areas were acquired by a Subfranchisor which is an affiliate of a subfranchisor operating in a separate development area under a separate master franchise agreement.

** These Development Areas were acquired by our affiliates, IN Franchising LLC and KY Franchising LLC, respectively.

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

EXHIBIT I

TO THE MASTER FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

Hood & Strong

Advisory, Tax
and Assurance

Vanguard Cleaning Systems, Inc. and Subsidiary

December 31, 2025, 2024 and 2023

Consolidated Financial Statments

Vanguard Cleaning Systems, Inc. and Subsidiary

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Independent Auditors' Report

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

Opinion

We have audited the financial statements of **VANGUARD CLEANING SYSTEMS, INC. AND SUBSIDIARY (the Company)** which comprise the consolidated balance sheet as of December 31, 2025, 2024 and 2023, and the related consolidated statements of income, changes in stockholder's equity, and cash flows for the years then ended and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025, 2024 and 2023, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year from the date of this report.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Company's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Hood & Strong LLP

San Jose, California
April 8, 2026

Vanguard Cleaning Systems, Inc. and Subsidiary

Consolidated Balance Sheet

December 31,	2025	2024	2023
Assets			
Current Assets:			
Cash	$ 806,610	$ 555,564	$ 268,525
Money market fund	354,439	340,055	323,080
Royalties receivable	837,045	1,240,284	1,169,337
Notes receivable - Area Franchise	135,744	158,602	125,500
Prepaid expenses and other current assets	1,177,042	1,166,757	1,098,683
Total current assets	3,310,880	3,461,262	2,985,125
Property and Equipment, net	115,631	167,544	223,224
Other Non-Current Assets:			
Notes receivable - Area Franchise, net of current portion	372,133	495,482	621,500
Operating right-of-use assets	261,523	379,082	432,313
Other assets	73,351	11,227	11,227
Total other non-current assets	707,007	885,791	1,065,040
	$ 4,133,518	$ 4,514,597	$ 4,273,389
Liabilities and Stockholder's Equity			
Current Liabilities:			
Accounts payable and accrued expenses	$ 104,002	$ 465,609	$ 941,899
Lease liability, current portion	120,151	115,217	104,394
Deferred revenue	132,918	167,719	207,330
Total current liabilities	357,071	748,545	1,253,623
Lease Liability, net of current portion	138,995	259,145	326,555
Deferred Revenue, net of current portion	484,009	555,628	704,348
Total liabilities	980,075	1,563,318	2,284,526
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	3,083,443	2,881,279	1,918,863
Total stockholder's equity	3,153,443	2,951,279	1,988,863
	$ 4,133,518	$ 4,514,597	$ 4,273,389

See accompanying notes to the financial statements.

Vanguard Cleaning Systems, Inc. and Subsidiary

Consolidated Statement of Income

For the years ended December 31,	2025	2024	2023
Revenues:			
Area franchise sales	$ 170,946	$ 208,330	$ 204,433
Royalties and fees	10,334,387	10,606,228	10,603,117
Other revenues	3,330,222	3,087,914	2,863,872
	13,835,555	13,902,472	13,671,422
Operating Expenses	8,103,929	7,648,640	7,873,613
Net income from operations	5,731,626	6,253,832	5,797,809
Other Income (Expense):			
Interest income	43,228	34,993	15,088
Other income (expense)	-	-	(902)
	43,228	34,993	14,186
Net income before provision for income taxes	5,774,854	6,288,825	5,811,995
Provision for Income Taxes	(37,069)	-	(135,233)
Net Income	$ 5,737,785	$ 6,288,825	$ 5,676,762

See accompanying notes to the financial statements.

Vanguard Cleaning Systems, Inc. and Subsidiary

Consolidated Statement of Changes in Stockholder's Equity

For the years ended December 31, 2025, 2024, 2023

	Common Stock		Retained Earnings	Total
	Number	Amount		
Balance, December 31, 2022	9,000	70,000	1,587,543	$ 1,657,543
Net income	-	-	5,676,762	5,676,762
Distributions	-	-	(5,345,442)	(5,345,442)
Balance, December 31, 2023	9,000	70,000	1,918,863	1,988,863
Net income	-	-	6,288,825	6,288,825
Distributions	-	-	(5,326,409)	(5,326,409)
Balance, December 31, 2024	9,000	70,000	2,881,279	2,951,279
Net income	-	-	5,737,785	5,737,785
Distributions	-	-	(5,535,621)	(5,535,621)
Balance, December 31, 2025	9,000	$ 70,000	$ 3,083,443	$ 3,153,443

See accompanying notes to the financial statements.

Vanguard Cleaning Systems, Inc. and Subsidiary

Consolidated Statement of Cash Flows

For the years ended December 31,	2025	2024	2023
Cash Flows from Operating Activities:			
Net income	$ 5,737,785	$ 6,288,825	$ 5,676,762
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	73,011	80,724	71,565
Loss on disposal of assets	-	-	902
Amortization of operating right of use asset	117,559	111,992	107,785
Share-based compensation expense	-	(86,687)	397,868
Bad debt expense	5,000	-	-
(Increase) decrease in assets:			
Royalties receivable	403,239	(70,947)	5,584
Prepaid expenses and other current assets	(72,409)	(68,074)	(176,932)
Increase (decrease) in liabilities:			
Accounts payable and accrued expenses	(361,607)	(389,603)	(135,622)
Operating lease liability	(115,216)	(109,848)	(105,968)
Deferred revenue	(106,420)	(188,331)	(174,433)
Net cash provided by operating activities	5,680,942	5,568,051	5,667,511
Cash Flows from Investing Activities:			
Purchases of money market fund	(14,384)	(16,975)	(15,088)
Purchase of property and equipment	(21,098)	(30,544)	(137,272)
Issuance of notes receivable - Area franchise	-	-	(680,000)
Payment on notes receivable - Area franchise	141,207	92,916	23,000
Net cash provided (used) by investing activities	105,725	45,397	(809,360)
Cash Flows from Financing Activities:			
Stockholder distributions	(5,535,621)	(5,326,409)	(5,345,442)
Net cash used by financing activities	(5,535,621)	(5,326,409)	(5,345,442)
Net Increase (Decrease) in Cash	251,046	287,039	(487,291)
Cash, beginning of period	555,564	268,525	755,816
Cash, end of period	$ 806,610	$ 555,564	$ 268,525
Supplemental Disclosure of Cash Flow Information:			
Cash paid during the year for:			
Income taxes	$ 37,069	$ -	$ 135,233
Supplemental Disclosure of Non-cash Investing and Financing Activities:			
Right-of-use assets financed by operating lease liability	$ -	$ 53,261	$ 496,504
Area franchise sales financed by notes receivable	$ -	$ -	$ 85,000

See accompanying notes to the 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 area franchise businesses and providing business development and support services to them. The Company grants these businesses Master franchise agreements, which allow them as area franchisors to award sub franchises to Vanguard Cleaning Systems® unit franchises in prescribed geographical areas in the United States and Canada. Vanguard Cleaning Systems unit franchisees are independently owned and operated commercial cleaning services businesses. Neither the Company nor its area franchisors perform commercial cleaning services. Area franchisors pay the Company an initial franchise fee, renewal fees with a successor term, and royalties based on their area franchise business revenues.

Note 2 - Significant Accounting Policies:

Basis of Accounting

The Company uses the accrual basis 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.

Principles of Consolidation

The consolidated financial statements include the accounts of VCS International, LLC, a Delaware limited liability company, formed in December 2025. All significant intercompany transactions and balances have been eliminated in consolidation.

Cash

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

Royalties Receivable

Royalties receivable are contractual agreements calculated based on the area franchisor's monthly business volume. An allowance for credit losses is appropriately considered depending upon prior historical losses, the assessed financial stability of the area franchisors, and the current economic conditions. The Company has elected to consider all cash collections received through the date these financial statements were available to be issued when assessing collectability. The Company has also elected the assumption that current economic conditions will remain unchanged. Management has determined that the royalties receivable are fully collectible as of December 31, 2025, 2024 and 2023, and therefore has not established an allowance for credit losses.

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.

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.

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 lives or the lease term.

Leases

The Company leases property in the ordinary course of business under various operating lease agreements. Variable lease payments are recognized in the period incurred. Lease expense for these leases is recognized on a straight-line basis over the lease term.

The Company recognizes a lease liability and right-of-use asset for leases classified as operating leases in the balance sheet upon lease commencement. The lease liability represents the present value of the remaining lease payments. The Company uses the implicit rate in the lease agreement. In the event an implicit rate is not readily available, the Company uses a risk-free discount rate at the commencement date. In addition, the Company recognizes a corresponding right-of-use asset, which represents the right to use an underlying asset for the lease term.

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 stockholder has elected to have the Company pay the California Pass-Through Entity (PTE) tax (PTE Tax) on behalf of the stockholder. The tax is assessed as 9.3% of the Company's taxable income and is applied to reduce the federal taxable income reportable on the stockholder's personal income tax return. Accordingly, the stockholder recognizes a federal income tax benefit as if the stockholder's state income tax were fully deductible on the stockholder's personal federal income tax return. Since the income tax benefits associated with the PTE Tax exclusively benefits the stockholder, the amount is recognized as a distribution, and included in distributions in the statement of changes in stockholder's equity.

Management has concluded that the Company has taken no uncertain tax positions that require adjustment to or disclosure in these financial statements.

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 exercise price and the calculated value of the underlying stock (as defined by the plan document) at the end of each year.

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, 2025, 2024, and 2023 was immaterial.

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.

New Accounting Pronouncements

In July 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2025-05, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets.* This ASU introduces a practical expedient and, for nonpublic companies, an accounting policy election to simplify the application of Topic 326. This ASU is effective prospectively for annual reporting periods beginning after December 15, 2025. The Company has elected to early adopt this ASU for the year ended December 31, 2025, as permitted.

Subsequent Events

The Company has evaluated subsequent events from December 31, 2025 through April 8, 2026, 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:

Revenues consist primarily of royalties, initial and renewal area franchise fees, development area protection and other revenue. Performance obligations under area franchise agreements consist of: (1) development area protection, (2) an area 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 area franchise agreement. Initial and renewal area 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 area 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 area 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 area franchisors' monthly business volume, generally ranging from 4% to 5%. The initial area franchise fee is payable upon execution of the area franchise agreement and the renewal fee, if any, is due and payable at the expiration of the initial term of the area franchise agreement. Royalties and fees represent volume-based royalties that are related entirely to the performance obligation under the area franchise agreements and are recognized as area franchisors' volume occur.

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

Note 4 - Area Franchise Notes Receivable:

In connection with the sales of certain area franchises, the Company will enter into a note receivable agreement with the purchaser. The interest rates on these notes ranges from 0% to 5.5% per annum, with the notes maturing at various dates through 2028. Management has determined that the area franchise notes receivable do not represent a significant financing component, and are fully collectible as of December 31, 2025, 2024 and 2023.

Note 5 - Property and Equipment:

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

	2025	2024	2023
Office equipment	$ 173,628	$ 180,209	$ 176,707
Furniture and fixtures	11,524	6,176	6,176
Software	379,200	379,200	366,400
Leasehold improvements	147,755	147,755	139,013
	712,107	713,340	688,296
Less: Accumulated depreciation and amortization	(596,476)	(545,796)	(465,072)
	$ 115,631	$ 167,544	$ 223,224

Depreciation and amortization expense totaled $73,011, $80,724, and $71,565 for 2025, 2024, and 2023, respectively.

Note 6 - Contract Liabilities:

Contract liabilities consist of deferred revenue resulting from initial and renewal area franchise fees, as reduced by direct broker commissions to obtain the specific contract. These contract liabilities are included in deferred revenue on the balance sheet. As of December 31, 2022, the balance in contract liabilities was $1,001,111.

The following table illustrates the estimated revenues expected to be recognized in the future related to deferred franchise fees as of December 31, 2025:

Year ending December 31,		
2026	$	132,918
2027		119,813
2028		101,352
2029		82,116
2030		47,560
Thereafter		133,168
Total	$	616,927

Note 7 - Leases:

The Company leases its office space and a vehicle under operating leases expiring in February 2028 and October 2027, respectively. Lease cost, including variable lease costs, was $161,333, $156,600 and $156,917 for the years ended December 31, 2025, 2024 and 2023, respectively. As of December 31, 2025, the weighted- average remaining lease term was 2.11 years and the weighted-average discount rate was 4.21%.

Future lease obligations are as follows as of December 31, 2025:

Year ending December 31,		
2026	$	128,700
2027		124,125
2029		18,400
Total lease payments		271,225
Less discount to present value		(12,079)
Present value of lease liabilities	$	259,146

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, 2025, 2024 and 2023:

	Phantom Units Outstanding and Exercisable		Weighted Average Exercise Price	Phantom Units Vested
Balance at December 31, 2022	450	$	2,334.12	370
Exercised	(90)		2,496.53	
Balance at December 31, 2023	360	$	2,293.52	316
Exercised	(135)		2,045.89	
Balance at December 31, 2024	405	$	4,445.50	209
Exercised	(135)		2,045.89	
Balance at December 31, 2025	270	$	4,445.50	128

Total compensation expense to be recognized over the remaining vesting period is $7,551. Compensation expense recognized was $0, $(86,687), and $397,868, in 2025, 2024 and 2023, 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 2025, 2024 and 2023.

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, 2025, 2024 and 2023 was $110,400, $110,400, and $110,400, 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 an Area Franchise Agreement with RRF. Revenue earned under this agreement amounted to $610,062, $621,170, and $540,624 for 2025, 2024 and 2023, 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, 2025, 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.

EXHIBIT J

TO THE MASTER FRANCHISE DISCLOSURE DOCUMENT

STATE REGULATORS AND

AGENTS FOR SERVICE OF PROCESS

STATE REGULATORS

California:
Department of Financial Protection and Innovation
One Sansome Street, Suite 600
San Francisco, CA 94104

320 West 4th Street
Los Angeles, CA 90013

May Lee State Office Complex
651 Bannon Street, Suite 300
Sacramento, CA 95811

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 St.
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:
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8222

North Dakota:
North Dakota Insurance and Securities Department
600 East Boulevard Avenue, Dept. 401
Bismarck, ND 58505
(701) 328-2910

Rhode Island:
Division of Securities
Department of Business Regulation
John O. Pastore Complex, Building 69-1
1511 Pontiac Avenue
Cranston, RI 02920
(401) 462-9527

South Dakota:
Division of Insurance
Securities Regulation
124 S. Euclid, 2nd Floor
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 41200
Olympia, Washington 98504-1200

Wisconsin:
State of Wisconsin
Office of the Commissioner of Securities
4822 Madison Yards, North Tower
Madison, WI 53705

AGENTS FOR SERVICE OF PROCESS

The Franchisor has not appointed the agent identified below unless it has registered in that state, as noted on Exhibit P to this FDD.

California:
California Commissioner of Financial Protection
and Innovation
Department of 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
670 Law Building
Lansing, Michigan 48913

Minnesota:
Commissioner of Commerce
85 7th Place E.
St. Paul, MN 55101

New York:
Secretary of State
99 Washington Avenue
Albany, New York 12231

North Dakota:
Insurance Commissioner
600 East Boulevard Ave., Dept. 401
Bismarck, North Dakota 58505
(701) 328-2910

Rhode Island:
Director of Business Regulation
Division of Securities
John O. Pastore Complex, Building 69-1
1511 Pontiac Avenue
Cranston, RI 02920

South Dakota:
Director
Division of Insurance
Securities Regulation
124 S. Euclid, 2nd Floor
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, North Tower
Madison, Wisconsin 53705

EXHIBIT K

TO THE MASTER FRANCHISE DISCLOSURE DOCUMENT

FORM OF GENERAL RELEASE
(SUBJECT TO CHANGE BY FRANCHISOR)

GENERAL RELEASE FORM
(SUBJECT TO CHANGE BY FRANCHISOR)

This General Release (this "Release") is made by _____ [NAME OF SUBFRANCHISOR ("Subfranchisor") in favor of Vanguard Cleaning Systems, Inc. ("Company") and certain related parties as set forth below effective as of _____, 20__ (the "Effective Date").]

Company offers master franchise rights to others to act as subfranchisors offering, selling and supporting Vanguard Cleaning Systems® subfranchisees ("Subfranchisees") that provide commercial janitorial and cleaning services.

Company and Subfranchisor (or its predecessor in interest) entered into a Master Franchise Agreement dated _____, ___ (the "Franchise Agreement") for the operation of a business (the "Franchised Business") that offers, sells and supports Subfranchisees in a specified territory for a term that will expire as of a specified date (the "Expiration Date.")

Subfranchisor wishes to [retain/transfer] the master franchise rights as provided in the Franchise Agreement.

A release of all claims against Company and related parties by Subfranchisor is one of the conditions that must be satisfied in order to [transfer the franchise under the Franchise Agreement/obtain a successor term for the master franchise.]

Therefore, in consideration of these premises, and for other good and valuable consideration, receipt of which is hereby acknowledged, Subfranchisor agrees as follows:

1. **Release by Subfranchisor.** Except as provided below in Section 3, Subfranchisor and each Subfranchisor Owner itself/himself and, as applicable its/his respective predecessors, shareholders, officers, directors, members, partners, owners, successors, assigns, affiliates, family members, heirs, executors, administrators and personal representatives and anyone claiming through or under them (collectively the "Subfranchisor Parties"), hereby releases, acquits and forever discharges Company and its predecessors, successors, assigns, parent company, subsidiaries, affiliates, officers, directors, stockholders, employees, attorneys, accountants and other representatives (collectively the "Company Parties") of and from any and all claims, demands, debts, obligations, damages, causes of action and claims for relief of any nature whatsoever (the "Claims"), whether known or unknown, fixed or contingent, which the Subfranchisor Parties or any of them have against any or all of the Company 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, excepting only those Claims i) for which a release is expressly precluded as provided under applicable state franchise relations, franchise sales laws, or other applicable laws of any kind and/or ii) which are arising from representations in the Franchise Disclosure Document last received by Subfranchisor, if this release is required by Company as a condition to granting a master franchise agreement to Subfranchisor. 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 Subfranchisor Party's right to testify in an administrative, legislative or judicial

proceeding concerning alleged criminal conduct or alleged sexual harassment by a Company Party when a Subfranchisor 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. Nothing in this Release shall be construed to waive any right that is not subject to waiver by private agreement.

2. Waiver of Civil Code Section 1542. Subfranchisor and each Subfranchisor Owner itself/himself/herself and the other Subfranchisor 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.**

Subfranchisor, each Subfranchisor Owner and the other Subfranchisor Parties understand this statutory language, and notwithstanding this or any similar statute, Subfranchisor and each Subfranchisor Owner and the other Subfranchisor Parties freely elect to specifically waive these rights and hereby do release the Company Parties from all Claims whether known or unknown. Subfranchisor and each Subfranchisor 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, Subfranchisor, each Subfranchisor Owner and the other Subfranchisor Parties expressly accept the risk of such possible different or additional facts and agrees that this Release and waiver shall remain effective notwithstanding any such discoveries. Subfranchisor, each Subfranchisor Owner and the other Subfranchisor Parties are not deciding to make this Release predicated on any factual representations of Company or any others regarding the nature of the Claims released or any other matters.

3. Limitations on Release Required by State Franchise Laws. This release expressly excludes, as applicable, any Claims arising under the Maryland Franchise Registration and Disclosure Law and under Article 33 of the General Business Law of the State of New York and will not operate to limit or relieve any person from any liability imposed by Minnesota Statutes, sections 80C.01 or 80C.22, where the jurisdictional, definitional and other requirements for the application of such laws are met independently of this Section. This release excepts Claims for which a release is expressly precluded as provided under applicable state franchise relations or franchise sales laws.

4. Representations. Subfranchisor and each Subfranchisor Owner represents, warrants, agrees and acknowledges:

a. That Subfranchisor/Subfranchisor Owner has had ample opportunity to consult with legal counsel in making this Release and has read and fully understands the terms of this Release and freely and voluntarily signs this Release;

b. That the validity of this Release is a condition to and essential consideration for the [renewal/transfer] of the master franchise rights;

c. That in addition to this Release, there are other conditions to [renewal/transfer] of the Master Franchise as set forth in the Franchise Agreement that must be satisfied; and

d. That Subfranchisor currently owns the master franchise rights and the Franchised Business and all of the Claims released hereby and has not assigned any interest in the master franchise, the Franchise Agreement, the Franchised Business, the ownership of Subfranchisor or any of such claims.

5. Entire Agreement. This Release contains the entire agreement by Subfranchisor with respect to the release required for [renewal/transfer] of the master franchise rights. All prior discussions, negotiations, and representations concerning this matter are superseded by this Release.

6. Governing Law. This Release will be governed by the laws of the state in which Subfranchisor's principal place of business in the Development Area is located, without giving effect to any conflict of laws.

CAUTION: THIS AGREEMENT CONTAINS A FULL AND FINAL RELEASE OF CLAIMS. PLEASE READ CAREFULLY BEFORE SIGNING.

_____

Business Entity Name of Subfranchisor

By:_____
Signature of Subfranchisor

Title: _____

Subfranchisor Owners:

Print Name:_____

Signature:_____

Position/Title:_____
Percentage of ownership: _____%

Subfranchisor Owner Address:

_____

_____

_____

Email: _____

Print Name:_____

Signature:_____

Position/Title:_____
Percentage of ownership: _____%

Subfranchisor Owner Address:

_____

_____

_____

Email: _____

EXHIBIT L

TO THE MASTER FRANCHISE DISCLOSURE DOCUMENT

RECEIPT OF FRANCHISE RELATED DOCUMENTS

RECEIPT OF FRANCHISE RELATED DOCUMENTS

The undersigned, personally and as an officer or managing member of the proposed subfranchisor, does hereby acknowledge receipt of the following documents, in form for execution:

[ ] (1) Master Franchise Agreement, including Exhibits and Addenda

[ ] (2) Promissory Note

[ ] (3) Security Agreement

[ ] (4) Software License Agreement

(Proposed subfranchisor must initial the box next to the applicable documents.)

I further acknowledge my understanding that it is my responsibility, as an officer or managing member of the proposed subfranchisor, to review all such documents, so that I am fully familiar with the transaction contemplated before signing any binding document.

DATED:_____

THE LAW REQUIRES THAT WE PROVIDE YOU WITH THE FRANCHISE-RELATED DOCUMENTS NOTED ABOVE AT LEAST SEVEN (7) CALENDAR DAYS PRIOR TO THE DATE THEY ARE TO BE EXECUTED. PLEASE DO NOT SIGN OR RETURN THESE DOCUMENTS UNTIL AT LEAST SEVEN (7) CALENDAR DAYS HAVE ELAPSED FROM THE DATE OF THIS RECEIPT.

_____,
as an officer or member of

_____

(_____, corporation or LLC)

Please insert in the space above the date that you received this document, sign it and return it to
Lydia Biagini
Vanguard Cleaning Systems, Inc.
655 Mariners Island Blvd., Suite 303
San Mateo, CA 94404

EXHIBIT M

TO THE MASTER FRANCHISE DISCLOSURE DOCUMENT

CONSENT TO TRANSFER TO A THIRD PARTY FORM
(SUBJECT TO CHANGE BY FRANCHISOR)

CONSENT TO TRANSFER OF FRANCHISE
AND GENERAL RELEASE OF CLAIMS BY TRANSFEROR
(SUBJECT TO CHANGE BY FRANCHISOR)

This Consent to Transfer of Franchise and General Release of Claims by Transferor (the "Agreement") is made as of this ____ day of _____ 20__ (“Effective Date”), by and among:

_____(the "Transferor");

_____(the "Transferee"); and

Vanguard Cleaning Systems, Inc., a California corporation, (the "Franchisor"),
in connection with a proposed transfer of Transferor's Master Franchise Business to Transferee (all collectively, “the Parties”).

Since Transferor is a corporation or other business entity, “Transferor” shall be deemed to include all persons having an interest in the Transferor (individually and collectively, “Transferor’s Owners”), all of whom shall be jointly and severally liable under this Agreement with Transferor. Since Transferee is a corporation or other business entity, “Transferee” shall be deemed to include all persons having an interest in the Transferee (individually and collectively, “Transferee’s Owners”), all of whom shall be jointly and severally liable under this Agreement with Transferee.

RECITALS

A. Transferor is the Subfranchisor under a Vanguard Cleaning Systems Master Franchise for the conduct of a Vanguard Cleaning Systems master franchise business (the “Franchised Business”) located at _____
(INSERT TRANSFEROR’S BUSINESS ADDRESS)
(the "Transferor’s Franchise") pursuant to a Master Franchise Agreement with Franchisor dated _____ (“Transferor’s Franchise Agreement”).
(INSERT DATE OF SELLER’S FRANCHISE AGREEMENT)

B. Transferee wishes to purchase Transferor’s Franchised Business and operate a Vanguard Cleaning Systems master franchise business under a master franchise agreement with Franchisor (the "Transferee's Franchise Agreement").

C. Transferor intends to transfer to Transferee the Transferor’s Franchise and Franchised Business (the “Transfer”) pursuant to a purchase and sale agreement and related transfer documents between Transferor and Transferee.

D. To facilitate the proposed Transfer, Franchisor has agreed to waive its right to exercise any right-of-first-refusal normally applicable to such Transfer and Franchisor is willing to consent to the Transfer of Transferor’s rights and obligations in connection with the Franchised Business to Transferee upon the terms and conditions of this Agreement.

E. Transferor and Transferee have agreed to the terms of Franchisor’s consent to transfer and Transferor has agreed to sign the general release of claims attached hereto in connection with

Franchisor's agreement to provide this Consent, which is contingent upon Transferor's and Transferee's compliance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing Recitals and in further consideration of the mutual promises, covenants, warranties, representations, terms and conditions set forth herein, the Parties agree as follows:

TERMS AND CONDITIONS

I. TRANSFER OF FRANCHISE

1.1 **Consent to Transfer.**

A. **Consent.** Subject to and conditioned upon Transferee and Transferor complying with their respective obligations under the terms and conditions hereinafter set forth in this Agreement and any attachments hereto, Franchisor hereby consents to the assignment by Transferor to Transferee of all of Transferor's rights, title and interest in and to Transferor's Franchised Business (the "Transfer").

B. **Indemnity of Franchisor and Related Parties.** Franchisor has agreed to consent to the Transfer for the purpose of accommodating Transferor and Transferee. Accordingly, Transferor and Transferee agree to hold Franchisor and its past, current and/or future Affiliates, and each of their respective partners, shareholders, members, managers, officers, directors, employees, agents, representatives, attorneys, predecessors, successors and/or assigns (collectively, the "Franchisor Associates") harmless from any and all claims, demands, costs, attorneys' fees or any other damages or injuries that any of the Franchisor Associates may sustain as a result, or arising out, of the Transfer, or any dispute or claim in connection therewith.

C. **Transfer Fee.** Franchisor shall be paid a nonrefundable Transfer fee of $_____ on or before the closing of the Transfer transaction.
(INSERT TRANSFER FEE STATED IN SELLER'S FRANCHISE AGREEMENT)
Transferor may negotiate with Transferee for payment of such Transfer fee.

D. **Outstanding Balances.** Transferor agrees to pay to Franchisor on or before the date of this Agreement _____ Dollars ($_____)
(INSERT ANY OUTSTANDING AMOUNTS OWED BY SELLER, OR $0)
and to pay any other outstanding amounts owed Franchisor and/or any Franchisor Associate on or before the closing of this Transfer transaction.

E. **Transferee's Franchise Agreement.** At Franchisor's election, Transferee must either assume all obligations under Transferor's Franchise Agreement or sign the current form of Master Franchise Agreement being offered as of the Effective Date. The operative master franchise agreement for Transferee is attached hereto as Exhibit A. If Exhibit A is Transferor's Franchise Agreement, Transferee hereby assumes and accepts all of Transferor's rights and obligations thereunder in their entirety. Transferee agrees to execute all other documents customarily required by Franchisor in the award of a franchise, including any personal guarantees, as applicable. Transferee acknowledges receipt of Franchisor's Franchise Disclosure Document ("FDD") at least 14 calendar days prior to the Effective Date, inclusive of the current form of master franchise agreement and related documents.

F. **Assignment and Acceptance of Transferor's Subfranchise Agreements.** Transferor and Transferee represent that the purchase and sale agreement between them requires Transferor to assign and Transferee to accept the assignment of all Transferor's rights and interest in and obligations under each and every Vanguard Cleaning Systems subfranchise agreement that exists as of the Effective Date and Transferee expressly assumes all of the obligations of Transferor thereunder.

G. **Conditions for Approval.** Transferor and Transferee agree to abide by all the terms and conditions of the Transferor's Franchise Agreement that pertain to the transfer of an interest in the Franchise and warrant and represent that all such conditions shall have been, or will be, met as of the closing of the Transfer transaction. Franchisor's consent to the Transfer is expressly contingent upon Transferor's and Transferee's compliance with such conditions.

1.2 Transferor's Franchise Agreement; Restrictive Covenants.

A. **Transferor's Franchise Agreement; Transferor's Continuing Obligations.** If Transferee does not assume Transferor's Franchise Agreement pursuant to Section 1.1 E., above, Transferor's Franchise Agreement shall be canceled, effective upon the transfer of Transferor's rights in the Franchise to Transferee. Transferor and Franchisor shall be relieved of all future obligations thereunder, except as provided below. Whether Transferee accepts an assignment of and assumes Transferor's rights and obligations under Transferor's Franchise Agreement or signs a new master franchise agreement, Transferor is not and shall not be released from:

i) any obligations created or preserved by, or referenced in, this Consent to Transfer Agreement;
ii) any indemnity, confidentiality or post-term non-competition obligations under the Transferor's Franchise Agreement, including those under Sections 12 and Article 8;
iii) any other obligations under the Franchise Agreement which either expressly or by their nature would survive any termination or expiration of the Franchise Agreement.

Transferor expressly acknowledges and agrees that all of Transferor's indemnity, confidentiality and non-competition obligations, whether contained in this Consent, the Franchise Agreement, any agreement between Transferor and Transferee or otherwise, are and shall be for the joint and several benefit of Franchisor and the Transferee and may be enforced by Franchisor and/or the Transferee. Transferor and Franchisor acknowledge and agree that the dispute resolution provisions in Article 13 of the attached Exhibit A shall govern the resolution of any dispute between Franchisor and Transferor, whether arising under or in connection with this Transfer, this Agreement, Transferor's Franchise and/or Franchise Agreement, or otherwise.

B. **Restrictive Covenants.** In addition to any obligations referenced in Section 1.2 A., above, Transferor agrees to the following terms and, to the extent of any inconsistency between the Franchise Agreement and/or related documents and this Consent, this Consent shall control.

(i) Transferor will make no use of the words "Vanguard Cleaning Systems", "Vanguard", the initials "VCS", or any similar words or initials or combination or derivative thereof in connection with any business or purpose. Transferor further agrees that Transferor will not i) use the distinctive colors and design of the Franchisor's logo, or ii) identify itself, or any business Transferor may operate or in which Transferor may become involved, or advertise or promote itself in any manner, as a present or former Vanguard Cleaning Systems business or Subfranchisor.

(ii) Transferor agrees never to make further use of, or to reveal to any other person, firm or entity, any trade secret, manual or other Confidential Information that was revealed to Transferor, as that term is defined Exhibit A. Transferor further agrees never to contest the validity of the rights and claims of the Franchisor to the Franchisor's trademarks or to any of the trade secrets or other Confidential Information of the Franchisor.

(iii) Transferor acknowledges having received proprietary and competitively advantageous information regarding the operation of a commercial janitorial services business/master franchise business, including information regarding techniques for developing, owning and operating a commercial janitorial services business/master franchise business; demographic and other information regarding customers and suppliers; as well operational methods related to such a business. Transferor agrees that it would be unfair for Transferor to use any of such information in any competitive activity with Franchisor, its subfranchisors or such subfranchisors' subfranchisees. To prevent the Franchisor from being unfairly prejudiced and in consideration of the Franchisor releasing Transferor from the obligation to pay future royalty and other fees under the Franchise Agreement, Transferor agrees that for a period of two (2) years after termination or transfer of this Agreement (the "Covenant Term"), Transferor and its affiliates and each of their respective shareholders, members, partners or other owners will not, either within the Transferor's Development Area under Transferor's Franchise Agreement or within a 25 mile radius of the Development Area:

a. directly or indirectly, establish, assist, engage in or have any direct or indirect interest in, whether as an owner, partner, manager, shareholder, employee, salesperson, consultant, officer, director, principal or agent, security holder, lender, investor, guarantor of or for the benefit of, any business which provides janitorial services or which contracts to provide janitorial services ("Non-Vanguard Business") or which franchises or subfranchises others to operate Non-Vanguard Businesses; or
b. directly or indirectly, accept or solicit any person, organization or entity that has been a Vanguard Cleaning Systems Janitorial Business customer or franchisee in the period twenty four months prior to termination or transfer of Transferor's Franchise Agreement or try to divert any such customers or franchisees from any Vanguard Cleaning Systems Janitorial Business or a Vanguard Cleaning Systems enterprise of any kind (including any operations owned by Franchisor, other master franchisees, or any subfranchisees).

(iv) Transferor confirms possessing valuable skills unrelated to the Franchised Business and the ability to be self-supporting and employed, regardless of the restrictive covenants described in this Section 1.2. Transferor agrees that it is Transferor's obligation under this Agreement to ensure the compliance of each of the persons identified in subparagraph 3, above, with the limitations described in this Section.

II. REPRESENTATIONS, WARRANTIES AND COVENANTS

2.1 Acknowledgments, Representations and Warranties by Transferor and Transferee.

A. Transferor represents and warrants that Transferor has not assigned all or any part of Transferor's right, title and interest in the Transferor's Franchise Agreement, the Franchised Business or any or all of the assets thereof.

B. Transferor and Transferee each represents and warrants that each has the right and authority to enter into this Agreement, that the consent of no other person/entity is necessary (other than Transferor's Lessor, if applicable), and that neither is restricted from entering into this Agreement in any manner.

C. In executing this Agreement, Transferor and Transferee represent and warrant that they have relied upon the legal advice of an attorney chosen by each party, that the terms of this Agreement and its consequences have been completely read and explained to each party by that attorney, and that each party fully understands the terms of this Agreement and the Release.

D. Transferee warrants and represents that Transferee has independently inspected and investigated Transferor's Franchised Business and its operations, and that Transferee has not acted in reliance upon any oral statements or other representations made by Franchisor or any of the Franchisor Associates pertaining to the Transfer, understanding that neither Franchisor nor any Franchisor Associate is a party to the Transfer and that the Transfer is not effected by or through Franchisor. Transferee agrees that Transferee is solely responsible for making any and all investigations and due diligence reviews and that Franchisor is only accountable for the general franchise related information set forth in the Franchise Disclosure Document with related exhibits that Franchisor has provided to Transferee.

E. Transferee acknowledges receipt of Franchisor's Disclosure Document with all exhibits, including the current form Master Franchise Agreement, at least 14 calendar days prior to signing this Consent to Transfer Agreement or any other binding agreements with Franchisor or paying Franchisor any consideration.

F. Transferor and Transferee acknowledge, agree and understand that neither Franchisor, its legal counsel nor any other person or entity acting on Franchisor's behalf, nor any of the Franchisor Associates, have reviewed, "approved," endorsed, or ratified, or will have any responsibility with respect to the economic or other terms, including but not limited to price, conditions, financial and/or legal arrangements, documentation and/or legal, financial, business or other merits, of the transaction and/or any documents between Transferor and Transferee, the form and content of which having been independently and directly established between them and are their sole responsibility. Franchisor's consent to Transfer shall in no event be considered or deemed to be a statement, representation or opinion as to the economic viability of the terms of the transaction or the likely success or merits of Transferee's or Transferor's business or otherwise.

III. GENERAL PROVISIONS

3.1. **Entire Agreement.** This Agreement and the attachments referenced herein constitute the entire understanding among the Parties with respect to Franchisor's consent to the Transfer of Transferor's Franchise and supersede all negotiations, prior discussions and preliminary agreements. Except as referenced herein, no prior agreement or contemporaneous understanding exists pertaining to Franchisor's consent to the Transfer of any interest in Transferor's Franchise and the related Franchise Business and Transferee's Franchise Agreement. This Agreement may not be modified except in writing executed by the Parties.

3.2. **Further Assurances.** Transferor and Transferee shall sign such other documents and take such further steps as may be reasonably necessary to reflect the assignment of Transferor's Franchise to Transferee.

3.3. **Notice.** All notices given under or in connection with this Consent to Transfer Agreement will be in writing and will be sent by certified mail, return receipt requested, postage prepaid. Notice should be sent to Franchisor as follows:

VANGUARD CLEANINGS SYSTEMS, INC.

Raymond Lee, President

655 Mariners Island Blvd., Suite 303

San Mateo, CA 94404

(or Franchisor's then-current headquarters);
and to Transferor and to Transferee at the addresses provided below.

3.4. **Captions.** Article and Section captions are not a part hereof, are for convenience of reference only, and shall not be considered or referred to in resolving questions of interpretation.

3.5. **Defined Terms.** Except as otherwise herein defined, all terms with an initial capital letter shall have the same meaning herein as defined in the Franchise Agreement attached as Exhibit A.

3.6. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall constitute an original instrument.

3.7. **Severability.** The invalidity or un-enforceability of any provision hereof as determined by a court of competent jurisdiction shall in no way effect the validity or enforceability of any other provision hereto.

3.8. **Waiver.** The failure of any Party to seek redress for violation of this Agreement or to insist upon the strict performance of any covenant or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any Party shall not preclude or waive its right to use any or all other remedies. These rights and remedies are given in addition to any other rights the Parties may have by law, statute, ordinance or otherwise.

3.9. **Attorneys' Fees.** If any legal action or proceeding arising out of this Agreement is brought by any Party against another, the prevailing Party shall be entitled to recover reasonable attorneys' fees incurred in such action.

3.10. **Heirs and Assigns.** Each of the terms, covenants and conditions of this Agreement, inclusive of Recitals, shall extend to and be binding on and inure to the benefit of not only the Parties, but also each of their respective heirs, representatives, executors, administrators, and permitted assigns and successors in interest. Whenever in this Agreement reference is made to any Party, the reference shall be deemed to include, whenever applicable, the heirs, representatives, executors, administrators, and permitted assigns and successors in interest of that Party, the same as if in every case expressed.

3.11. **Applicable Law.** This Agreement will be governed by, and construed and enforced in accordance with, the laws of the state in which Transferee's principal place of business in the Development Area is located, without giving effect to any conflict of laws.

3.12. **No Modification.** No provision in this Agreement shall in any way operate to modify or abrogate any duties, obligations, or requirements in the Transferee's Franchise Agreement respecting any further or future assignment of such Franchise Agreement or the rights under such Franchise Agreement.

3.13. **Dispute Resolution.** The Parties agree that any disputes arising out of or related to the Transfer and/or this Agreement shall be settled according to the dispute resolution provisions (Article 13) contained in the attached Exhibit A, which are incorporated herein by reference.

IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATE FIRST ABOVE WRITTEN. THIS CONSENT IS NOT EFFECTIVE UNTIL EXECUTED BY AN AUTHORIZED OFFICER OF FRANCHISOR.

"Transferor"	**"Transferee"**
_____	_____
[Name of Transferor]	[Name of Transferee]
By: _____	By: _____
Print Name: _____	Print Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

All Transferor Owners must sign this Agreement.

"Owner"
Individually: _____
Print Name: _____
Date: _____

% Owned of Business Entity Transferor:

_____

All Transferor Owners must sign this Agreement.

"Owner"
Individually: _____
Print Name: _____
Date: _____

% Owned of Business Entity Franchisee:

_____

All Transferee Owners must sign this Agreement.

"Owner"
Individually: _____
Print Name: _____
Date: _____

% Owned of Business Entity Transferee:

_____

Transferor's and Transferor's Owner(s)'s

_____

_____

_____

_____

All Transferee Owners must sign this Agreement.

Transferee's and Transferee's Owner(s)'s Addresses for Notice u

Owner"
Individually: _____
Print Name: _____
Date: _____

% Owned of Business Entity Franchisee:

_____

_____

_____

CONSENT TO TRANSFER GRANTED:

"FRANCHISOR"

VANGUARD CLEANING SYSTEMS, INC., A CALIFORNIA CORPORATION

BY: _____

TITLE: _____

DATE: _____

CONSENT TO TRANSFER:
GENERAL RELEASE BY SUBFRANCHISOR
AND SUBFRANCHISOR OWNERS
(SUBJECT TO CHANGE BY FRANCHISOR)

SEE EXHIBIT K OF THIS DISCLOSURE DOCUMENT FOR THE APPLICABLE FORM

EXHIBIT A

TRANSFEREE'S FORM OF MASTER FRANCHISE AGREEMENT
(NOT FOR SIGNATURE)

EXHIBIT N

TO THE MASTER FRANCHISE DISCLOSURE DOCUMENT

ADDENDUM TO THE MASTER FRANCHISE AGREEMENT FOR EXISTING SUBFRANCHISORS AND THEIR RELATED COMPANIES

ADDENDUM TO MASTER FRANCHISE AGREEMENT
For Existing Subfranchisors and their Related Companies

(Current Form of Addendum; Subject to Change by Company)

THIS Addendum to Master Franchise Agreement (the "Addendum") for existing Subfranchisors and their related companies is made and entered into by and between Vanguard Cleaning Systems, Inc. ("Company") and _____ [a corporation] [a partnership] [a limited liability company] with a principal place of business located at _____ ("Subfranchisor").

WHEREAS, Company and Subfranchisor have entered into a Master Franchise Agreement for a specified geographical area (the "Master Franchise Agreement"), and this Addendum is effective concurrently with the effective date of such Master Franchise Agreement;

WHEREAS, Subfranchisor is an area franchisor currently operating a Vanguard Cleaning Systems® master franchise in a different geographical area under a separate and distinct master franchise agreement, or is an affiliate of, or is otherwise related to, such a Subfranchisor (a "Related Company").

WHEREAS, capitalized terms in this Addendum have the same meanings given under the Master Franchise Agreement, unless otherwise provided in this Addendum.

NOW, THEREFORE, for and in consideration of *(a reduced initial franchise fee/Company's consent to transfer)* and the full performance of each of the promises, terms and conditions of this Addendum, the parties agree as follows:

1. CHANGES TO MASTER FRANCHISE AGREEMENT

A. Obligations Fulfilled: Some or all of Subfranchisor's members, partners or shareholders, as applicable, are experienced Vanguard Cleaning Systems® master franchise business executives and managers. As a result of Subfranchisor owner(s)' pre-existing expertise in and knowledge of the master franchise business, Company has entered into the Master Franchise Agreement with the Subfranchisor *(for a reduced initial franchise fee/as a condition to Company's consent to the transfer of a Master Franchise Business to Subfranchisor*). In connection with such Master Franchise Agreement, the parties acknowledge and agree that:

(i) Subfranchisor is not required to attend and Company is not required to offer Subfranchisor an opportunity to participate in an On-boarding Program, as described in Section 3.1.(a) of the Master Franchise Agreement, and Company is not required to provide the initial onsite consultation, as described in Section 3.1.(b) of the Master Franchise Agreement; and

(ii) Subfranchisor acknowledges it already has a copy of or has access to the Manuals, as described in Section 3.2 of the Master Franchise Agreement, and Company has satisfied its obligations to provide the same.

B. Confidential Information: The definition of "Confidential Information" as provided in Section 8.1 of this Agreement is hereby deleted and replaced with the following:

"Confidential Information" means information, know how, data, trade secrets and proprietary material relating to the System and Vanguard Cleaning Systems® franchised businesses which is not generally known publicly or was not already known by SUBFRANCHISOR or its shareholders/members/partners before SUBFRANCHISOR and any Related Company became a Vanguard Cleaning Systems Subfranchisor It includes Manuals and instructional materials; strategic marketing and other business plans; financial information; COMPANY business methods, data and statistics; COMPANY'S proprietary software programs; and all VCS templates and statistical and/or financial information and all related lists.

C. **Business Development Fee: The Business Development Fee as provided in Section 5.3 of this Agreement is hereby deleted and replaced with the following:**

SUBFRANCHISOR will pay COMPANY a monthly Business Development Fee in the amount of three-tenths percent (.3%) of Gross Revenue, which will be paid to COMPANY at the same time and in the same manner as SUBFRANCHISOR pays monthly Royalties as provided in Section 5.2 above. COMPANY has the right under this Agreement to charge a Business Development Fee of one and one half percent (1.5%) of Gross Revenue. As such, COMPANY reserves the right to make subsequent increases in the Business Development Fee up to a total Business Development Fee of one and one half percent (1.5%) of Gross Revenue; provided that. no increase in the three-tenths percent (.3%) Business Development Fee payable by SUBFRANCHISOR will occur prior to November 1, 2027. The Business Development Fee is nonrefundable and may be used by COMPANY in its sole discretion for activities such as local search engine optimization; digital marketing; agency services; promotional, advertising, marketing and related activities; brand/image and website development; public relations, research and consulting services; stimulating account sales; any expenses associated with an advisory group established by COMPANY (if any); and for any other purpose which COMPANY considers reasonable to enhance the Marks and the System in any medium. COMPANY is under no obligation to spend the Business Development Fees for any particular purpose, at any particular time or in any particular geographical area(s), and all decisions about the use of these fees shall be made by COMPANY in its sole discretion. COMPANY is not obligated to ensure that each Area Franchisor will benefit directly, indirectly or in proportion to Business Development Fees it has paid. All Business Development Fees collected may be deposited into COMPANY's general funds and need not be held in a separate account. Even if the Business Development Fees are separately held or designated to be part of a special fund, they will not be held as trust funds. COMPANY is not a fiduciary with respect to the Business Development Fees. The Business Development Fee when paid belong exclusively to COMPANY, and COMPANY may use them in any manner consistent with this Section 5.3, including, but not limited to, for salaries, administrative costs, overhead and other expenses COMPANY incurs in connection with activities conducted pursuant to this Section.

2. SUBFRANCHISOR REPRESENTATIONS

Disclosure Documents: Subfranchisor warrants and represents that Subfranchisor has received, read and understood 1) a copy of Company'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 Master Franchise Agreement and all other agreements complete and in form ready to sign at least seven (7) calendar days before signing any binding documents.

3. ADDENDUM GOVERNS

Effect of Addendum: Except as expressly amended by this Addendum, the terms of the Master Franchise Agreement remain in full force and effect. In the event of any conflict with or inconsistency between the provisions of the Master Franchise Agreement and the provisions of this Addendum, the provisions of this Addendum shall control.

4. ENTIRE UNDERSTANDING

Complete Agreement: This Addendum and the Master Franchise Agreement (and all exhibits and addenda thereto) comprise the entire agreement between Subfranchisor and Company with respect to the grant of the Subfranchisor's Vanguard Cleaning Systems master franchise. All contemporaneous and prior discussions, negotiations and representations concerning this matter are superseded by this Addendum and the Master Franchise Agreement; provided, that nothing in this or any related agreement is intended to disclaim the representations made by Company in the Franchise Disclosure Document that was furnished to Subfranchisor by Company.

Agreed and accepted by the undersigned. This Agreement is not effective until signed by an authorized representative of Company.

COMPANY:

Vanguard Cleaning Systems, Inc.

By:_____
Signature

_____
Print Name

_____
Title

SUBFRANCHISOR (Corp., Partnership or LLC)

_____
(Legal Name of Subfranchisor Entity)

By: _____
Signature

_____
Print Name

_____
Title

EXHIBIT O

TO THE MASTER FRANCHISE DISCLOSURE DOCUMENT

SUCCESSOR TERM ADDENDUM TO MASTER FRANCHISE AGREEMENT

SUCCESSOR TERM ADDENDUM TO MASTER FRANCHISE AGREEMENT

(Current Form of Addendum; Subject to Change by Company)

THIS Successor Term Addendum (the "Addendum") is effective on the _____ day of _____, 20__ (the "Effective Date") by and between Vanguard Cleaning Systems, Inc. ("Company") and [**SUBFRANCHISOR'S LEGAL NAME]** [a corporation] [a partnership] [a limited liability company] with a principal place of business located at _____ (the "Subfranchisor").

WHEREAS, Company and Subfranchisor have entered into a master franchise agreement for a successor franchise term (the "Master Franchise Agreement") to replace the immediately preceding master franchise agreement, which has expired (the "Expiring Agreement"), for Subfranchisor's continued operation of a Vanguard Cleaning Systems® subfranchising business.

WHEREAS, capitalized terms in this Addendum have the same meanings as are given under the Master 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 Subfranchisor attached as Exhibit 2 and granted as of the Effective Date, the parties agree as follows:

1. CHANGES TO MASTER FRANCHISE AGREEMENT

A. Obligations Fulfilled: Subfranchisor and Company have entered into the Master Franchise Agreement for a successor franchise term and, therefore, acknowledge and agree that:

i. Subfranchisor has met the pre-operating commitments described in Section 4.1 of the Master Franchise Agreement, and Subfranchisor is operating a VCS Business as of the Effective Date of this Addendum;
ii. Subfranchisor is not required to attend the On-Boarding program and to pay the On-Boarding fee, and Company is not required to offer Subfranchisor an opportunity to participate in, a subfranchise On-Boarding program, as described in Section 3.1. of the Master Franchise Agreement;
iii. Subfranchisor shall not pay an initial master franchise fee.
iv. The Manuals referenced in Section 3.2. of the Master Franchise Agreement were loaned by Company to Subfranchisor under the Expiring Master Franchise Agreement, and the loan will continue pursuant to the terms of the Master Franchise Agreement; and
v. Company has already offered Subfranchisor a license for one copy of its custom account management software and one copy of its custom accounting software, as provided in Section 3.3 of the Master Franchise Agreement.

B. Successor Term Fee: In lieu of an initial master franchise fee, Subfranchisor has paid to Company a successor term (renewal) fee of Ten Thousand Dollars ($10,000.00) at least (30) days prior to the expiration date of the Expiring Agreement, as provided under the Expiring Agreement, which payment was a condition to Company's offer to Subfranchisor of the Master Franchise Agreement.

C. Business Development Fee: The Business Development Fee as provided in Section 5.3 of this Agreement is hereby deleted and replaced with the following:

SUBFRANCHISOR shall pay COMPANY a monthly Business Development Fee in the amount of three-tenths percent (.3%) of Gross Revenue, which will be paid to COMPANY at the same time and in the same manner as SUBFRANCHISOR pays monthly Royalties as provided in Section 5.2 above. COMPANY has the right under this Agreement to charge a Business Development Fee of one and one half percent (1.5%) of Gross Revenue. As such, COMPANY reserves the right to make subsequent increases in the Business Development Fee up to a total Business Development Fee of 1.5%; provided that no increase in the three-tenths percent (.3%) Business Development Fee payable by SUBFRANCHISOR will occur prior to November 1, 2027. The Business Development Fee is nonrefundable and may be used by COMPANY in its sole discretion for activities such as local search engine optimization; digital marketing; agency services; promotional, advertising, marketing and related activities; brand/image and website development; public relations, research and consulting services; stimulating account sales; any expenses associated with an advisory group established by COMPANY (if any); and for any other purpose which COMPANY considers reasonable to enhance the Marks and the System in any medium. COMPANY is under no obligation to spend the Business Development Fees for any particular purpose, at any particular time or in any particular geographical area(s), and all decisions about the use of these fees shall be made by COMPANY in its sole discretion. COMPANY is not obligated to ensure that each Area Franchisor will benefit directly, indirectly or in proportion to Business Development Fees it has paid. All Business Development Fees collected may be deposited into COMPANY's general funds and need not be held in a separate account. Even if the Business Development Fees are separately held or designated to be part of a special fund, they will not be held as trust funds. COMPANY is not a fiduciary with respect to the Business Development Fees. The Business Development Fee when paid belong exclusively to COMPANY, and COMPANY may use them in any manner consistent with this Section 5.3, including, but not limited to, for salaries, administrative costs, overhead and other expenses COMPANY incurs in connection with activities conducted pursuant to this Section.

2. INDEMNIFICATION

Continuing Obligations: Company and Subfranchisor agree that Subfranchisor's obligations to indemnify Company as provided in Section 12.1 of the Expiring Master Franchise Agreement survive the expiration of such agreement and are in addition to any such obligations Subfranchisor shall have under the Master Franchise Agreement.

3. TERM AND FRANCHISE EXPIRATION

Term: The Master Franchise Agreement and this Addendum are binding from the Effective Date for the successor term of twenty (20) years, unless earlier terminated in accordance with the Master Franchise Agreement.

4. PROMISSORY NOTES AND GUARANTEES; SOFTWARE LICENSE AGREEMENT

Continuing Obligations: Subfranchisor and Company have identified on Exhibit 1 of this Addendum any promissory notes payable by Subfranchisor to Company as of the Effective Date. Subfranchisor 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 Master 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 in the same manner and to the same extent that they applied to the Expiring Master Franchise Agreement. Subfranchisor and

Guarantors will sign an additional personal guaranty in connection with the Master Franchise Agreement, if so requested by Company, as well as a Vanguard® Software License Agreement.

5. SUBFRANCHISOR REPRESENTATIONS

A. Master Franchise Ownership: Subfranchisor warrants and represents that the following individual(s) own 100% of all interests in Subfranchisor's Vanguard Cleaning Systems® master franchise and the subfranchising business and in Subfranchisor:

_____	_____
Print Name	Ownership Percentage
_____	_____
Print Name	Ownership Percentage
_____	_____
Print Name	Ownership Percentage
	(Must total 100%)

B. Disclosure Documents: Subfranchisor warrants and represents that Subfranchisor has received, read and understood, 1) a copy of Company'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 Master 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

Subfranchisor Release of Claims: In compliance with the renewal conditions required to be met by Subfranchisor under the Expiring Master Franchise Agreement, Subfranchisor and each Subfranchisor owner (and each owner spouse, as required by Company) will sign a general release of claims in form satisfactory to Company (Exhibit 2 to this Addendum) at or before the execution of the Master Franchise Agreement and any applicable Addendum.

7. EXTENSION OF EXPIRING MASTER FRANCHISE AGREEMENT

Renewal Delays: If the Expiring Master Franchise Agreement had already expired before the Effective Date of this Addendum, Company and Subfranchisor hereby confirm that they extended and have been prior to the Effective Date operating under the terms of the Expiring Master Franchise Agreement and that the Expiring Master 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 successor term under the Master Franchise Agreement. The Expiring Master Franchise Agreement will be without force or effect as of the Effective Date, except for any applicable post termination/expiration obligations which are intended by their terms to survive such termination/expiration.

8. ADDENDUM GOVERNS

Effect of Addendum: Except as expressly amended by this Addendum, the terms of the Master Franchise Agreement remain in full force and effect. In the event of any conflict with or inconsistency between the provisions of the Master Franchise Agreement and the provisions of this Addendum, the provisions of this Addendum shall control.

9. ENTIRE UNDERSTANDING

Complete Agreement: This Addendum and the Master Franchise Agreement (and all exhibits and addenda thereto) comprise the entire agreement between Subfranchisor and Company with respect to the grant of the Subfranchisor's Vanguard Cleaning Systems successor master franchise term. All contemporaneous and prior discussions, negotiations and representations concerning this matter are superseded by this Addendum and the Master Franchise Agreement; provided, that nothing in this or any related agreement is intended to disclaim the representations made by Company in the Franchise Disclosure Document that was furnished to Subfranchisor by Company.

10. ROYALTIES

A. Royalty Fee Rate under Expiring Agreement: Regardless of the percentage amount stated for the Royalty Fee in the successor Master Franchise Agreement, if Subfranchisor was subject to a lesser rate structure under the Expiring Agreement, then such lesser rate structure shall be carried forward for the term of this successor Master Franchise Agreement. For purposes of Section 5.2 of the Master Franchise Agreement, Subfranchisor's Royalty Fee Rate shall be _____%, unless otherwise adjusted as provided in Sections 10. B. or 10. C. of this Addendum.

B. Conditions to Possible Royalty Tiered Rate – Single Entity: Each of the conditions listed herein must be met by Subfranchisor for the rates described in the Single Entity Rate Table below to be applicable to Subfranchisor, as such rates may be adjusted annually as provided herein:

i) Subfranchisor must be in good standing and not in default of any master franchise agreement or other agreement with Company; and

ii) Subfranchisor does not meet the conditions for the Multiple Entities Rate Table to apply, as described in Section 10. C. of this Addendum.

Single Entity Rate Table:

Amount of Royalty as a Percentage of Gross Revenue	**Gross Revenue Benchmark**
The Royalty Fee Rate stated in Section 10 A. of this Addendum __	On Gross Revenue per Calendar Year up to $16,292,359;
1% less than the Royalty Fee Rate stated in Section 10 A. of this Addendum __	On Gross Revenue per Calendar Year Over $16,292,359;

The then current Gross Revenue Benchmark shall be increased by Company in or around the first quarter of each calendar year by two percent (2%), unless the percentage increase in the U.S. Bureau of Labor Statistics Consumer Price Index – All Urban Consumers (CPI-U) in the immediately preceding calendar

year is greater than 2%, in which case the Gross Revenue Benchmark will be increased by the percentage increase in the CPI-U promptly following the publication of such information. Such adjusted Gross Revenue Benchmark shall be applicable to all successor term addenda in effect as of the publication date of the adjustment and subject to subsequent adjustment as provided herein.

"Gross Revenue" is defined as such term is defined in the Master Franchise Agreement. For purposes of the Gross Revenue Benchmarks, Gross Revenue is counted only for the calendar year in which it is received.

C. Conditions to Possible Royalty Tiers – Multiple Entities: Each of the conditions listed herein must be met by Subfranchisor for the rates described in the Multiple Entities Rate Table below to be applicable to Subfranchisor:

i) Subfranchisor must have one or more affiliates operating a Vanguard Cleaning Systems® subfranchising business under a master franchise agreement separate and distinct from the Master Franchise Agreement. For purposes of this Addendum, an "affiliate" is a company that owns, is owned by or is under common control with Subfranchisor; or

ii) one or more individuals with an ownership interest in Subfranchisor must also have an ownership interest in a Vanguard Cleaning Systems® subfranchising business commonly owned with immediate family members under a master franchise agreement separate and distinct from the Master Franchise Agreement. For purposes of this Addendum, such a commonly owned company is a "Related Company"; and

iii) Subfranchisor and its affiliate/related companies must be in good standing and not in default of any master franchise agreement or other agreement with Company.

Subfranchisor warrants and represents that the following individual(s) own 100% of all interests in Subfranchisor's Vanguard Cleaning Systems® subfranchising affiliates/related companies:

Name of Affiliate/Related Company: _____

Affiliate/Related Company Ownership:

_____	_____
Print Name	Ownership Percentage
_____	_____
Print Name	Ownership Percentage
_____	_____
Print Name	Ownership Percentage

(Must total 100%)

Name of Affiliate/Related Company: _____

Affiliate/Related Company Ownership:

_____	_____
Print Name	Ownership Percentage
_____	_____
Print Name	Ownership Percentage
_____	_____
Print Name	Ownership Percentage

(Must total 100%)

Multiple Entity Rate Table:

If Subfranchisor meets the conditions described above in this Section 10. C., Subfranchisor's Gross Revenue (as defined in the Master Franchise Agreement) may be combined with the Gross Revenue of the affiliate(s)/related company(ies) identified above for so long as such conditions are met. The Multiple Entities Rate Table below shall apply to the combined amount, as it may be adjusted as provided herein. For avoidance of doubt, if the Subfranchisor and the affiliate/related companies surpass the then current Gross Revenue Benchmark in a given calendar year, the Subfranchisor and each of the affiliate/related companies will realize the 1% fee reduction on their respective Gross Revenue for the balance of the applicable calendar year only.

Amount of Royalty as a Percentage of Gross Revenue	**Gross Revenue Benchmark**
The Royalty Fee Rate stated in Section 10 A. of this Addendum __	On combined Gross Revenue per Calendar Year up to $24,438,540;
1% less than the Royalty Fee Rate stated in Section 10 A. of this Addendum __	On combined Gross Revenue per Calendar Year Over $24,438,540;

The then current Gross Revenue Benchmark shall be increased by Company in or around the first quarter of each calendar year by two percent (2%), unless the percentage increase in the U.S. Bureau of Labor Statistics Consumer Price Index – All Urban Consumers (CPI-U) in the immediately preceding calendar year is greater than 2%, in which case the Gross Revenue Benchmark will be increased by the percentage increase in the CPI-U following the publication of such information. Such adjusted Gross Revenue Benchmark shall be applicable to all successor term addenda in effect as of the publication date of the adjustment and subject to subsequent adjustment as provided herein.

"Gross Revenue" is defined as such term is defined in the Master Franchise Agreement. For purposes of the Gross Revenue Benchmarks, Gross Revenue is counted only for the calendar year in which it is received.

The foregoing notwithstanding, if Subfranchisor's Royalty Fee rate structure under the Expiring Agreement is more favorable than that contained in the Multiple Entity Rate Table, the more favorable rate structure shall apply. Further, if for any reason the Gross Revenue Benchmark applicable to Subfranchisor differs from the Gross Revenue Benchmark applicable to one or more of Subfranchisor's affiliates or related companies, the Gross Revenue Benchmark that is the highest of the differing Gross Revenue Benchmarks shall be deemed to apply to Subfranchisor and all of its affiliates and related companies.

D. Rights not Transferable: The rights to reduced Royalty rates provided in this Section 10 are not transferable and will terminate without any notice or action on the part of Company upon any assignment or transfer of this Master Franchise Agreement or of any ownership interest in Subfranchisor, or any assignment or transfer of an affiliate's/Related Company's master franchise agreement or of any ownership interest in such affiliate/Related Company (even if the transfer is approved by Company), except for an assignment or transfer to one or more of an owners' immediate family members or to an entity solely owned and controlled by owners or owners' immediate family members. "Owners" for purposes of this Section 10 are those persons identified in Section 5 A., above, and their immediate family members holding an ownership interest in a Subfranchisor affiliate/Related Company.

"Immediate family" for purposes of this Section 10 are an owner's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships.

Agreed and accepted by the undersigned. This Agreement is not effective until signed by an authorized representative of Company.

COMPANY: Vanguard Cleaning Systems, Inc.

By:_____ _____
Signature Title

_____
Print Name

*****

SUBFRANCHISOR : _____
(Legal Name of Subfranchisor Entity)

a_____ _____
Jurisdiction of Formation Corporation or LLC
By: _____ _____
Signature Title

_____
Print Name

GUARANTOR(S) **PERCENTAGE OF OWNERSHIP OF SUBFRANCHISOR**

_____ _____%
Signature

_____
Printed Name

_____ _____%
Signature

_____
Printed Name

EXHIBIT 1

APPLICABLE PROMISSORY NOTES

(AS OF THE EFFECTIVE DATE, IF ANY)

Note 1:

Date:_____

Balance as of the Effective Date of Addendum: _____

Payment Terms: _____

Note 2:

Date:_____

Balance as of the Effective Date of Addendum: _____

Payment Terms: _____

EXHIBIT 2

SUBFRANCHISOR RELEASE OF CLAIMS

This General Release (this "Release") is made by _____ [NAME OF SUBFRANCHISOR] ("Subfranchisor") in favor of Vanguard Cleaning Systems, Inc. ("Company") and certain related parties as set forth below effective as of _____, 20__ (the "Effective Date").

Company offers master franchise rights to others to act as subfranchisors offering, selling and supporting Vanguard Cleaning Systems® unit franchises ("Vanguard® Franchises") that provide commercial janitorial and cleaning services.

Company and Subfranchisor (or its predecessor in interest) entered into a Master Franchise Agreement dated _____, _____ the ("Expiring Master Franchise Agreement") for the operation of a subfranchising business (the "Master Franchise Business") that offers, sells and supports Vanguard Franchises in a specified territory for a term that will expire as of a specified date (the "Expiration Date").

Subfranchisor wishes to retain the master franchise rights as provided in the Expiring Master Franchise Agreement for a successor master franchise term.

A release of all claims against Company and related parties by Subfranchisor is one of the conditions under the Expiring Master Franchise Agreement that must be satisfied in order to obtain a successor term for the master franchise.

Therefore, in consideration of these premises, and for other good and valuable consideration, receipt of which is hereby acknowledged, Subfranchisor agrees as follows:

1. **Release by Subfranchisor.** Except as provided below in Section 3, Subfranchisor and each Subfranchisor Owner itself/himself/herself and, as applicable, its/his/her respective predecessors, shareholders, officers, directors, members, partners, owners, successors, assigns, affiliates, family members, heirs, executors, administrators and personal representatives and anyone claiming through or under them (collectively the "Subfranchisor Parties"), hereby releases, acquits and forever discharges Company and its predecessors, successors, assigns, parent company, subsidiaries, affiliates, officers, directors, stockholders, employees, attorneys, accountants and other representatives (collectively the "Company Parties") of and from any and all claims, demands, debts, obligations, damages, causes of action and claims for relief of any nature whatsoever (the "Claims"), whether known or unknown, fixed or contingent, which the Subfranchisor Parties or any of them have against any or all of the Company 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 Expiring Master Franchise Agreement, to the fullest extent permitted by law, excepting only those Claims i) for which a release is expressly precluded as provided under applicable state franchise relations laws, franchise sales laws, or other applicable laws and/or ii) which are arising from representations in the Franchise Disclosure Document. This Release has no impact on any amount of wages admittedly owed and, to the extent covered by this agreement and permitted by law, only disputed claims to wages are covered by this Release. Further, nothing in this Release shall waive any Subfranchisor Party's right to testify in an administrative, legislative or judicial proceeding concerning alleged criminal conduct or alleged sexual harassment by a Company Party when a Subfranchisor 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. Nothing in this Release shall be construed to waive any right that is not subject to waiver by private agreement.

2. **Waiver of Civil Code Section 1542.** Subfranchisor, each Subfranchisor Owner itself/himself/herself and the other Subfranchisor Parties hereby expressly waive 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.**

Subfranchisor, each Subfranchisor Owner and the other Subfranchisor Parties understand this statutory language, and notwithstanding this or any similar statute, Subfranchisor, each Subfranchisor Owner and the other Subfranchisor Parties freely elect to specifically waive these rights and hereby does release the Company Parties from all Claims whether known or unknown. Subfranchisor each Subfranchisor Owner and the other Subfranchisor Parties understand 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, Subfranchisor each Subfranchisor Owner and the other Subfranchisor Parties expressly accept the risk of such possible different or additional facts and agree that this Release and waiver shall remain effective notwithstanding any such discoveries. Subfranchisor and each Subfranchisor Owner and the other Subfranchisor Parties are not deciding to make this Release predicated on any factual representations of Company or any others regarding the nature of the claims released or any other matters.

3. Limitations on Release Required by State Franchise Laws. This release expressly excludes, as applicable, any Claims arising under the Maryland Franchise Registration and Disclosure Law and under Article 33 of the General Business Law of the State of New York, and will not operate to limit or relieve any person from any liability imposed by Minnesota Statutes, sections 80C.01 or 80C.22, where the jurisdictional, definitional and other requirements for the application of such laws are met independently of this Section. This release excepts Claims for which a release is expressly precluded as provided under applicable state franchise relations laws, franchise sales laws or other applicable laws of any kind.

4. Representations. Subfranchisor and each Subfranchisor Owner represents, warrants, agrees and acknowledges:

a. That Subfranchisor/Subfranchisor Owner has had ample opportunity to consult with legal counsel in making this Release and has read and fully understands the terms of this Release and freely and voluntarily signs this Release;

b. That the validity of this Release is a condition to and essential consideration for the renewal of the master franchise rights;

c. That in addition to this Release, there are other conditions to renewal of the Master Franchise as set forth in the Expiring Master Franchise Agreement that must be satisfied; and

d. That Subfranchisor currently owns the master franchise rights and the Master Franchise Business and the Claims released hereby and has not assigned any interest in the master franchise, the Expiring Master Franchise Agreement, the Master Franchise Business, or any of such claims.

5. Entire Agreement. This Release contains the entire agreement by Subfranchisor with respect to the release required for obtaining the master franchise rights for a successor franchise term. All prior discussions, negotiations, and representations concerning this matter are superseded by this Release.

6. Governing Law. This Release will be governed by the laws of the state in which Subfranchisor's principal place of business in the Development Area is located, without giving effect to any conflict of laws.

CAUTION: THIS AGREEMENT CONTAINS A FULL AND FINAL RELEASE OF CLAIMS. PLEASE READ CAREFULLY BEFORE SIGNING.

_____

Business Entity Name of Subfranchisor

_____

Signature of Subfranchisor

By:_____

Print Name

Title: _____

Subfranchisor Owner(s):

Print Name:_____

Signature:_____

Percentage of ownership: _____%

Subfranchisor Owner Address:

_____

_____

_____

Email: _____

Print Name:_____

Signature:_____

Percentage of ownership: _____%

Subfranchisor Owner Address:

_____

_____

_____

Email: _____

EXHIBIT P

TO THE MASTER FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

State Effective Dates

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

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

STATE	EFFECTIVE DATE
California	Renewal Pending
Hawaii	Renewal Pending
Illinois	Renewal Pending
Indiana	Renewal Pending
Maryland	Not Registered
Michigan	August 2, 2025
Minnesota	Renewal Pending
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Renewal Pending
Washington	Renewal Pending
Wisconsin	Renewal Pending

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

EXHIBIT Q

TO THE MASTER FRANCHISE DISCLOSURE DOCUMENT

ITEM 23 RECEIPT PAGES

ITEM 23
RECEIPTS
(YOUR COPY)

This Disclosure Document summarizes certain provisions of the Master Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Vanguard Cleaning Systems, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, Vanguard Cleaning Systems, Inc. or an affiliate in connection with the proposed franchise sale, except as to the following states.

The state laws of New York require that Vanguard Cleaning Systems, Inc. give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

The state laws of Michigan require that Vanguard Cleaning Systems, Inc. give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Vanguard Cleaning Systems, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in Exhibit "J".

The Franchisor is Vanguard Cleaning Systems, Inc., 655 Mariners Island, Blvd., Suite 303, San Mateo, California, 94404. Its telephone number is 650-287-2400.

Date of Issuance: April 9, 2026.

The name, principal address and telephone number of each franchise seller offering the franchise:

Name: Ray Lee	Name Dave Lee
Address: 655 Mariners Island Blvd., Suite 303	Address: 655 Mariners Island Blvd., Suite 303
Address: San Mateo, CA 94404	Address: San Mateo, CA 94404
Phone: 650-287-2400	Phone: 650-287-2400

Vanguard authorizes the agent for service of process in your state listed in Exhibit J of this Disclosure Document to receive service of process for Vanguard.

The State and issuance date of the Disclosure Document I have received is: _____, April 9, 2026. This disclosure document included the following exhibits:

Supplement: State Required Addenda
Exhibit A Master Franchise Agreement
Exhibit A to the Master Franchise Agreement: The Marks
Exhibit B to the Master Franchise Agreement: Development Area and Designated Manager
Exhibit C to the Master Franchise Agreement: Owner's Guaranty and Assumption of Subfranchisor's Obligations

Exhibit D to the Master Franchise Agreement: Software License Agreement
Exhibit E to the Master Franchise Agreement: Current Form of Subfranchise Agreement (For information only and not for execution with Vanguard Cleaning Systems, Inc.)

Exhibit B	List of Franchise Registration and Disclosure Laws
Exhibit C	List of Franchise Relationship Laws
Exhibit D	Promissory Note
Exhibit E	Security Agreement
Exhibit F	Software License Agreement
Exhibit G	List of Active Subfranchisors
Exhibit H	List of Former Subfranchisors
Exhibit I	Financial Statements
Exhibit J	List of State Regulators and Agents for Service of Process
Exhibit K	General Release
Exhibit L	Receipt of Franchise Related Documents
Exhibit M	Consent to Transfer to a Third Party
Exhibit N	Addendum to Franchise Agreement For Existing Subfranchisors And Their Related Companies
Exhibit O	Successor Term Addendum
Exhibit P	State Effective Dates
Exhibit Q	Item 23 Receipt Pages

Date: _____ Signature: _____ Printed Name:_____

Date: _____ Signature: _____ Printed Name:_____

KEEP THIS COPY FOR YOUR RECORDS

ITEM 23
RECEIPT

(OUR COPY)

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The state laws of Michigan require that Vanguard Cleaning Systems, Inc. give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Vanguard Cleaning Systems, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in Exhibit "J".

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Exhibit O	Successor Term Addendum
Exhibit P	State Effective Dates
Exhibit Q	Item 23 Receipt Pages

Date: _____ Signature: _____ Printed Name:_____

Date: _____ Signature: _____ Printed Name:_____

Please insert in the space above the date that you received this document, sign this copy of the receipt, and return it to:
Lydia Biagini, Vanguard Cleaning Systems, Inc.,
655 Mariners Island Blvd., Suite 303,
San Mateo, California 94404