FRANCHISE DISCLOSURE DOCUMENT

THE LAUNDRY SPOT FRANCHISE LLC
An Ohio limited liability company
1875 S. Erie Blvd.
Hamilton, OH 45011
(513) 202-4250
danreese@laundryspot.com
www.laundryspot.com

The franchise that we offer is for the operation of a laundromat business under the name Laundry Spot. Your franchise will offer self-service laundry services, wash, dry and fold, pick-up and delivery, dry cleaning, and other services and products that we authorize.

The total investment necessary to begin operation of a Laundry Spot franchise under a franchise agreement is $1,268,500 to $2,241,750. This includes $60,000 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of three Laundry Spot franchises if you sign our Multi-Unit Development Agreement is $1,298,500 to $2,316,750. This includes $135,000 that must be paid to the franchisor or its affiliates.

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

You may wish to receive your disclosure document in another form that is more convenient for you. To discuss the availability of disclosures in different forms, contact Dan Reese, Chief Executive Officer, The Laundry Spot Franchise LLC, 1875 S. Erie Blvd., Hamilton, Ohio 45011, danreese@laundryspot.com.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read your entire 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, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: February 23, 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 Exhibit F.
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 E 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 Laundry Spot 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 Laundry Spot franchisee?	Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration, and/or litigation only in Ohio. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Ohio than in your own state.

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.

(THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)

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 protection 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 sub-franchisor.

(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
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
P.O. Box 30755
Lansing, Michigan 48909
Telephone Number: (517) 335-7632

Laundry Spot Franchise Disclosure Document

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Laundry Spot Franchise LLC, the franchisor of our franchise system, is referred to in this franchise disclosure document (the "**Disclosure Document**") as "**Franchisor**", "**we**", "**us**" or "**our**". The franchisee is referred to in this Disclosure Document as "**Franchisee**", "**you**" and "**your**". If you are a limited liability company, corporation, partnership or other legal entity (a "**Corporate Entity**"), "**Franchisee**", "**you**" and "**your**" will also include your individual owners, shareholders, members, officers, directors and other principals.

The Franchisor and its Affiliates

We are an Ohio limited liability company formed on October 28, 2025. Our principal place of business is 1875 S. Erie Blvd., Hamilton, Ohio 45011. We conduct business under our corporate name and under the name "Laundry Spot". Our business is operating the Laundry Spot franchise system and granting franchises to third parties like you to develop and operate Laundry Spot franchised businesses (each a "**Franchised Business**").

We began offering franchises on December 16, 2025. Other than as discussed above, we do not engage in any other business activities and do not offer franchises in any other line of business. Our registered agent for service of process is disclosed in Exhibit A of this Disclosure Document.

Our affiliate, Oreo Team LLC, an Ohio limited liability company, was organized on May 9, 2018, and operates two Laundry Spot laundromats in Ohio. Miami Valley Private Capital LLC also owns two Laundry Spot laundromats in Ohio. These affiliated Laundry Spot laundromats are similar to the franchise being offered except that the Laundry Spot laundromat in Hamilton, Ohio, is 8,292 square feet and not the size of our franchised Laundry Spot units which are 4,000 to 5,000 square feet. Our affiliates have not offered franchises in this or any line of business. We do not have any affiliates that offer franchises in any line of business or provide products or services to our franchisees. We do not have any parents or predecessors.

The Franchised Business

We grant the right to qualified franchisees to open and operate Laundry Spot franchised businesses under the name "Laundry Spot" and other trademarks, trade names, service marks, slogans and logos that we periodically designate, modify and adopt from time to time (the "**Marks**"). Your Laundry Spot franchise will offer authorized laundromat services and products including, but not limited to, self-service laundry, wash, dry and fold, pick-up and delivery, dry cleaning, and other services and products that we authorize ("**Approved Products and Services**"). Your Franchised Business will operate under a business format and unique system that includes our laundromat services and products; signage; distinctive interior and exterior design; operational procedures; standards and specifications; laundromat equipment; management and inventory control procedures; valuable know-how; technology systems; trade secrets; methods of operation; training; floor plans and layouts; the Marks; and advertising and promotional programs all of which may be developed or changed, improved, modified and further developed by us from time to time (the "**System**").

You must operate your Franchised Business per our standard business operating practices and sign our standard franchise agreement ("**Franchise Agreement**"). A copy of our current-form Franchise Agreement is attached hereto as Exhibit B. Your Franchised Business must offer only Approved Products and Services described in the Operations Manual and relayed to you through other written methods and our specifications, methods and procedures for marketing, selling, offering, and providing the Approved Products and Services. We have the right to add, modify, or delete any services or products that you offer or sell through your Franchised Business at any time.

We offer Laundry Spot franchises to those individuals and corporate entities who meet our then-current standards and qualifications. You will operate one Franchised Business for each Franchise Agreement you sign with us. We will grant you one license in a designated geographical area (the "**Designated Territory**") at a single location that we approve (the "**Approved Location**"). We also grant to certain persons that meet our qualifications and are willing to undertake the additional investment and effort, the right to develop and operate multiple Laundry Spot franchises according to a schedule (the "**Development Schedule**") within a certain defined geographic area (the "**Development Area**"). Development rights are offered only in accordance with the terms of our multi-unit development agreement (the "**Multi-Unit Development Agreement**") attached to this Disclosure Document as Exhibit C.

Unless otherwise specified, the information contained in this Disclosure Document applies to single unit development under a Franchise Agreement. If you are granted the right to develop multiple Laundry Spot franchises, you will sign our Multi-Unit Development Agreement at the same time that you sign our Franchise Agreement for the first Franchised Business.

Market and Competition

Your Franchised Business will provide laundromat and drycleaning services and related services and products to the general public. Your Franchised Business will compete with laundromats and businesses offering laundry services and/or garment or fabric care products and services, whether franchised or non-franchised, and which might be local, regional, or national. The market for laundromats and retail laundry services is well developed and established, particularly in urban areas. You will compete with other independently owned, franchised and chain laundromats and drycleaning businesses that offer wash and fold laundry services, and home laundry facilities. Sales are not season and are year-round.

Industry Specific Laws

You must comply with all local, state, and federal laws that apply to your operations, including for example health, sanitation, no-smoking, EEOC, OSHA, discrimination, employment, and sexual harassment laws. The Americans with Disability Act of 1990 (the "**ADA**") requires readily accessible accommodation for disabled persons and therefore may affect your building construction, site elements, entrance ramps, doors, seating, restrooms, etc. You must obtain real estate permits (e.g., zoning) and operational licenses. You must also follow the Payment Card Industry ("**PCI**") Data Security Standards and comply with applicable privacy laws relating to customer credit card transactions.

Some states and municipalities have zoning ordinances and regulations that you must comply with which limit the hours of operation, the number of washing machines and dryers that may be on the premises, mandate a certain minimum number of parking spaces required, and possibly other related regulations. Certain states also impose environmental regulations on laundromats, specifically with respect to wastewater. These regulations may require the laundromats to obtain a wastewater discharge permit. In order to obtain the permit, the laundromat may be required to have filtration systems treat its wastewater.

We recommend that you examine and consider the impact of these and all applicable laws, regulations, and standards before entering into any agreement with us. You should consult with your attorney concerning these and other local laws and ordinances that may affect the development and operation of your Franchised Business.

ITEM 2
BUSINESS EXPERIENCE

Tyler Purcell – Founder. Tyler is our Founder and has been in that role since our inception in October 2025 in Hamilton, Ohio. Tyler has served as the CEO of our affiliate, The Oreo Team, LLC, in Hamilton, Ohio, since May 2018. Tyler is a Financial Planner with Balance Wealth in Cincinnati, Ohio, and has served in that role since November 2024. Prior to that, Tyler was a Financial Planner with Kiplinger Wealth Advisors in Springboro, Ohio, from September 2014 to November 2024.

Dan Reese – Chief Executive Officer. Dan is our CEO and has been in that role since January 2026 in Hamilton, Ohio. Prior to his position with us, Dan served as the President of MilkShake Factory in Pittsburgh, Pennsylvania from January 2023 to January 2026. From January 2021 to December 2022, Dan was the Chief Financial Officer for MilkShake Factory in Pittsburgh, Pennsylvania.

Alex Forbes – Chief Operating Officer. Alex is our COO and has been in that role since February 2026 in Hamilton, Ohio. Alex has served as the Principal of Good Ops Co. in Cleveland, Ohio, since August 2025. Alex was the Chief Operating Officer of Sudberry Millwork in Nashville, Tennessee, from July 2025 to December 2025. Prior to that, Alex was a Principal of Lane 17 Cabinet Co. in Cleveland, Ohio, from August 2016 to June 2025.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

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

ITEM 5
INITIAL FEES

Initial Franchise Fee

When you sign a Franchise Agreement you will pay us a lump sum initial franchise fee in the amount of $60,000 (the "**Initial Franchise Fee**"). The Initial Franchise Fee is fully earned by us upon payment and is non-refundable.

Multi-Unit Development Agreement

If you sign a Multi-Unit Development Agreement (the "**Multi-Unit Development Agreement**") to develop multiple franchises within a specified territory, you must pay an upfront fee (the "**Development Fee**") based on the number of units you agree to develop. The Development Fee is detailed in the chart below:

Number of Units	Fee Per Unit	Total Development Fee
2	$55,000	$110,000
3	$45,000	$135,000
4	$45,000	$180,000
5	$45,000	$225,000
6	$40,000	$240,000
7	$40,000	$280,000
8	$40,000	$320,000
9	$40,000	$360,000
10+	$35,000	$350,000

The Development Fee is due in full upon execution of the Development Agreement and is non-refundable under any circumstances.

ITEM 6
OTHER FEES

Type of Fee (Note 1)	Amount	Due Date	Remarks
Royalty Fee (Notes 2 and 3)	5% of Gross Sales	Weekly on Wednesday for the prior week's Gross Sales	You must pay this fee directly to us. We reserve the right to change payment terms and due dates at our discretion.
Brand Marketing Fund Contribution (Note 4)	1% of Gross Sales	Weekly on Wednesday for the prior week's Gross Sales	You must pay this fee directly to us. We reserve the right to increase the Brand Marketing Fund Contribution by up to 2% of Gross Sales upon 30 days' notice. We may change payment terms and due dates at our discretion.
Local Marketing	Recommended at $1,000 per month	Monthly	We recommend you spend this amount on pre-approved marketing within your Designated Territory. We reserve the right to collect all or a portion of your local marketing expenditure to deploy in your local market using third party or affiliated marketing vendors.
Technology Support Fee	$0 - $750 per month	Monthly	Upon notice to you, we will commence collecting a technology support fee to cover your listing on our website and store email address; access to and use of certain licensed technology systems designated by Franchisor including the point-of-sale ("**POS**") system software and hardware integrations; customer loyalty program infrastructure; and future enhancements, upgrades or new technologies that we adopt. The maximum amount of the technology support fee will be $750, and we reserve the right to increase this fee up to 10% annually.
Mobile Application	$99 per month	Monthly	This amount is paid directly to our mobile application provider and is subject to change at supplier's discretion or if we change suppliers.
Point of Sale System	$180 per month	Monthly	This amount is paid directly to our POS system provider and is subject to change at our supplier's discretion or if we change suppliers

Interest	18% per annum from due date	On demand	Payable on all overdue amounts, fees, charges, and payments due to us under the Franchise Agreement. Interest rate cannot exceed the legal rate allowed by law and may be adjusted to reflect same.
Audit Fee	Cost of audit plus expenses	On demand	For costs incurred by us for each financial audit, provided the audit determines underreporting of 2% or greater during any designated audit period. Includes fees incurred by us including audit, legal, travel and accommodations.
Quality Assurance Inspection Fee	Up to $250 per inspection	As invoiced	We reserve the right to inspect your Franchised Business either directly or through a third-party inspector (e.g., mystery shopper) and, if it is determined that our brand standards have not been met, you will be responsible to correct the issues provided to you in writing and pay our costs for the inspection and any related costs associated with the inspection.
Late Fee	The greater of: (i) 5% of the amount due or (ii) $100	Upon being invoiced after failing to provide payment or report	Due on each occurrence that you fail to make a timely payment to us or fail to provide a report as requested.
Collections	Actual fees, costs, and expenses	On demand	For costs and expenses incurred by us in collecting fees due to us, and/or to enforce the terms of the Franchise Agreement or a termination of the Franchise Agreement. You must pay us our reasonable costs and expenses of re-inspections required by quality assurance audit and attorneys' fees.
Insufficient Funds Fee	$250, or maximum fee allowed by law	On demand	Payable if your bank account possesses insufficient funds and/or fails to process a payment or transfer related to a fee due from you to us.
Supplier Review Fee	Actual fees, costs, and expenses incurred by us	As invoiced	You must pay us the costs incurred by us to review and evaluate a potential supplier, product, or service that you submit to us for approval.
Management Service Fee	Our expenses plus 10% of Gross Sales	As invoiced	Due when we (or a third party) elect to manage your Franchised Business after your Managing Owner's death or disability, or after your default or abandonment.

Transfer Fee	$10,000 if to a third-party franchisee; $2,500 if to an existing Laundry Spot franchisee or if you are transferring control to a new Managing Owner	On demand	Payable to us if we approve your transfer request, but prior to execution of final transfer agreements and authorization.
Renewal Fee	$5,000	On signing Renewal Franchise Agreement	Payable to us if we approve your renewal request and upon signing our then current franchise agreement which may be materially different than the current-form Franchise Agreement.
Relocation Fee	$5,000	Upon Franchisor approval of the relocation	Payable to us if you must relocate your Franchised Business.
Cooperative Advertising	Currently there are no advertising co-operatives or "co-ops". If advertising co-ops are established by us, you may be required to contribute as approved by a majority vote of the members of the co-op.	As established by the co-op	Not currently assessed. If we form a regional advertising or brand awareness co-op, you must contribute to the co-op. Any amount you must contribute to the co-op will be credited against the required local advertising expenditure but shall not be greater than 50% of your required local marketing expenditure.
Additional Training Fees	$500 per day per trainer	Before training session begins	We will conduct additional or refresher training upon request as we deem necessary and as may be available. We may increase this fee in our discretion upon notice to you. We can charge a training fee: (a) for newly hired personnel; (b) if we require remedial training as a result of your failure to comply with our brand standards; (c) for re-training persons who are repeating a training program, or their substitutes; and (d) for training programs that we make optional for franchisees. If we conduct on-site training, you must also pay for the travel, meals, and lodging expenses for our trainer(s).
Refurbishment Fee	Reimbursement of the cost to refurbish the premises of the	On demand	If you fail or refuse to initiate within 30 days after our request to bring your premises up to our standards,

	Franchised Business plus 10% additional.		and/or fail to continue in good faith any required improvement, modification, refurbishment, renovation, and/or remodel of the Franchised Business premises, then we have the right but are not obligated, to enter upon the Franchised Business premises and effect such improvement, modification, refurbishment, renovation, and/or remodel on your behalf, and you must pay the entire cost to us on demand plus 10% of the cost.
Conference Fee	Up to $1,000 per person plus expenses	Upon demand	We can hold an annual franchisee conference devoted to training and plans for the future of Laundry Spot, which you will be required to attend. We reserve the right to change the convention fee at our discretion. Additionally, you will be obligated to pay for your representatives' salaries and benefits, and for their travel, lodging, and meal expenses.
Liquidated Damages	The average Royalty Fees and Brand Marketing Fund Contributions earned by us for the 12 months prior to termination multiplied by 36 or the number of months remaining in the term, whichever is less.	On demand	We may require you to pay us this amount in the event you terminate the Franchise Agreement without cause before the end of the Initial Term, or we terminate the Franchise Agreement for cause during the Initial Term. If you have not been open for 12 months as of the termination date, then the amount used for this calculation will be the average amount collected in Royalty Fees and Brand Marketing Fund Contributions System-wide.
Indemnification	Will vary	As incurred	You must indemnify and reimburse us for all costs, fees and damages if we are sued or held liable in any case having to do with the operation of your Franchised Business or your breach of the Franchise Agreement.
Insurance Reimbursement	You must reimburse our costs plus a 10% administrative fee	When billed	If you fail to obtain insurance, we may obtain insurance for you, and you must reimburse us.
Non-Compliance Fees	$100 per day of non-compliance, plus our costs and expenses, including travel and	As invoiced	Payable for failure to timely submit reports and financial statements as required under Franchise Agreement; for failure to comply with

	lodging for a Quality Assurance Inspection if necessary		operational standards as required and specified under Franchise Agreement; and for failure to timely pay, when due, a fee or payment due to us under the Franchise Agreement, plus interest, costs and legal fees.

Explanatory Notes

1. Fees Generally and Payment Requirements. The above table describes fees and payments that you must pay to us, our affiliates, or that we may impose or collect on behalf of a third party. We require payment from you subject to our specification and instruction, including, our election to have fees automatically drafted from your business bank account or automatically debited or charged to your business bank account. You will be required to sign an ACH Authorization Form (Franchise Agreement, Schedule 9) permitting us to electronically debit your designated bank account for payment of all fees payable to us and/or our affiliates. All fees are uniformly imposed for all franchisees offered under this Disclosure Document, are recurring, are non-refundable, and are payable to us, unless otherwise specified. You must install and use, at your expense, the pre-authorized payment, POS, credit card processing, automatic payment, automated banking, electronic debit and/or electronic funds transfer systems that we designate and require in the operation of your Franchised Business. You must pay all service charges and fees charged to you by your bank so that we may electronically debit your bank account.

2. Royalty Fees. You must pay us an ongoing, continuing royalty fee (the "Royalty Fee"). The Royalty Fee is payable and due weekly.

3. Gross Sales. "**Gross Sales**" means the sales, revenues, charges and receipts from whatever source (whether in the form of cash, check, credit or debit card, barter exchange, trade credit or other credit transactions) that arise, directly or indirectly, from the operation of or in connection with your Franchised Business. Gross Sales includes all revenues earned from the services and products sold at and through your Franchised Business, leasing space in your Franchised Business (if approved by us), usage income, and insurance proceeds you receive for loss or interruption of business due to a casualty or similar event at your Franchised Business. Gross Sales excludes sales taxes collected from customers and paid to the appropriate taxing authority, authorized promotional discounts provided to customers, and any other bona fide refunds to customers.

4. Brand Marketing Fund. You must pay us an ongoing, continuing amount toward our Brand Marketing Fund (the "**Brand Marketing Fund Contribution**"). The Brand Marketing Fund Contribution is payable and due at the same time and in the same manner as Royalty Fees.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Franchise Agreement

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be made
	Low	High			
Initial Franchise Fee (Note 1)	$60,000	$60,000	Lump sum	Upon execution of Franchise Agreement	Franchisor
Rent – 3 Months (Note 2)	$12,000	$24,000	As incurred	Prior to opening your Franchised Business	Lessor
Utility and Security Deposits (Note 3)	$6,000	$12,000	As incurred	Prior to opening your Franchised Business	Lessor and Utility and Company
Leasehold Improvements (Note 4)	$400,000	$750,000	As arranged	Prior to opening your Franchised Business	Suppliers
Grand Opening Marketing Program (Note 5)	$10,000	$20,000	As arranged	Prior to opening your Franchised Business	Suppliers
Equipment Package (Note 6)	$700,000	$1,150,000	As incurred	Prior to opening your Franchised Business	Suppliers
Opening Inventory (Note 7)	$15,000	$25,000	Lump sum	Prior to delivery	Suppliers
Professional Fees (Note 8)	$1,500	$3,000	As incurred	Prior to opening your Franchised Business	Lawyers, Accountants, Advisors
Signage (Note 9)	$10,000	$25,000	As incurred	Upon ordering	Suppliers
Insurance (Note 10)	$1,800	$5,400	As arranged	Prior to opening your Franchised Business	Insurance Companies
Business Licenses and Permits (Note 11)	$250	$1,500	As arranged	Prior to opening your Franchised Business	Governmental Agencies
Travel for Initial Training (Note 12)	$1,000	$3,000	As incurred	Prior to or at training	Airlines, Hotels, Restaurants, Gas Stations
Computer System (Note 13)	$5,600	$7,100	As incurred	As arranged	Supplier
Security System (Note 14)	$15,000	$25,000	As incurred	As arranged	Supplier

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be made
	Low	High			
Uniforms (Note 15)	$100	$250	As incurred	Prior to opening your Franchised Business	Supplier
Tap and Impact Fees (Note 16)	$0	$40,000	As incurred	Prior to opening your Franchised Business	Contractor
Vehicle and Wrap (Note 17)	$0	$15,000	As incurred	As arranged	Dealer
Office Supplies (Note 18)	$250	$500	As incurred	Prior to opening your Franchised Business	Suppliers
Additional Funds (3 months) (Note 19)	$30,000	$75,000	As incurred	Weekly payroll, other expenses, and purchases	Suppliers, employees, etc.
TOTAL (Note 20)	**$1,268,500**	**$2,241,750**			

Explanatory Notes

1. Initial Franchise Fee. The Initial Franchise Fee shown is for one Laundry Spot franchise. The Initial Franchise Fee is non-refundable.

2. Rent. Assuming you do not already own or lease a suitable location, you will be required to lease a site that meets our standards and is approved by us. This estimate is based on three months of rent. You will directly negotiate your rent with the landlord. We recommend you retain a commercial real estate broker familiar with market rents in your area. The cost per square foot for leasing commercial space varies considerably depending upon the location and market conditions affecting commercial property. This estimate does not include the purchase of real property should you elect to purchase the real property of your Franchised Business.

3. Utility and Security Deposit. This estimate assumes you will make deposits to utility companies and your landlord to lease your Franchised Business prior to opening.

4. Leasehold Improvements. This estimate is for the cost of construction, construction management and build-out of a single Laundry Spot franchise. The estimated range in this chart is based on the assumption the premises will be delivered to you with only interior dry wall/sheetrock, heating/cooling systems, electrical systems, and a concrete slab floor. These costs do not include the possible local state/county/city costs which could include fees for water and gas meters, tap fees, impact fees, etc. If the building is heated with gas, there will need to be a separate gas meter installed which meters the usage of the washer/dryer equipment. The costs for developing your Franchised Business may be higher or lower than the estimates provided based on the condition of the premises at time of delivery, cost of labor and supplies your geographic area, inflation, supply chain issues, and fluctuating economic conditions. You should hire an experienced commercial real estate broker to maximize the amount of tenant allowance received and to evaluate the potential build out costs.

5. Grand Opening Marketing Program. We require you to spend $10,000 to $20,000 on your Grand Opening Marketing Program which commences approximately 30 days before opening the Franchised Business.

6. Equipment Package. This range assumes that you pay for your laundry machines and equipment in full through our Approved Supplier. The equipment package includes a dosing system, an ozone machine, water heater, dryers, washers, hoses, connections, and installation as well as a vending machine and furniture.

7. Opening Inventory. You must purchase certain opening supplies that will be listed in our Operations Manual including, but not limited to, soaps for dosing and branded items for re-sale at your Franchised Business.

8. Professional Fees. This estimate is for costs associated with the engagement of professionals such as attorneys and accountants for advice on the start-up of your Franchised Business. We recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity, this Disclosure Document, and the Franchise Agreement. It is also advisable to consult these professionals to determine your licensing and permitting requirements and to review your lease and other contracts that you will enter into as part of the development and operation of your Franchised Business.

9. Signage. This estimate is for the cost to produce one exterior wall signage to be mounted to the outside of the building as well as interior signage. Your municipality and/or landlord may have specific requirements and regulations dictating the size, layout and illumination of the signage. You will be required to abide by these regulations, and as a result may experience higher or lower costs for your signage.

10. Insurance. You must obtain certain insurance covering your Franchised Business. Factors that may affect your cost of insurance include the size and location of your Franchised Business, the number of employees you have and other factors. The amounts you pay for insurance are typically non-refundable. You should inquire about the cancellation and refund policy of the insurance carrier or agent at or before the time you sign the Franchise Agreement. We recommend that you consult with your insurance agent before signing a Franchise Agreement.

11. Business Licenses and Permits. You must ensure that you have all necessary permits and business licenses to open your Franchised Business. We are basing this estimate on the development and operation of our affiliate locations in Ohio.

12. Travel for Training. You must complete our pre-opening training program before opening your Franchised Business. This estimate is for your estimated travel and lodging expenses, if applicable, to train at our headquarters in Hamilton, Ohio, or a location that we designate.

13. Computer System. You are required to purchase and utilize a computer system, which includes our certain hardware and software such as our POS system.

14. Security System. You are required to purchase and install a security system at your Franchised Business that meets our requirements as stated in the Operations Manual.

15. Uniforms. You will purchase an initial supply of branded uniforms for your Franchised Business.

16. Tap and Impact Fees. Depending on the premises condition of your Franchised Business, you may possibly incur local state/county/city costs which could include fees for water and gas meters, tap fees, impact fees, etc. If the building is heated with gas, there will need to be a separate gas meter installed which meters the usage of the washer/dryer equipment. The low end of this range assumes you will not have these fees while the high end of the range assumes you will.

17. Vehicle and Wrap. You may, but are not required to, offer mobile services upon our approval. While you are not required to offer mobile services at this time, we may require you to purchase a van and wrap it with Laundry Spot logos upon notice to you. This estimate includes the purchase of a Ford Transit Van and wrapping of the vehicle on the high end.

18. Office Supplies. You will purchase basic office supplies and furnishings for your office at the Franchised Business.

19. Additional Funds. You may need additional working capital to support on-going expenses, such as utilities, insurance, licenses, inventory, labor, security, repairs and maintenance, and miscellaneous expenses. This estimate includes wages for employees but does not include a salary or draw for your owners. The estimate also does not include Royalty Fee or any other fee payments due to us. You will need to have staff on hand before opening to prepare your Franchised Business for opening, for training, orientation, and related purposes. We have based this Additional Funds estimate on the experience of our affiliates opening four Laundry Spot laundromats in Ohio.

20. Total Estimated Initial Investment. This is an estimate of the initial start-up expenses for a single Franchised Business. We have based these estimates on our affiliate's experience in developing four Laundry Spot laundromats in Ohio, three of which are the approximate size of your Franchised Business and one of which is larger and not the model being sold through this Disclosure Document. Neither we nor any of our affiliates finance any part of the initial investment. This estimated initial investment assumes you will lease a premises consisting of 4,000 to 5,000 square feet. These are only estimates, and your costs and the range of those costs may vary. Factors that may influence your costs include the size of your Franchised Business; local geographic market and economic conditions including rent, labor, and construction costs and availability; local licensing costs; inflation; competition; the facilities and existing build-out of the site that you select; tenant improvement allowances; the capabilities of your management team; and the level of sales achieved by your Franchised Business. These estimates do not include interest and financing charges that you may incur, and they do not include management level compensation payable to you or your owners. You should carefully review these estimates with your business, accounting and legal advisors before making any decision to sign a Franchise Agreement.

Multi-Unit Development Agreement

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Development Fee for Three Units (Note 1)	$135,000	Lump sum	When Franchise Agreement and Multi-Unit Development Agreement are signed	Us
Estimated Initial Investment to Open One Unit (Note 2)	$1,208,500 to $2,181,750	Estimated Initial Investment is based on the estimate contained in the Table above of this Item 7 for a Franchise Agreement minus the Initial Franchise Fee which is included in the Development Fee.		
Total (Note 3)	$1,298,500 to $2,316,750			

Explanatory Notes

1. Development Fee. When you sign a Multi-Unit Development Agreement, you must also sign a Franchise Agreement for the first Franchised Business that you will be required to develop under your Multi-Unit Development Agreement. You will pay us a Development Fee equal to the number of Laundry Spot franchises we grant you to develop and open as contemplated by the chart above. The estimate above includes a Development Fee for three Laundry Spot franchises. Your Development Fee will increase if we grant you the right to develop more than three Laundry Spot franchises. The minimum number of franchises we will grant you to open is two.

2. Estimated Initial Investment. This is the estimated initial investment for the development of one Franchised Business as reflected in the Table above minus the Initial Franchise Fee.

3. Total. This is the total estimated investment to enter into a Franchise Agreement and a Multi-Unit Development Agreement for three units. This estimate does not include the estimated initial investment that you will incur for development of each additional Laundry Spot franchise under your Multi-Unit Development Agreement. We recommend you review these estimates carefully with your business advisor, accountant and/or attorney before making any decision to sign the Multi-Unit Development Agreement.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You may only offer and sell the Approved Products and Services at your Franchised Business. You may only use products, supplies, equipment, technology systems, POS system, décor items, and uniforms that we authorize and designate in writing. To ensure that our standards and specifications of quality, service and System development are maintained, you must operate your Franchised Business in strict conformity with the Franchise Agreement and the methods, standards, specifications and sources of supply that we designate and prescribe in our confidential operations manual and other proprietary manuals that we may designate and loan to you either in hard copy or electronically and, as we may from time-to-time supplement and modify other manuals and communications (collectively, the "**Operations Manual**").

Restricted Source of Products

We require that you purchase or lease certain source-restricted products for the development and operation of your Franchised Business. Source-restricted products are those that must meet our specifications and/or that must be purchased from an approved or designated supplier that may include us or our affiliates (each, an "**Approved Supplier**"). We may designate a supplier, including us or our affiliates, as the exclusive supplier for Approved Products and Services in the System.

Our specifications and list of approved and designated suppliers are contained in our Operations Manual. We will notify you of any changes to our specifications or list of approved or designated suppliers. We may notify you of these changes in various ways, including written or electronic correspondence, amendments and updates to our Operations Manual, and other forms of communication. We formulate and modify our standards and specifications for products based on our business judgment, industry experience and our management decisions as to the overall operation and expansion of the System.

Suppliers and Supplier Criteria

As of the date of this Disclosure Document, neither we nor our affiliate act as a supplier of any items needed for your Franchised Business. If, in the Operations Manual, we do not designate a supplier for a particular item, you will purchase all such products and supplies from suppliers who meet our specifications and standards. None of our officers own an interest in any third-party suppliers.

If you would like to sell any products or use any products in establishing and operating your Franchised Business that we have not approved, you must first send us sufficient information, specifications and samples for us to determine whether the products meet our standards and specifications, or the supplier meets our criteria for suppliers. You must pay our expenses to evaluate products or suppliers regardless of whether we provide our approval or not. We will decide within 30 days after receiving the required information whether you may purchase or lease the products from the proposed supplier.

We have the right to revoke the approval of particular vendors or suppliers if we determine that their products no longer meet our standards. Upon receipt of written notice of revocation, you must stop buying from the disapproved vendor. In addition, if we revoke our approval of the products because

they fail to meet our standards, you may be required not to use your remaining inventory of those products. Our criteria for approving or revoking approval of suppliers will be available to franchisees in our Operations Manual.

We estimate that your purchase of goods and services according to our specifications, including your purchase of products or services from Approved Suppliers, us or our affiliates, represent approximately 85% to 95% of your total purchases and leases in establishing the Franchised Business and approximately 65% to 75% of the on-going operating expenses of the Franchised Business.

Credit Card Processing

You must use our Approved Supplier for credit card processing, which may be integrated with the POS system that we designate. Credit card processing fees will, generally, be based on a percentage of all credit cards processed.

Computer System

You are required to purchase and utilize a computer system, which includes our designated POS system, described in Item 11 below on-site at your Approved Location. Generally, the computer system will consist of certain hardware and software such as our POS system. You will be required to meet our requirements involving back office and POS systems, security systems, video cameras, printers, back-up systems, and high-speed internet access.

Customer Loyalty Cards

You must use our designated supplier and vendor for the ability to access and use online, POS system software, web based, and/or app based, ordering, and customer loyalty rewards. You must comply with all policies related to customer loyalty cards in our Operations Manual.

Branded Items and Marketing Materials

All products bearing the Marks (including, but not limited to, point of purchase marketing, merchandise, retail items, uniforms, signs and displays) must meet our standards and specifications and must be purchased from either of us directly or our Approved Supplier. All of your marketing materials must comply with our standards and specifications and must be approved by us before you use them. With our written consent, you may market your Franchised Business through approved Social and Digital Media platforms provided that you do so in accordance with our Social and Digital Media policies set forth in our Operations Manual and other written directives from us. You must purchase all branded marketing materials from either us or our designated exclusive supplier.

Insurance

You must maintain the types and minimum amounts of insurance coverage we specify or that is required by your landlord whichever is greater. You must carry (a) reasonable comprehensive public liability and property damage insurance, including personal and bodily injury liability, contractual liability, employers' liability, and owners' and contractors' protective insurance coverage with respect

to the activities conducted by you and any employee, agent or other person performing work on behalf of you with respect to the Franchised Business, with a policy limit of not less than $2,000,000 general liability coverage (including personal injury) or such greater amount as may be specified in writing by us from time to time and not less than $1,000,000 per occurrence for personal and bodily injury liability and not less than $100,000 per occurrence for damage to rental premises or such greater amount as may be specified in writing by us from time to time, and not less than $5,000 medical coverage for any one person or such greater amount as may be specified in writing by us from time to time; (b) reasonable products liability/completed operations insurance with a policy limit of not less than $2,000,000; and (c) reasonable business interruption insurance in respect of the Franchised Business with a policy limit not less than that which may be prescribed by us from time to time. If mobile services are provided, you must obtain Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than $1,000,000. You must carry workers' compensation as required by local law.

The policies must be written by carriers with an industry rating acceptable to us; must name us, our affiliates, and their respective officers, directors, shareholders, and employees as additional insureds as we direct; and must not have deductibles, exclusions or co-insurance that are unacceptable to us. Each insurance policy must contain a waiver by the insurance company of subrogation rights against us, our affiliates, and our successors and assigns.

We can increase the coverage requirements and/or require different or additional kinds of insurance at any time by updating the Operations Manual. Prior to opening your Franchised Business, you must provide us with certificates of insurance demonstrating that you have met the requirements. At least 30 days before expiration of a policy, you must furnish evidence of renewal or replacement insurance. If you do not obtain the required coverage, we have the right (but not obligation) to obtain insurance on your behalf. If we do so, you must reimburse us for the cost of insurance, plus a fee for our services.

Vehicle Requirements

If you elect or we require you to provide mobile services, you must purchase either a Ford Transit-150 Cargo or Mercedes Sprinter Cargo Van. Your vehicle must be wrapped with our required graphics. The cargo van size is required to process consumer and commercial volumes. Upon specific approval from us, you may select a vehicle that is in good condition at our discretion. You will purchase your vehicle wraps through an Approved Supplier.

Laundromat Equipment Requirements and Specifications

You must purchase and install specific laundry equipment and related systems to operate your Franchised Business. We require specific types, quantities, and specifications for all equipment to ensure consistency across the Laundry Spot system and to maintain our quality and service standards. You must purchase a specific mix of commercial washing machines and dryers as detailed in our Operations Manual. All washers must be high-efficiency models that meet our water and energy conservation standards. Dryers must include both standard and large-capacity units with appropriate heat settings and cycle options. Your equipment mix must provide adequate capacity for peak demand periods while maintaining reasonable wait times for customers. We will specify the exact number and capacity mix of washers and dryers based on your location's demographics and projected volume. The

equipment layout must maximize efficiency and customer flow while ensuring safe operation and maintenance access. All washing machines and dryers must be commercial-grade equipment from our Approved Supplier.

You must install commercial water heating systems with sufficient capacity to supply hot water to all washing machines during peak operating periods. Water heaters must meet our efficiency standards and local code requirements. You must ensure adequate electrical service to support all equipment. Gas connections may be required for dryers and must include separate metering as required by utility companies. You must install ozone generation systems and automated chemical dosing systems that meet our specifications and provide consistent, high-quality wash results. Ozone systems help reduce chemical usage and improve wash quality while supporting our environmental standards. Dosing systems must automatically dispense detergents and fabric softeners in precise quantities for optimal wash performance and cost control.

You must install vending machines that dispense laundry supplies, snacks, and beverages for customer convenience. Vending machines must meet our appearance standards and stock products approved by us. You may also be required to install change machines, laundry card dispensers, and other customer convenience equipment as specified in our Operations Manual.

You must provide adequate seating for customers waiting for their laundry, including chairs, benches, or other seating options that meet our comfort and appearance standards. The number and type of seating will depend on your location size and customer capacity. You must install sufficient folding tables and work areas to accommodate customer needs during peak periods. Folding tables must be of commercial quality with easy-to-clean surfaces and appropriate height for customer comfort. Work areas must include adequate lighting and may require electrical outlets for customer convenience. The number and size of folding areas will be specified based on your location's capacity and layout.

You must purchase your primary laundry equipment package through our Approved Supplier unless we specifically approve an alternative supplier in writing. Our Approved Supplier shall be selected based on certain criteria including equipment quality, service capabilities, financing options, and system integration compatibility. The equipment package includes washers, dryers, water heaters, dosing systems, ozone equipment, installation, and initial setup. You may be required to purchase additional equipment or components from other approved suppliers as specified in our Operations Manual. Depending on your location and local requirements, you may need additional equipment such as lint disposal systems, floor drains, specialized ventilation equipment, or accessibility features to comply with the Americans with Disabilities Act. We will provide specific equipment requirements during the site planning process based on your approved location's characteristics and local regulatory requirements. All equipment must be installed by qualified contractors and inspected by local authorities as required before opening your Franchised Business.

Remodeling

After seven years of operation, you must remodel the store pursuant to our specifications. The remodeling specifications may vary over time but presently include new interior and exterior paint, replace signage, replace or refresh floors, replace or refresh ceiling tiles, remodel or refresh the bathroom, and other items. Certain items may be inspected annually and replaced when no longer up

to standards. After 10 years, the washers and dryers will be inspected on a yearly basis.

Purchase Agreements and Cooperatives

We may, in our discretion, negotiate purchase agreements, including price terms, with Approved Suppliers for source-restricted products on behalf of the System. We may establish preferred vendor programs with suppliers on behalf of some or all of the System. We may limit the number of Approved Suppliers that you may purchase from, and we may designate one vendor as your sole Approved Supplier. As of the issuance date of this Disclosure Document, there are no purchasing or distribution cooperatives that you must join. You will not receive any material benefits for using our designated or approved suppliers.

Revenue from Required Purchases

We or our affiliates may derive revenue or other material consideration from required purchases or leases by you. As of our fiscal year ending December 31, 2025, neither we nor our affiliates have derived any revenue as a result of franchisee required purchases.

Our Right to Receive Compensation and Our Revenue from Source Restricted Purchases

We and/or our affiliates may receive rebates, payments and other material benefits from suppliers based on your purchases and we reserve the right to institute and expand rebate programs in the future. We have never earned revenue from approved suppliers based on our franchisees' purchases. We do not provide our franchisees with any material benefits based on a franchisee's purchase of particular products or use of particular suppliers.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Sections in Franchise Agreement	Sections in the Multi-Unit Development Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	3.1	Not applicable	7 and 11
b. Pre-opening purchases and leases	7.1, 7.6, 7.7, 7.22	Not applicable	7 and 8
c. Site development and other pre-opening requirements	3.2, 3.13	Not applicable	6, 7 and 11
d. Initial and ongoing training	4.1, 4.2, 4.3	Not applicable	11
e. Opening	3.3	Not applicable	11
f. Fees	5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8, 5.9	Not applicable	5, 6 and 7
g. Compliance with standards and policies/manual	4.3, 7.1, 7.22	Not applicable	8 and 11
h. Trademarks and proprietary information	3.8, 3.9, 3.10, 3.11, 3.12, 11.1, 11.2, 11.3, 11.5	Not applicable	13 and 14
i. Restrictions on products and services offered	7.1	Not applicable	8, 11 and 16
j. Warranty and customer service requirements	7.2, 7.3	Not applicable	16
k. Territorial development and sales quotas	2.3, 2.4, 2.5	3.2, 4.1, 4.2, 4.3, 4.4, 4.5	12
l. Ongoing product and service purchases	7.1, 7.6, 7.7	Not applicable	8
m. Maintenance, appearance and remodeling requirements	7.17, 7.18, 7.19, 7.25, 7.26, 7.27, 7.28, 7.29, 7.30, 7.32	Not applicable	7 and 17
n. Insurance	8.1	Not applicable	7 and 8
o. Advertising	9.1, 9.2, 9.3, 9.4, 9.5, 9.6, 9.7, 9.8, 9.10, 9.12, 9.13, 9.15	Not applicable	6 and 11
p. Indemnification	10.3	Not applicable	6

Obligation		Sections in Franchise Agreement	Sections in the Multi-Unit Development Agreement	Disclosure Document Item
q.	Owner's participation, management, and staffing	7.13, 10.1, 10.2	Not applicable	11 and 15
r.	Records and reports	12.1, 12.2	Not applicable	6
s.	Inspections and audits	13.1, 13.2	Not applicable	6 and 11
t.	Transfer	14.1, 14.2, 14.3, 14.4, 14.5, 14.6	Not applicable	17
u.	Renewal	15.1, 15.2, 15.3	Not applicable	17
v.	Post-termination obligations	6.5, 17.1, 17.2, 17.3, 17.4	Not applicable	17
w.	Non-Competition Covenants	6.3, 6.5	Not applicable	12.2, 12.3
x.	Dispute Resolution	18.6, 18.7, 18.8, 18.9, 18.10	18.2, 18.3, 19.1, 19.2, 19.3	17
y.	Individual guarantee of franchisee obligations	2.7	Not applicable	9

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or other obligation.

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

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

Pre-Opening Assistance

Before you open your Franchised Business, we will do the following:

1. Grant you the right to operate a Franchised Business at a single Approved Location within a Designated Territory. (Franchise Agreement, Sections 2.1 and 2.3).

2. Provide site selection criteria and guidelines and approve or disapprove your site. (Franchise Agreement, Section 3.1).

3. After you secure an Approved Location, define the Designated Territory for your Franchised Business and include the geographic boundaries and/or a description of your Designated Territory within Schedule 1 of the Franchise Agreement which may occur after you sign the Franchise Agreement. (Franchise Agreement, Section 2.3, and Schedule 1).

4. Provide you with a list of our approved signage, equipment, furniture, fixtures and suppliers, either as part of the Operations Manual or otherwise in writing. We will provide you with design specifications for the construction of your Franchised Business. (Franchise Agreement, Sections 3.13, 7.6, and 7.7).

5. Provide you and your Operations Manager (if applicable) with training in accordance with our initial training program. (Franchise Agreement, Section 4.1).

6. Identify your Franchised Business on our System Website. (Franchise Agreement, Section 4.2).

7. Provide you with access to the Operations Manual which we may update from time to time. (Franchise Agreement, Section 4.3).

8. Provide marketing assistance as we deem necessary for your Franchised Business to assist with your Grand Opening Marketing Program. (Franchise Agreement, Sections 4.2 and 9.15).

Site Selection

You are responsible for selecting a site for your Franchised Business, and you must obtain our approval of your site (referred to herein as the "**Approved Location**"). You are responsible for all costs and expenses in locating and evaluating proposed sites and the demographic data associated with your proposed sites. We do not typically own or lease the real property for your Franchised Business. We will provide you with site selection guidelines. If you do not know your Approved Location at the time you sign our Franchise Agreement, you must find your Approved Location within the search area provided to you upon signing the Franchise Agreement. After the site is approved, we will designate your Designated Territory in Schedule 1 to the Franchise Agreement.

We may review the terms of the lease for your Approved Location. We require that your landlord acknowledge our rights as set forth in the lease agreement rider attached as Schedule 6 to the Franchise Agreement (the "**Lease Agreement Rider**") and that you collaterally assign the lease to us as set forth in the Collateral Assignment of Lease attached as Schedule 7 to the Franchise Agreement.

We will approve your site within 30 days of our receipt of your written request for our review of the proposed site and your submission to us of the information and documentation that we may request. In determining whether to approve or disapprove a proposed site for your Franchised Business, factors that we take into consideration include: (a) population density, demographic factors, traffic patterns, parking, building structures, visibility and available sign locations; (b) the location of your proposed site relative to Laundry Spot laundromats and competitors; and (c) whether or not the landlord is amenable to our Lease Agreement Rider in substantially the same form as contained in Schedule 6 of the Franchise Agreement.

Within 120 days of signing your Franchise Agreement, you must secure a site and a lease that we approve. You must sign your lease within 180 days from the signing of the Franchise Agreement. It is your obligation to consult with government agencies, architects and legal professionals to evaluate and determine that your proposed site permits the establishment and operation of a Laundry Spot laundromat and that you possess the necessary licenses and authority to operate a Franchised Business

that offers and provides the Approved Products and Services. If you do not secure an Approved Location and enter into a binding lease agreement that has been approved by us for such location within 180 days of signing the Franchise Agreement, we may terminate the Franchise Agreement and retain all initial fees paid to us.

Time to Open

We estimate that the length of time between the signing of your Franchise Agreement and opening your Franchised Business and commencing business will typically be 12 months. Factors that may affect this estimated time period include: (a) evaluating and selecting a suitable site; (b) timeliness of your submission to us of information and documentation that we may request in determining whether or not to approve of the proposed site; (c) negotiating and obtaining a lease; (d) obtaining third party lender financing, if necessary; and (e) obtaining the necessary licenses for the operation of your Franchised Business. We expect that you will be open within 12 months; however, if we grant you an extension and you do not open your Franchised Business within 18 months of signing the Franchise Agreement, we may terminate the Franchise Agreement and retain all initial fees paid to us.

Post-Opening Obligations

After you open your Franchised Business, we will do the following:

1. Provide additional on-site or virtual training that we may designate and require. You will pay our then-current training fee plus travel expenses, meals and accommodation expenses incurred by us and our trainers. (Franchise Agreement, Sections 4.1 and 4.2).

2. Offer and make available to any replacement Operations Managers our initial training program which must be complete to our satisfaction. You will pay our then-current additional training fee for your replacement Operations Manager. You will also be responsible for all costs incurred by us and your representatives attending our initial training (Franchise Agreement, Section 4.1).

3. Provide updated information as to the standards, procedures and System requirements including, but not limited to, updates to the Operations Manual, Approved Products and Services, marketing and promotion standards as we may, in our discretion, designate, modify, supplement and amend and modify. (Franchise Agreement, Sections 4.2, 4.3, and 7.22).

4. Establish, update and communicate to you our standards for the marketing and promotion of the Franchised Business including, but not limited to, the marketing materials and mediums that you may utilize. (Franchise Agreement, Sections 4.2 and 9.7).

5. Provide the names and addresses of newly approved and/or revoked Approved Suppliers. (Franchise Agreement, Sections 7.6 and 7.7).

6. Administer and manage the Brand Marketing Fund in a manner that we deem necessary in our sole discretion to promote the Laundry Spot brand and our franchisees. (Franchise Agreement, Sections 9.1, 9.2, and 9.3).

Advertising Generally

All advertising, marketing, marketing materials and all marketing avenues used by you in the marketing and promotion of your Franchised Business must be pre-approved by us in writing and conform to our standards and specifications. You may only utilize the advertising and marketing materials and avenues that we designate and approve in writing. In our discretion, we may make available to you approved marketing templates comprised of pre-approved ads, ad copy and Social and Digital Media that you may utilize at your own expense. If you wish to use marketing materials and/or mediums that are not currently approved by us in writing, you may submit a written request requesting permission and we will approve or disapprove of your request within 15 days of your submission of the written request and sample marketing materials. We are not required to spend any amount on your behalf on advertising in your Designated Territory, and we are not required to conduct any advertising on your behalf.

Internet Advertising

You are restricted from establishing a presence on, or marketing on the Internet without our written consent. We have an Internet website at the uniform resource locator laundryspot.com (the "**System Website**") that provides information about the System and about Laundry Spot generally. We will provide you with a sub-page on our home page, where we will have contact information on your location. We retain the sole right to post content on our System Website and otherwise market on the internet, including the use of other websites, domain names, social media accounts, URLs, keywords, linking, search engines (and SEO techniques), banner ads, meta-tags, marketing, e-commerce and co-branding arrangements. You may be requested to provide content for our internet marketing efforts, and you must follow our intranet and internet usage rules, policies and requirements. We retain the sole right to use the Marks on the internet, including on websites, such as domain names, directory addresses, search terms and meta-tags, social media pages and in connection with linking, marketing, co-branding and other arrangements. We retain the sole right to approve any linking to, or other use of, the System Website. You are not permitted to use any domain names in your Franchised Business including domains containing "Laundry Spot" or any derivation of those words in the URL.

We control and are the absolute owner of any and all interactive or static digital documents, applications and/or media that is connected to and/or in a network of computers and/or other devices linked by communications software, part of the world wide web, linked by the Internet or part of a web-based application, software application, smart phone application or social media platform such as Facebook, LinkedIn, Twitter/X, Pinterest, Instagram, TikTok, SnapChat, and YouTube, and internet-based directories and online directories that refer, reference, identify, review, promote and/or relate, in any way, to, Laundry Spot laundromats, the Franchised Business, the Marks, the System and/or the Franchisor (the "**Social and Digital Media**").

Local Marketing

We recommend that you spend $1,000 per month on local marketing, advertising and promotion of your Franchised Business. Local marketing expenditures are not included in your Brand Marketing Fund Contribution and will be your sole cost and expense. Upon notice to you, we may elect to make this local marketing expenditure mandatory. You may not use any marketing or promotional plans

that we have not approved in writing. We, our Approved Suppliers or our affiliates may periodically make available to you for purchase marketing plans and promotional materials, merchandising materials, sales aids, special promotions, community relations programs, and similar marketing and promotional materials for use in local marketing.

Grand Opening Marketing Program

Franchisee must spend at least $10,000 but no more than $20,000 on the grand opening marketing program (the "**Grand Opening Marketing Program**") which commences approximately 30 days before opening the Franchised Business. The purpose of the Grand Opening Marketing Program is to generate initial awareness, customer traffic and sales consistent with Franchisor's brand positioning and standards. Franchisor shall provide Franchisee with guidelines for the Grand Opening Marketing Program which may include recommended vendors, media channels, digital advertising, promotional offers and local community engagement efforts. Franchisee shall submit a proposed Grand Opening Marketing Program plan and budget for Franchisor's review no later than 60 days prior to the scheduled opening date. Franchisee shall diligently implement the program in accordance with the approved plan and cooperate with Franchisor to monitor its effectiveness. Franchisee shall provide Franchisor with documentation substantiating the actual amounts spent on the Grand Opening Marketing Program including invoices, receipts and media placement confirmations, within 30 days following the completion of the program. If Franchisee fails to spend the required minimum, Franchisor may require franchisee to allocate the shortfall to additional marketing efforts as designated by Franchisor or pay the shortfall into the Brand Marketing Fund.

Brand Marketing Fund

We control and administer a marketing and brand development fund (the "**Brand Marketing Fund**"). You and all franchisees must contribute a sum of 1% of Gross Sales as a Brand Marketing Fund Contribution. We do not allow other franchisees to contribute different amounts or at different rates than you will contribute. We may increase the Brand Marketing Fund to 2% of Gross Sales upon 30 days' notice. We will maintain and administer the Brand Marketing Fund as follows:

1. We will control the creative concepts and the materials and media to be used, and we will determine the placement and allocation of advertisements. We may use print, television, radio, internet, or other media for advertisements and promotions. We do not guarantee that any particular Laundry Spot franchisee will benefit directly or in proportion to their contribution from the placement of advertising by the Brand Marketing Fund. We are not obligated to spend any amount of Brand Marketing Fund Contributions in your Designated Territory or in any particular franchisee's territory.

2. We will use Brand Marketing Fund Contributions for producing, maintaining, administering and directing consumer advertising on a national and/or regional level as we deem necessary or appropriate, in our sole discretion. We may use multiple sources for advertising including in-house and regional or national agencies. We will account for the Brand Marketing Fund Contributions separately from other operating funds. We will not use Brand Marketing Fund Contributions for the direct solicitation of franchise sales.

3. We shall attempt to use all contributions in the fiscal year they are made; however, if less than all monies in the Brand Marketing Fund are spent in the fiscal year in which they accrue, the money will remain in the Brand Marketing Fund to be spent in subsequent years. In the fiscal year ending December 31, 2025, we did not collect or spend any Brand Marketing Fund Contributions.

4. The Brand Marketing Fund is not audited. The Brand Marketing Fund is not a trust, and we assume no fiduciary duty in administering it. Upon your written request, we will provide you, within 120 days of our fiscal year end, with a written statement for such fiscal period setting forth in brief detail the total amounts collected, and disbursements made by us in connection with the Brand Marketing Fund. Locations owned by us or our affiliates are not required to contribute equally to the Brand Marketing Fund.

5. Except for the salaries of marketing personnel employed by us, we do not receive compensation for administering the Brand Marketing Fund. The Brand Marketing Fund is not and will not be our asset. If amounts are unspent in the Brand Marketing Fund at fiscal year-end, those amounts are carried over by the Brand Marketing Fund for expenditure in the following year. Except as described above, we are not obligated to advertise.

Local and Regional Advertising Cooperative

We have the exclusive right to authorize, establish, designate and de-authorize a local or regional advertising cooperative within those markets that we designate. We will exclusively determine the geographic and other boundaries constituting each respective cooperative and factors that we will consider include media markets including print, television and digital. If we establish a cooperative within a market that includes your Franchised Business, you must contribute to the cooperative in such amounts and frequency as determined by the cooperative. Members of the cooperative will be responsible for administering the cooperative, including determining the amount of contributions, marketing expenditures and allocations.

We reserve the right to form, change, dissolve, or merge with any advertising cooperative. If we elect to form a local or regional cooperative or if a cooperative already exists as to the area of your Franchised Business, you will be required to participate in the cooperative in accordance with the provisions of our Operations Manual which we may supplement and modify from time to time. You will not be required to make contributions to a local or regional advertising cooperative will count toward your local marketing requirements. We have not implemented any local or regional advertising cooperatives but reserve the right to do so in the future.

Advertising Council

We have not established an advertising council but reserve the right to do so in the future.

Computer System

You must purchase, license and use the computer, POS, business management, and ordering systems that we designate. You must purchase at least one POS system hardware terminal from our Approved Supplier and a computer for the back office. Generally, you will be required to obtain a computer

system that will consist of certain hardware and software, and, among other things, you will be required to meet our requirements for: (a) back office and POS systems; (b) security and video monitoring systems; (c) printers and other peripheral devices; (d) archive and back-up systems; and (e) high speed internet access (the "**Computer System**"). The initial upfront cost of the Computer System that you will be required to purchase ranges from $5,600 to $7,100.

You are obligated to install and/or access all required Computer System and software upgrades. You are responsible for hardware repairs or replacement of systems. You must maintain your Computer System in good working order and must replace, update, or upgrade your hardware systems and required software as we may periodically require. There are no contractual limitations on the frequency and cost of these upgrades and updates. Your estimated costs for the maintenance, repair and updates for the Computer System is estimated to be between $500 and $1,000 per year.

There are no contractual obligations imposed on us to maintain, repair, update, or upgrade your Computer System. We will have independent access to all information and data that is electronically transmitted on your Computer System and will have access to all data related to the financial performance of your Franchised Business. There are no contractual limitations on our right to access your Computer System in its entirety.

Training

If this is your first Franchised Business being opened, we will provide initial training for you, or if you are a Corporate Entity, your Managing Owner, and Operations Manager(s) at your headquarters in Hamilton, Ohio, at your Approved Location, virtually or at another location that we designate. There is no additional cost for initial training as it is included in your Initial Franchisee Fee. You or, if you are a Corporate Entity, your Managing Owner and your Operations Manager(s) must successfully attend and complete the initial training program to our satisfaction before the opening of your Franchised Business. The initial training program takes place over a two-week period.

INITIAL TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Laundry Spot Brand Orientation	1	1	Hamilton, OH, virtually or another location we designate
Operations of the Franchised Business	4	10	Hamilton, OH, virtually or another location we designate
Employee Training	2	5	Hamilton, OH, virtually or another location we designate
Customer Service	1	2	Hamilton, OH, virtually or another location we designate
POS System, Technology Stack, and Computer System	4	3	Hamilton, OH, virtually or another location we designate

Safety Training	1	1	Hamilton, OH, virtually or another location we designate
Reporting Requirements	1	1	Hamilton, OH, virtually or another location we designate
Opening/Closing	2	2	Hamilton, OH, virtually or another location we designate
Marketing Strategies	2	3	Hamilton, OH, virtually or another location we designate
Equipment Training	8	12	Hamilton, OH, virtually or another location we designate
Total Hours	26	40	

The number of hours listed in the chart above are estimates only, and the number of hours we will spend training you will depend on your experience in the laundromat industry and the franchise industry as well as job history, business acumen, and other related factors. We use our Operations Manual, live instruction, and handouts during the initial training program. Initial training will be conducted under the direction and supervision of Tyler Purcell who has experience operating Laundry Spot laundromats since May 2018. The Operations Manual table of contents is attached hereto as Exhibit D and contains a total of 133 pages.

We may require you, or if you are a Corporate Entity, your Managing Owner, Operations Manager(s) and employees periodically attend additional courses, seminars, and other additional training programs including refresher training. You will incur expenses in attending training, such as the costs of transportation, lodging, meals, wages, and worker's compensation insurance. You must pay our then-current per diem training charges of $500 per day for additional training.

ITEM 12
TERRITORY

Grant of Territory

You will operate your Franchised Business at the Approved Location. Once you have identified your Approved Location and we accept the proposed site, we will designate the Designated Territory around the Approved Location within which you will have certain protected rights.

Relocation

You will not be permitted to relocate your Franchised Business without our prior written approval, which may be withheld at our discretion. You will be assessed a relocation fee of $5,000 at the time you submit the proposed location for your relocated Franchised Business. Generally, we do not approve requests to relocate your Franchised Business after a site selection has been made and you have opened for business unless (a) it is due to extreme or unusual events beyond your control, and (b) you are not in default of your Franchise Agreement. If we approve your relocation request, we retain the right to approve your new site location in the same manner and under the same terms that are applied to your first site selection.

Establishment of Additional Franchises

You do not have the right to establish additional Laundry Spot franchises under the Franchise Agreement. Our approval of future franchise development will be based on our then-current site and territory criteria. You are not granted any options, rights of first refusal, or similar rights to acquire additional franchises. If you wish to develop additional Laundry Spot franchises, you must enter into our Multi-Unit Development Agreement and/or a new franchise agreement and meet all our then-current requirements for franchisees.

Territory Rights

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

However, during the term of the Franchise Agreement, provided that you are not in default of your obligations to us or our affiliates and except as to our reserved rights set forth below, we will not establish or open and we will not grant another franchisee the right to establish or open a Laundry Spot franchise within your Designated Territory.

Our reserved right authorizing us to sell products in your Designated Territory through alternative channels of distribution, such as the Internet, may affect your ability to sell those products. There are no restrictions on our right to solicit or accept orders from consumers inside your Designated Territory. We are not required to pay you any compensation for soliciting or accepting orders from inside your Designated Territory. Neither we nor our affiliates currently plan to operate or franchise any business under any different trademarks that sell or distribute similar products to those that you will offer but we reserve the right to do so in the future. Neither we nor our affiliates are restricted from establishing other franchises or company-owned outlets, or other channels of distribution, selling or leasing similar products under a different trademark.

Soliciting by You Outside Your Designated Territory

You are required to target and direct the marketing of your Franchised Business to customers located within your Designated Territory. You may only offer and sell Approved Products and Services from your Approved Location located within your Designated Territory. You are not allowed to directly solicit consumers outside your Designated Territory, and you do not have the right to use alternative channels of distribution, such as the Internet, to make sales outside your territory.

Except in conjunction with approved advertising promotions, you may not directly market or solicit business outside your Designated Territory without prior written authorization from us, including Internet marketing, postcards, letters, fliers, emails, or other marketing communications. You may not make telemarketing calls to customers or prospective customers located outside your Designated Territory or advertise in print or other media where two-thirds or more of the media circulation base or broadcast area is located outside your Designated Territory.

ITEM 13
TRADEMARKS

We grant you the right to operate your Franchised Business under the name "Laundry Spot," "The Laundry Spot," and other names we may designate, modify or adopt from time to time. Our affiliate, Oreo Team, LLC has the following trademarks registered on the United States Patent and Trademark Office ("**USPTO**") Principal Register:

Mark	Registration Number	International Class	Date of Registration
THE LAUNDRY SPOT	6771874	037, 039	June 28, 2022

We have the following trademark applied for on the USPTO Principal Register:

Mark	Serial Number	International Class	Date of Application
	99660918	035, 037, 039	February 19, 2026

We do not have a federal registration for this trademark as of the date of this Disclosure Document. Therefore, this trademark does not have as many legal benefits and rights as our federally registered trademarks. If our right to use this trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

We intend to renew the registration and file all appropriate affidavits for the Marks at the times required by law. Pursuant to a license agreement between us and our affiliate company, we have the exclusive right to license the use of these trademarks and our Marks generally to others within the United States. The license granted to us by our affiliate is perpetual and can only be terminated if we misuse the trademarks or willfully allow our franchisees to misuse the trademarks. If the trademark license agreement is terminated or modified, you may have to change to an alternative trademark for your business which may increase your expenses. Other than the license agreement with our affiliate, there are no agreements that limit our right to use or license the use of the trademarks.

The principal trademarks identified in the chart above are a part of the Marks, our System, and unless otherwise designated by us, will be used by you in the operations of the Franchised Business. All required affidavits have been and will be filed with the USPTO. If our right to use these trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

We intend to renew the registration and file all appropriate affidavits for the Marks at the times required by law.

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or any court; or any pending infringement, opposition, or cancellation proceeding in which we unsuccessfully sought to prevent registration of a trademark in order to protect a trademark licensed by the franchisor. There is no other pending material in federal or state court litigation regarding our use or ownership rights in a trademark. We know of no other infringing or prior superior uses that could materially affect the use of these trademarks and the Marks generally.

You must immediately notify us in writing when you learn about any claim of infringement, unfair competition, or similar claims about the Marks. We will protect you against claims of infringement and unfair competition related to the Marks provided you use the Marks in accordance with the terms of your Franchise Agreement, as designated by us in the Operations Manual, and, otherwise, as we instruct you. We will indemnify you against direct damages for trademark infringement in a proceeding arising out of your use of the Marks, provided your use of the Marks comply with the terms of your Franchise Agreement, the Operations Manual, our written instructions and, that you have timely notified us of the claim, have given us sole control of the defense and settlement of the claim, and you are in compliance with your Franchise Agreement. If we defend the claim, we have no obligation to indemnify or reimburse you with respect to any fees or disbursements of any attorney that you retain.

Except to the extent that the litigation is the result of your use of the Marks in a manner inconsistent with the terms of the Franchise Agreement, we agree to reimburse you for your out-of-pocket costs, except that you will bear the salary costs of your employees, and we will bear the costs of any judgment or settlement. To the extent that the litigation is the result of your use of the Marks in a manner inconsistent with the terms of the Franchise Agreement, you must reimburse us for the cost of the litigation, including attorneys' fees, as well as the cost of any judgment or settlement.

We reserve the right to substitute different Marks for use in identifying the System and the Laundry Spot laundromats operating as part of the System if our Marks no longer can be used, or if we determine, exercising our right to do so, that substitution of different Marks will be beneficial to the System. In such cases, you must implement and use such different Marks at your cost and in the manner we require. If we require, you must modify or discontinue the use of any of our Marks and use other trademarks or service marks we designate. We have no obligation to reimburse you for modifying or discontinuing the use of a Mark or for substituting another trademark or service mark for a discontinued Mark. If we adopt and use new or modified Marks, you must add or replace equipment, supplies and fixtures, and you must make other modifications we designate as necessary to adapt your Franchised Business for the new or modified Marks. We do not reimburse you for any loss of goodwill associated with a modified or discontinued Marks.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not have rights in, or licenses to, patents that are material to the franchise. We do not have any pending patent applications. All of our original works of authorship fixed in a tangible medium of expression are automatically protected under the U.S. Copyright Act, whether or not we have obtained registrations. This includes our Operations Manual as well as all other sales, training, management, curriculum, and other materials that we have created or will create. You may use these copyrighted materials during the term of the Franchise Agreement, in a manner consistent with our ownership rights, solely for your Franchised Business.

We do not have any registered copyrights. There are no pending copyright applications for our copyrighted materials. There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court regarding any copyright. There are no agreements currently in effect that limit our right to use or license the use of our copyrighted materials.

We have no obligation to protect any of our copyrights or to defend you against claims arising from your use of copyrighted items. The Franchise Agreement does not require us to take affirmative action when notified of copyright infringement. We control any copyright litigation. We are not required to participate in the defense of a franchisee or indemnify a franchisee for expenses or damages in a proceeding involving a copyright licensed to the franchisee. We may require you to modify or discontinue using the subject matter covered by any of our copyrights, at your expense. We do not know of any copyright infringement that could materially affect you.

We have a proprietary, confidential Operations Manual and related materials that include guidelines, standards, policies and procedures for the development and operation of your Franchised Business. We also claim proprietary rights in other confidential information or trade secrets that include all methods for developing and operating the Laundry Spot laundromat, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, operating procedures, customer data, information and know-how (collectively "**Confidential Information**"). All customer data and POS system data generated by your Franchised Business is considered Confidential Information and is exclusively owned by us. We license such data back to you without charge during the term of your Franchise Agreement solely for your use in connection with your Franchised Business.

You must protect the confidentiality of our Operation Manual and other proprietary information, and you must use our Confidential Information only for your Franchised Business. We require your Operations Manager(s) and key employees to sign non-disclosure, non-competition and confidentiality agreements. You must disclose to us all ideas, plans, improvements, concepts, methods, and techniques relating to your Franchised Business that you conceive or develop. We will automatically own all such innovations, and we will have the right to incorporate any innovations into our system for use by all franchisees, without any compensation to you.

Your use of the Operations Manual and Confidential Information in an unauthorized manner is a default of the Franchise Agreement that may result in automatic termination of the Franchise Agreement. You must comply with our System standards, other directions from us, and all applicable laws and regulations, regarding the organizational, physical, administrative and technical measures, and

security procedures to safeguard the confidentiality and security of customer's information on your Computer System or otherwise in your possession or control and, in any case, employ reasonable means to safeguard the confidentiality and security of Customer Information.

"**Customer Information**" means names, contact information, financial information, and other personal identifiable information of or relating to your customers and prospective customers. If there is a suspected or actual breach of security or unauthorized access involving your Customer Information, you must notify us immediately after becoming aware of the occurrence and specify the extent to which Customer Information was compromised or disclosed. We and our affiliates will, through the Computer System or otherwise, have access to Customer Information. We and our affiliates may use Customer Information in our and their business activities. When the Franchise Agreement expires or terminates, we and our affiliates may use the Customer Information in any manner that we or they deem necessary or appropriate. You must secure from your customers all consents and authorizations and provide them with all disclosures that applicable law requires to transmit the Customer Information to us and our affiliates, and for us and our affiliates to use that Customer Information in the manner that the Franchise Agreement contemplates.

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

The Franchise Agreement requires that you or, if you are a Corporate Entity, your designated managing shareholder, member or partner (your "**Managing Owner**") be personally responsible for the management and overall supervision of your Franchised Business. Your Managing Owner must complete, to our satisfaction, our initial training program and be approved by us before you open. Your Managing Owner must possess, maintain and own not less than 25% of the equity and ownership interests in the partnership or Corporate Entity unless otherwise approved by us.

While we recommend that your Managing Owner personally participate in the day-to-day management and on-site supervision and operations of your Franchised Business, you may hire a manager ("**Operations Manager**") to supervise and manage the day-to-day on-site operations of your Franchised Business provided that your Operations Manager: (a) meets all of our minimum standards and criteria for managers; (b) completes our initial training program; and (c) signs our Nondisclosure, Non-Competition and Confidentiality Agreement. At all times, your Franchised Business must be managed and supervised on-site by either a Managing Owner or Operations Manager. If you own and operate multiple Laundry Spot franchises, then each Approved Location must be managed and supervised on-site by an Operations Manager. Your Operations Manager is not required to possess an equity interest in the Franchised Business.

You may not change or otherwise replace the Operations Manager of your Franchised Business without informing us in writing. If your relationship with your Operations Manager terminates or materially changes, you will be required to promptly designate a new Operations Manager and have the new Operations Manager trained within 30 days of termination subject to our availability and at your sole cost. You and, if you are a Corporate Entity, each of your members, shareholders and/or partners (each, an "**Owner**"), must personally guarantee all of your obligations to us under the Franchise Agreement and sign the Owner's Guaranty attached as Schedule 3 to the Franchise

Agreement. Each Owner must be listed in Schedule 2 to the Franchise Agreement, and you are obligated to keep this schedule and the information therein up to date.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell all the Approved Products and Services we specify. You may not sell any services or products that we have not authorized, and you must discontinue offering any services or products that we may disapprove of. We may take action, including terminating your Franchise Agreement, if you purchase or sell unapproved services or products or make purchases from unapproved suppliers. Periodically, we may allow certain products that are not otherwise authorized for general use as a part of the System to be offered locally or regionally based on factors, including test marketing, your qualifications, and regional or local differences. There are no limits on our right to do so. Your Franchised Business may not be used for any purpose other than the operation of a Laundry Spot laundromat, in compliance with the Franchise Agreement.

We may change or add to our required Approved Products and Services at our discretion with prior notice to you. You must discontinue selling and offering any products for sale which we may, in our discretion, disapprove in writing at any time. We impose these requirements to control the quality of the products that you and other Laundry Spot franchisees may offer through the use of our trade name and our Marks.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

Provision	Section in the Franchise Agreement	Section in the Multi-Unit Development Agreement	Summary
a. Length of the franchise term	2.2	6	The term of your Franchise Agreement is 10 years.
b. Renewal or extension of the term	15.1	5	If you meet our conditions for renewal, you may renew your franchise for one additional 10-year term.
c. Requirements for franchisee to renew or extend	15.2	Not applicable.	Renewal allows you to remain as a franchisee after the initial term of your Franchise Agreement expires. To renew your Franchise Agreement, you must be in compliance with the terms of your Franchise Agreement, provide us with not less than 180 days but not more than 365 days prior written notice of your request to renew, sign our then current form of Franchise Agreement and related agreements for the renewal term, sign

Provision	Section in the Franchise Agreement	Section in the Multi-Unit Development Agreement	Summary
			a general release in our favor, pay our renewal fee, and meet all other renewal requirements contained in the Franchise Agreement. Your Owners must be in compliance with their agreements with us, including the Owner's Guaranty, and each Owner must personally guarantee the terms of your then-current franchise agreement signed at renewal which may contain terms materially different from your original contract/Franchise Agreement.
d. Termination by franchisee	16.5	Not applicable.	You may not terminate the Franchise Agreement except for any grounds permitted by law or upon the conditions set forth in Section 16.4.
e. Termination by franchisor without cause	Not applicable	Not Applicable.	Not applicable.
f. Termination by franchisor with "cause"	16.1	9.1 and 9.2	We can terminate upon certain violations of the Franchise Agreement. If we terminate the Franchise Agreement or the Multi-Unit Development Agreement following a default, your interests in both will terminate. If we terminate the Multi-Unit Development Agreement, we have the right to terminate each of your Franchised Businesses' Franchise Agreements.
g. "Cause" defined-curable defaults	16.3	9.2	You will have 10 to 30 days to cure defaults set forth in Section 16.3 of the Franchise Agreement including failing to make any payments to us.
h. "Cause" defined-non-curable defaults	16.1 and 16.2	9.1	Termination is automatic upon certain conditions set forth in the Franchise Agreement Section 16.1 including if the Franchisee is insolvent; unable to pay debts to the point of insolvency; filing a petition in bankruptcy and other terminable material offenses. You will be terminated upon notice for certain conditions set forth in the Franchise Agreement Section 16.2 including if you commit three defaults of the same manner within 12 months; you violate state or federal law in the operation of your Franchised Business, and you intentionally misrepresent or omit information during the sales process.
i. Franchisee's obligations on termination/non-renewal	6.5 and 17	10	You must: pay all sums that you owe to us under the Franchise Agreement and all other

Provision	Section in the Franchise Agreement	Section in the Multi-Unit Development Agreement	Summary
			agreements with us; cease owning and operating the Franchised Business; cease representing yourself as a franchisee of ours; permanently cease using and/or accessing the System, the Marks, our Confidential Information, the Operations Manual, the Management System (as defined in the Franchise Agreement), and the Management System Data (as defined in the Franchise Agreement); return the Operations Manual and all Confidential Information to us in the original form provided to you and document the destruction of all electronic files related to same; completely de-identify and de-brand any commercial space associated with the Franchised Business; as requested by us, transfer to us all data, telephone listings, Social and Digital Media, accounts, web listings and websites associated with the Franchised Business; abide by the post-termination non-competition covenants and restrictions; and pay an amount equal to the average Royalty Fees and Brand Marketing Fund Contributions earned by us for the last 12 months (or shorter period, if your Franchised Business has been in operation less than 12 months), multiplied by 36 or the number of months remaining in the term, whichever is less.
j. Assignment of the contract by franchisor	14.1	11	No restriction on our right to assign.

Provision	Section in the Franchise Agreement	Section in the Multi-Unit Development Agreement	Summary
k. "Transfer" by franchisee-definition	1 and 14	11.1	A transfer means and includes, whether voluntary or involuntary, conditional or unconditional, direct or indirect: (a) an assignment, sale, gift, transfer, pledge or sub-franchise; (b) the grant of a mortgage, charge, lien or security interest, including, without limitation, the grant of a collateral assignment; (c) a merger, consolidation, exchange of shares or other ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or redemption of ownership interests; and (d) a sale or exchange of voting interests or securities convertible to voting interests, or an agreement granting the right to exercise or control the exercise of the voting rights of any holder of ownership interests or to control your operations or affairs.
l. Franchisor's approval of transfer by franchisee	14.2	11.1	Transfers require our prior written consent, which may be granted or withheld in our discretion.
m. Conditions for franchisor's approval of transfer	14.3	11.9	For approval of your transfer, you must provide us with 30 days prior written notice of the proposed transfer; you and your Owners must not have defaulted in your obligations under the Franchise Agreement and all other agreements with us; you and your Owners must be in compliance with your obligations under the Franchise Agreement and all other agreements with us; the transferee must agree to be bound by all of the terms and provisions of the Franchise Agreement; the transferee's owners must personally guarantee all of the terms and provisions of the Franchise Agreement; you and your Owners must sign a general release in favor of us; the assets of the Franchised Business must be transferred to the transferee in a form that is approved by us; the transferee and the transferee's owners and managers, at the transferee's expense must complete our initial training programs and be fully licensed and certified in a manner that we require; we must waive our right of first refusal; and we approve of the transfer and

Provision	Section in the Franchise Agreement	Section in the Multi-Unit Development Agreement	Summary
			transferee in writing and subject to our discretion; and you pay the then-current transfer fee.
n. Franchisor's right of first refusal to acquire franchisee's business	14.7	11.7	We have the right to match any offer to purchase your Franchised Business or the Corporate Entity operating your Franchised Business.
o. Franchisor's option to purchase franchisee's business	17.3	Not applicable.	Except as described in (n) above, we do not have the right to purchase your Franchised Business; however, during the 30-day period after the termination or expiration of the Franchise Agreement, we have the right to purchase any assets of your Franchised Business for at the depreciated value calculated on a declining basis of accounting at the lesser of the book value or fair market value, less any sums of money owed by you to us.
p. Death or disability of franchisee	14.5	11.10	Your estate or legal representative must apply to us for the right to transfer to the next of kin within 120 days
q. Non-competition covenants during the term of the franchise	6.3	12.2	No involvement in any competitive business and must comply with confidentiality, non-disclosure and non-solicitation covenants.
r. Non-competition covenants after the franchise is terminated or expires	6.5	12.3	No involvement, ownership or interest whatsoever for two years in any competing business in: your Designated Territory; a 50-mile radius around your Designated Territory; a 25-mile radius of any other Laundry Spot laundromats; and you must comply with confidentiality, non-disclosure and non-solicitation covenants.
s. Modification of the agreement	18.15	18.1	Requires writing signed by you and us, except for unilateral changes that we may make to the Operations Manual or our unilateral reduction of the scope of a restrictive covenant that we may make in our discretion.
t. Integration/merger clauses	18.16	18.1	Only the terms of the Franchise Agreement and schedules to the Franchise Agreement and the respective signed exhibits to the Franchise Agreement are binding, subject to state law. Nothing in any agreement is intended to disclaim the express representations made in this Disclosure Document, its exhibits and amendments.

Provision	Section in the Franchise Agreement	Section in the Multi-Unit Development Agreement	Summary
u. Dispute resolution by arbitration or mediation	18.7, 18.8 and 18.9	19.1 and 19.2	Except for certain claims for injunctive relief, all disputes must first be submitted to non-binding mediation and then arbitration under the Commercial Rules of Arbitration of the American Arbitration Association (AAA) in Hamilton, Ohio, and, if mediation is unsuccessful, then to binding arbitration in Hamilton, Ohio. This provision is subject to applicable state law.
v. Choice of forum	18.10	18.3	Hamilton, Ohio, subject to applicable state law
w. Choice of law	18.6	18.2	Except for claims governed by federal law, Ohio law will govern. However, this provision is subject to state law and as otherwise disclosed in Exhibit H to this Disclosure Document.

ITEM 18
PUBLIC FIGURES

We do not currently use any public figure to promote our franchise. No public figure is currently involved in our management.

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) franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The financial performance representation appearing below is derived from the actual historic performance of four affiliate-owned Laundry Spot businesses in Ohio (the "**Reporting Businesses**"). Three of the Reporting Businesses are substantially similar to the franchise being offered through this Disclosure Document. The Reporting Business in Hamilton, Ohio, is 8,292 square feet and not the size of our typical franchised Laundry Spot units which are 4,000 to 5,000 square feet.

The Reporting Businesses do not pay any royalty fees or other fees, but those fees are included as imputed fees in Table I. Table I below represents the Total Income, Gross Profit, Operating Expenses, Franchise Expenses and Net Operating Income for the Reporting Businesses from January 1, 2025 through December 31, 2025 (the "**Reporting Period**"). Table II represents the percentage of revenue

generated from the services rendered by the Reporting Businesses both by store and in the aggregate during the Reporting Period. Table III below illustrates the quarterly ramp-up in revenue specifically derived from walk-in self-service laundry at the Hamilton Reporting Business during its initial three years of operation. The Hamilton Reporting Business opened in November 2022. Accordingly, Quarter 1 for Year 1 represents the period from opening in November 2022 through January 2023. Subsequent quarters follow standard three-month periods. As disclosed above, the Hamilton Reporting Business occupies 8,292 square feet, which is larger than the typical Laundry Spot franchise of 4,000 to 5,000 square feet; however, it represents our most recently opened outlet and demonstrates the potential ramp-up trajectory for self-service revenue.

Table I

Calendar Year 2025	**Atco**		**Lewis**		**Fairfield**		**Hamilton**	
Year Open	**2006**		**2008**		**2019**		**2022**	
Square Footage	**4,374**		**3,836**		**4,400**		**8,292**	
Total Income	**$ 483,907**		**$ 704,078**		**$ 832,681**		**$ 1,025,109**	
Cost of Goods Sold	$ 20,285	4.2%	$ 20,601	2.9%	$ 42,490	5.1%	$ 67,913	6.6%
Gross Profit	**$ 463,622**	**95.8%**	**$ 683,477**	**97.1%**	**$ 790,191**	**94.9%**	**$ 957,196**	**93.4%**
Operating Expenses								
Labor	$ 70,802	14.6%	$ 127,801	18.2%	$ 181,485	21.8%	$ 181,485	17.7%
Gas/Electric/Water	$ 50,275	10.4%	$ 68,514	9.7%	$ 79,446	9.5%	$ 91,956	9.0%
Professional Services	$ 19,935	4.1%	$ 19,935	2.8%	$ 16,825	2.0%	$ 17,289	1.7%
Insurance	$ 5,817	1.2%	$ 4,893	0.7%	$ 8,527	1.0%	$ 8,527	0.8%
Equip./Maint./Repairs	$ 28,891	6.0%	$ 36,960	5.2%	$ 18,822	2.3%	$ 32,680	3.2%
Rent	$ 53,144	11.0%	$ 46,607	6.6%	$ 54,000	6.5%	$ 100,748	9.8%
Bank Service Charges	$ 11,337	2.3%	$ 11,337	1.6%	$ 13,344	1.6%	$ 13,344	1.3%
Auto	$ 3,642	0.8%	$ -	0.0%	$ -	0.0%	$ 3,883	0.4%
Admin/Office Supplies	$ 444	0.1%	$ 444	0.1%	$ 1,442	0.2%	$ 1,645	0.2%
Marketing	$ 55	0.0%	$ 55	0.0%	$ 2,653	0.3%	$ 2,603	0.3%
IT/Security System	$ 13,903	2.9%	$ 15,048	2.1%	$ 13,931	1.7%	$ 14,985	1.5%
Trash Removal	$ 2,692	0.6%	$ 4,148	0.6%	$ 5,295	0.6%	$ 3,524	0.3%
Other	$ 4,195	0.9%	$ 4,046	0.6%	$ 1,640	0.2%	$ 1,783	0.2%
Total Operating Expenses	**$ 265,132**	**54.8%**	**$ 339,788**	**48.3%**	**$ 397,410**	**47.7%**	**$ 474,452**	**46.3%**
Franchise Expenses								
Estimated Royalties (5%)	$ 24,195	5.0%	$ 35,204	5.0%	$ 41,634	5.0%	$ 51,255	5.0%
Estimated Brand Fund (1%)	$ 4,839	1.0%	$ 7,041	1.0%	$ 8,327	1.0%	$ 10,251	1.0%
Net Operating Income	**$ 169,456**	**35.0%**	**$ 301,444**	**42.8%**	**$ 342,820**	**41.2%**	**$ 421,237**	**41.1%**

Table II

Item 19 Other Data

% of Revenue by Store

	Atco	Lewis	Fairfield	Hamilton
Self Serve	76.2%	80.6%	87.9%	67.1%
Drop Off	11.6%	13.0%	8.4%	8.9%
Commercial Pickup/Delivery	8.6%	3.4%	0.0%	21.4%
Vending/Other	3.6%	3.0%	3.7%	2.6%

% of Revenue by Type	Coin	Loyalty Card	Credit/Debit
4 Store Aggregate	28.1%	66.6%	5.3%

Table III

HAMILTON 3 YEAR REVENUE RAMP
(WALK IN SELF SERVE ONLY)

Quarterly Revenue*	Year 1	Year 2	Year 3
1st Quarter	$ 104,478	$ 154,407	$ 168,701
2nd Quarter	$ 130,737	$ 162,025	$ 173,194
3rd Quarter	$ 134,891	$ 152,499	$ 160,052
4th Quarter	$ 155,428	$ 166,367	$ 165,487

Explanatory Notes:

1. **Some businesses have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.**

2. "Total Income" represents the actual gross revenue from the sale of Approved Products and Services at the Reporting Businesses during the reporting period indicated.

3. "Adjusted Net Income" means the omission of expenses that were specific to the Reporting Business that we do not expect will be incurred at the Franchised Business unless the Franchisee chooses to do so including but not limited to travel, meals and entertainment, and equipment purchases. Labor excludes the costs associated with a store level General Manager should you choose to hire one. Further, the financial information used to prepare this Item 19 financial performance representation was based upon unaudited profit and loss information.

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

Other than the above, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Dan Reese, Chief Executive Officer, The Laundry Spot Franchise LLC, 1875 S. Erie Blvd., Hamilton, Ohio 45011, danreese@laundryspot.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Company Owned	2023	4	4	0
	2024	4	4	0
	2025	4	4	0
Total Outlets	**2023**	**4**	**4**	**0**
	2024	**4**	**4**	**0**
	2025	**4**	**4**	**0**

TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2023 to 2025

State	Year	Number of Transfers
All States	2023	0
	2024	0
	2025	0
Total	**2023**	**0**
	2024	**0**
	2025	**0**

TABLE NO. 3
STATUS OF FRANCHISED OWNED OUTLETS
FOR YEARS 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at End of Year
All States	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Totals	**2023**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**

TABLE NO. 4
STATUS OF COMPANY OWNED OUTLETS
FOR YEARS 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired by Franchisor	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Ohio	2023	4	0	0	0	0	4
	2024	4	0	0	0	0	4
	2025	4	0	0	0	0	4
Totals	**2023**	**4**	**0**	**0**	**0**	**0**	**4**
	2024	**4**	**0**	**0**	**0**	**0**	**4**
	2025	**4**	**0**	**0**	**0**	**0**	**4**

TABLE NO. 5
PROJECTED OPENINGS
AS OF DECEMBER 31, 2025

State	Franchise Agreement Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company Owned Outlets in the Next Fiscal Year
Ohio	0	2	0
Totals	0	2	0

Notes to Tables:

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

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses with us that restrict them from discussing with you their experiences as a franchisee in our franchise system. There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Franchise Disclosure Document.

Exhibit F to this Disclosure Document contains a list of our then-current franchisees as of the end of the Issuance Date of this Disclosure Document. Exhibit F to this Disclosure Document contains a list of franchisees that had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document.

ITEM 21
FINANCIAL STATEMENTS

We have not been in business for three years or more and therefore cannot include all financial statements required by the Franchise Rule of the Federal Trade Commission. Attached as Exhibit E are our audited financial statement as of December 31, 2025 dated February 21, 2026. Our fiscal year ends on December 31.

ITEM 22
CONTRACTS

Attached to this Disclosure Document or to the Exhibits attached to and comprising the Franchise Agreement attached to this Disclosure Document are copies of the following franchise and other contracts and agreements in use or proposed for use:

Exhibits to this Disclosure Document

Exhibit B	Franchise Agreement
Exhibit C	Multi-Unit Development Agreement
Exhibit G	Franchisee Disclosure Questionnaire
Exhibit H	State Specific Addenda

Schedules to the Franchise Agreement

Schedule 1	Approved Location, Designated Territory and Opening Deadline
Schedule 2	Statement of Franchise Owners
Schedule 3	Owner's Guaranty
Schedule 4	Nondisclosure, Non-Competition and Confidentiality Agreement
Schedule 5	Site Selection Acknowledgment Form
Schedule 6	Franchisor Rider to Lease
Schedule 7	Collateral Assignment of Lease
Schedule 8	Assignment of Telephone Numbers and Social and Digital Media Accounts
Schedule 9	ACH Payment Agreement
Schedule 10	General Release
Schedule 11	State Addendum to Franchise Agreement

Schedules to the Multi-Unit Development Agreement

Attachment A	Development Schedule
Attachment B	Development Area
Attachment C	Certification by Developer
Attachment D	Guaranty

ITEM 23
RECEIPTS

Two copies of a detachable receipt in Exhibit J are located at the very end of this Disclosure Document. Please sign one copy of the receipt and return it to us. The duplicate is for your records.

EXHIBIT A TO THE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

Our registered agent in the State of Ohio is Tyler Purcell, 1875 S. Erie Blvd., Hamilton, Ohio 45011. We intend to register this Disclosure Document as a "franchise" in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
California	Department of Financial Protection & Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013 (213) 576-7500 Toll Free: (866) 275-2677	Commissioner of the Department of Financial Protection & Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013 (213) 576-7500 Toll Free: (866) 275-2677
Connecticut	Banking Commissioner Department of Banking Securities and Business Investments Division 260 Constitution Plaza Hartford, CT 061031800 (860) 240-8299	
Hawaii	Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2722
Illinois	Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
Indiana	Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360
Michigan	Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567	Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567
Minnesota	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600
New York	New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8222	New York Secretary of State 99 Washington Avenue Albany, New York 12231-0001 (518) 473-2492
North Dakota	North Dakota Insurance & Securities Department 600 East Boulevard Avenue, Dept. 401 Bismarck, North Dakota 58505-0510 (701) 328-2910	North Dakota Insurance Commissioner State Capitol 600 East Boulevard Avenue, Bismarck, North Dakota 58505-0510 (701) 328-2910
Rhode Island	Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527	Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
South Dakota	Division of Insurance Securities Regulation 124 South Euclid Avenue, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, Suite 104 Pierre, South Dakota 57501 (605) 773-3563

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
Washington	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760	Director of Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
Ohio	Division of Securities 4822 Madison Yards Way, North Tower Madison, Ohio 53705 (608) 266-2139	Division of Securities 4822 Madison Yards Way, North Tower Madison, Ohio 53705 (608) 266-2139

EXHIBIT B TO THE DISCLOSURE DOCUMENT

THE LAUNDRY SPOT FRANCHISE LLC
FRANCHISE AGREEMENT

THE LAUNDRY SPOT FRANCHISE LLC
FRANCHISE AGREEMENT

Laundry Spot Franchise Agreement

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Schedule 7 Collateral Assignment of Lease
Schedule 8 Assignment of Telephone Numbers and Social and Digital Media Accounts
Schedule 9 ACH Payment Agreement
Schedule 10 General Release
Schedule 11 State Addendum to Franchise Agreement

FRANCHISE AGREEMENT

This Franchise Agreement (this "**Agreement**") is made and entered on _____ (the "**Effective Date**") by and between:

- The Laundry Spot Franchise LLC, an Ohio limited liability company, having its principal place of business at 1875 S. Erie Blvd., Hamilton, Ohio 45011 ("**Franchisor**"); and

- _____, an individual/partnership/corporation/limited liability company established in the State of _____ and whose principal address is _____ ("**Franchisee**").

RECITALS

WHEREAS, Franchisor and its affiliates have developed a laundromat business offering self-service laundry services, wash, dry and fold, pick-up and delivery, dry cleaning, and other services and products that Franchisor authorizes (the "**Franchised Business**");

WHEREAS, Franchisor has developed a unique system that includes the Franchisor's laundromat services and products; signage; distinctive interior and exterior design; operational procedures; standards and specifications; laundromat equipment; management and inventory control procedures; valuable know-how; technology systems; trade secrets; methods of operation; training; floor plans and layouts; the Marks; and advertising and promotional programs all of which may be developed or changed, improved, modified and further developed by us from time to time (the "**System**");

WHEREAS, the distinguishing characteristics of the System include the trade name "Laundry Spot" and other trademarks and trade names, slogans and logos that the Franchisor authorizes and may periodically designate, modify or adopt (the "**Marks**");

WHEREAS, Franchisee acknowledges the importance to the System of Franchisor's high and uniform standards of quality, service and customer satisfaction, and further recognizes the necessity of opening and operating a Franchised Business in conformity with the System;

WHEREAS, Franchisee has conducted an independent investigation into the benefits of the System and desires to obtain the right to use the System in the development and operation of one Franchised Business from a single fixed location within a designated geographic area granted by the Franchisor;

WHEREAS, Franchisee recognizes that, in order to enhance the value of the System and goodwill associated with it, this Agreement places detailed obligations on Franchisee, including strict adherence to Franchisor's reasonable present and future requirements regarding the types of products sold, advertising, operational techniques, sales strategies and related matters;

WHEREAS, Franchisee has been advised that, prior to signing this Agreement, Franchisee should retain independent legal counsel to advise Franchisee as to the risks and requirements of purchasing a franchise and that Franchisee has been advised that Franchisee is responsible for compliance with

all applicable federal, state and municipal laws in Franchisee's jurisdiction related to the operation of a Franchised Business;

NOW THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties do hereby agree, as follows:

SECTION 1
DEFINITIONS

The following definitions are defined as follows:

"**Accounting Period**" refers to and means the period of time selected and determined by Franchisor for the required measurement and reporting of financial information and payment of financial obligations by Franchisee. Unless otherwise designated by Franchisor and unless otherwise specified in this Agreement, the Accounting Period shall be monthly, but Franchisor reserves the right to change the Accounting Period upon notice to Franchisee.

"**Agreement**" refers to and means this agreement, attachments, addenda and all instruments in amendment hereof.

"**Affiliate**" refers to and means any person or entity that controls, is controlled by, or is in common control with Franchisor.

"**Ancillary Agreements**" refers to and means, individually and collectively, each and every agreement between: (a) Franchisee and Franchisor but, not including this Agreement; (b) Franchisor and each of Franchisee's Owners, whether individually and/or collectively; and (c) Franchisee and designated suppliers/vendors.

"**Approved Location**" refers to and means the fixed location from which the Franchised Business will be operated as set forth in Schedule 1 of this Agreement.

"**Approved Products and Services**" refers to and means the services and products that Franchisor authorizes for sale by the Franchised Business including self-service laundry, wash, dry and fold, pick-up and delivery, dry cleaning, and other laundromat services and products which may be changed, modified, reduced or supplemented by Franchisor from time to time in the Operations Manual and that must be offered and sold by the Franchised Business.

"**Approved Supplier**" refers to vendors, manufacturers and distributors, which may include Franchisor or its affiliates, from whom Franchisee must purchase or lease certain source-restricted products for the development and operation of the Franchised Business.

"**Competitive Business**" refers to and means any business that offers the same or similar products to a Laundry Spot laundromat or any business that provides the same products that Franchisor offers or may offer in the future or any business that offers laundromat, dry cleaning, wash and fold, and other services and products that Franchisor may authorize Franchisee to offer at and through the Franchised Business in the future.

"**Confidential Information**" refers to and means all of Franchisor's and Franchisor's affiliates trade secrets, methods, standards, techniques, procedures, data and information, as same may exist as of the Effective Date of this Agreement and as same may be developed, modified and supplemented in the future, constituting and comprising of: (a) methods, specifications, standards, know-how policies, procedures, information, concepts, programs and systems relating to the development, establishment, marketing, promotion and operation of Laundry Spot laundromats; (b) information concerning consumer preferences, services, products, materials and supplies used or sold by Laundry Spot laundromats, and specifications for and knowledge of suppliers of inventory, equipment, services, products, supplies and procedures used or sold by and through Laundry Spot laundromats; (c) information concerning customers, customer lists, email lists, database lists, services and product sales, operating results, financial performance and other financial data of the Franchised Business and Laundry Spot laundromats generally; (d) Management System Data; and (e) current and future information contained in the Operations Manual.

"**Corporate Entity**" refers to and means a corporation, limited liability company, partnership or other corporate legal entity that is not an individual person.

"**Customer Information**" means lists of all former, current or prospective customers and referral sources as well as all other data, information and materials Franchisor or Franchisee collects or receives from, or which relate to, these individuals, including, without limitation, their names, addresses, telephone numbers, e-mail addresses and customer purchase records created and/or maintained by Franchisee.

"**Designated Territory**" refers to and means the territory identified and described in Schedule 1 to this Agreement.

"**Gross Sales**" refers to and means the total dollar sales from all business and customers of the Franchised Business from whatever source derived, whether in form of cash, credit, agreements to pay or other consideration including the actual retail value of any goods traded, borrowed, or received by Franchisee in exchange for any form of non-money consideration (whether or not payment is received at the time of the sale), from or derived by Franchisee or any other person or Corporate Entity from business conducted or which started in, on, from or through the Franchised Business whether such business is/was conducted in compliance with or in violation of the terms of this Agreement. This term further includes, without limitation, labor, insurance claims for lost profits to the extent a claim is paid by the insurers, and the total gross amount of revenues and sales from whatever source derived from and/or derived by Franchisee (including any person and/or Corporate Entity acting on behalf of Franchisee) from business conducted within and/or outside the Designated Territory that is related to the Franchised Business and/or a Competitive Business located and/or operated at Franchisee's Approved Location within the Designated Territory, outside the Designated Territory, and/or otherwise (the foregoing does not constitute approval for Franchisee's operation of a Competitive Business and/or the operation of the Franchised Business outside of the Designated Territory). Gross Sales do not include (a) sales taxes that Franchisee collects and remits to the proper taxing authority, and (b) customer refunds, valid discounts, and authorized credits made by the Franchised Business (exclusions will not include any reductions for credit card user fees, financing programs fees, returned checks or reserves for bad credit or doubtful accounts).

"**Marks**" refers to and means the trademarks, service marks, indicia of origin, including the Franchisor's trade name "Laundry Spot," Franchisor's logo(s), and other trademarks, service marks,

slogans and designs authorized by Franchisor in connection with the identification of Laundry Spot laundromats and the Approved Products and Services, provided that the Marks are subject to modification, replacement and discontinuance by Franchisor at any time in Franchisor's Reasonable Business Judgment.

"**Management System**" refers to and means the software, internet, web-based and/or cloud-based system or systems, customer relationship management system or systems as same may be individually, or collectively, designated by Franchisor, in its Reasonable Business Judgment, as being required for use by the Franchised Business including the Franchisor's point-of-sale ("**POS**") system and/or customer relationship management program.

"**Management System Data**" refers to and means the forms, data, tools, customer information, inventory, sales, and other information that: (a) is pre-populated or entered into the Management System; (b) is entered by Franchisee or Franchisor into the Management System; and/or (c) is recorded, stored and/or maintained in connection with the Franchised Business.

"**Managing Owner**" if Franchisee is a partnership or Corporate Entity, refers to and means the person responsible for the day-to-day oversight, management and operation of the Franchised Business who must possess, maintain and own not less than 25% of the equity and ownership interests in the partnership or Corporate Entity.

"**Operations Manager**" refers to and means the individual hired by Franchisee to run the day-to-day operation of the Franchised Business and who must (a) meet all of Franchisor's minimum training and brand quality control standards and criteria for managers as may be set forth in the Operations Manual; (b) successfully complete Franchisor's initial training program; (c) sign the Nondisclosure, Non-Competition and Confidentiality Agreement attached hereto as Schedule 4; and (d) agree, in writing, to assume responsibility for the on-site management and supervision of the Franchised Business.

"**Operations Manual**" refers to and means, individually and collectively, the manual(s) designated by Franchisor relating to the development and/or operations of Laundry Spot laundromats. The Operations Manual may consist of one or more volumes, handbooks, manuals, written materials, videos, electronic media files, cloud/internet based list-service, intranet, internet based and accessed databases, computer media, email, webinars and other materials as may be modified, added to, replaced or supplemented by Franchisor from time to time in Franchisor's Reasonable Business Judgment, whether by way of supplements, replacement pages, franchise bulletins, or other official pronouncements or means. Subject to Franchisor's modification from time to time and, based on Franchisor's Reasonable Business Judgment, the Operations Manual may, among other things, designate the Approved Products and Services that must be exclusively offered and sold by and through the Franchised Business and the designated suppliers that must be exclusively or non-exclusively used by Franchisee.

"**Owner**" refers to and means collectively, individually and jointly: (a) Franchisee if an individual; (b) if Franchisee is a Corporate Entity or partnership, the officers, directors, members, and managers of the partnership or Corporate Entity (including the officers, directors, members, and managers of any general partner of Franchisee) who hold an ownership interest in Franchisee; (c) all holders of a 5% or more direct or indirect ownership interest in Franchisee and/or of any entity directly or indirectly

controlling Franchisee; and (d) the Managing Owner(s) as will be identified in Schedule 2 to this Agreement.

"**Owner's Guaranty**" refers to and means the form of agreement attached to this Agreement as Schedule 3.

"**Post-Term Restricted Period**" refers to and means the two-year period after the earliest to occur of the following: (a) the expiration or termination of this Agreement for any reason; or (b) the date on which the Franchisee transfers the rights and obligations under this Agreement or substantially all of the assets of the Franchised Business to another person or Corporate Entity.

"**Published Content**" refers to and means any and all information, data, communications, videos and other information relating to or concerning the Franchised Business, the System, or the Marks that is or was made available by Franchisee or Franchisee's agents to the public in print or electronic media that is published, listed, uploaded on, downloaded to, posted or distributed online or through Social and Digital Media.

"**Reasonable Business Judgment**" refers to, means, and relates to any and all decisions, actions and choices made by Franchisor concerning or relating to this Agreement, the System generally, Laundry Spot laundromats and/or the Franchised Business where Franchisor undertakes or makes such decision with the intention of benefitting or acting in a way that could benefit the System whether or not the decision results in a net benefit. Franchisor may, in addition to all other rights afforded to Franchisor under this Agreement, consider factors, in whole or in part, that include: Franchisor's profits; enhancing the value of the Marks; increasing customer satisfaction, minimizing potential customer confusion as to the Marks; determining geographic markets; minimizing potential customer confusion; expanding brand awareness of the Marks; implementing marketing and accounting control systems; and approving services, products, supplies and equipment. When a decision, determination, action and/or choice is made by Franchisor in its Reasonable Business Judgment, such decision, determination, action or choice shall take precedence and prevail, even if other alternatives, determinations, actions and/or choices are reasonable or arguably available and/or preferable.

"**Social and Digital Media**" refers broadly to and means any interactive or static digital document, application or media that is connected to and/or in a network of computers and/or other devices linked by communications software, part of the world wide web, linked by the Internet or part of a web-based application, software application, smart phone application or social media platform such as Facebook, LinkedIn, Twitter/X, Pinterest, Instagram, TikTok, SnapChat, and YouTube, and internet-based directories and local directories that refers, references, identifies, reviews, promotes and/or relates, in any way, to Laundry Spot laundromats, the Franchised Business, the Marks, the System and/or the Franchisor including Google My Business. Social and Digital Media further includes the System Website, and all other media and/or publications relating to the System that are displayed and/or transmitted digitally.

"**System Website**" refers to and means the web page and pages located on the world wide web at www.laundryspot.com and domains that may be added to the System in the future.

"**Transfer**" refers to and means, whether voluntary or involuntary, conditional or unconditional, direct or indirect: (a) an assignment, sale, gift, transfer or pledge of the rights under this Agreement or substantially all of the assets owned by Franchisee and/or used in the Franchised Business to a third

party; (b) the grant of a mortgage, charge, lien or security interest, including, without limitation, the grant of a collateral assignment to a third party; (c) a merger, consolidation, exchange of shares or other ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or redemption of ownership interests; and (d) a sale or exchange of voting interests or securities convertible to voting interests, or an agreement granting the right to exercise or control the exercise of the voting rights of any holder of ownership interests or to control the operations or affairs of Franchisee.

SECTION 2
GRANT OF FRANCHISE

2.1. GRANT OF LICENSE

Subject to the terms and conditions of this Agreement, Franchisor hereby grants to Franchisee, and Franchisee accepts, for the Initial Term of this Agreement the right, obligation and license to: (a) operate a Franchised Business upon the terms and conditions of this Agreement at an Approved Location in the Designated Territory described in Schedule 1; (b) use the Marks and the System which Franchisor reserves the right to add to, subtract from, revise, modify or change from time to time (and Franchisee agrees to promptly accept and comply with any such addition, subtraction, revision, modification or change and make such reasonable expenditures as may be necessary); (c) participate in the promotional and advertising programs that are made available to Franchisee; and (d) offer and market only Franchisor's Approved Products and Services.

2.2. INITIAL TERM

Unless previously terminated in accordance with the terms of this Agreement, the initial term of this Agreement will be for a period of ten consecutive years, commencing from the Effective Date (the "**Initial Term**"). Renewal of the Initial Term is the subject of Section 15 below.

2.3. DESIGNATED TERRITORY

Franchisee will receive a Designated Territory as defined in this Agreement. During the Initial Term and the Renewal Term and, for so long as Franchisee is in compliance with all of its obligations, neither Franchisor nor any affiliate will establish or license another person or Corporate Entity to establish a Franchised Business using the Marks within the Designated Territory encompassed by the boundaries set forth in Schedule 1. Except as otherwise specifically provided in this Agreement, this Agreement does not restrict Franchisor or its affiliates in any manner.

2.4. RESERVATION OF RIGHTS

Franchisor and its affiliates retain the following exclusive rights: (a) to use, and to license others to use, the Marks and System for the operation of Laundry Spot franchised, company-owned and affiliate-owned businesses at any location other than in the Designated Territory, regardless of proximity to the Designated Territory; (b) to use, license or franchise the use of trademarks or service marks other than the Marks, whether in alternative channels of distribution, such as the Internet, or at any location including inside the Designated Territory, in association with operations that are the same as, similar to or different than the Franchised Business; (c) to offer the Approved Products and Services, or grant others the right to offer the Approved Products and Services, whether using the Marks or other trademarks or service marks, through alternative channels of distribution other than through franchised locations, whether inside or outside the Designated Territory; (d) to use any websites utilizing a domain name incorporating one or more of the word "Laundry Spot" or similar

derivatives thereof; (e) to acquire businesses that are the same as or similar to the Franchised Business and operate such businesses regardless of where such businesses are located, including inside the Designated Territory under different Marks and to be acquired by any third party which operates businesses that are the same as or similar to the Franchised Business regardless of where such businesses are located, including inside the Designated Territory; (f) to be acquired by or merge with or otherwise affiliate with one or more businesses of any kind, including businesses that are competitive to Laundry Spot, even if such business or businesses presently or, in the future, own and operate and franchise or license others to own and operate such businesses, within the Designated Territory; (g) and to open Laundry Spot franchises at "non-traditional sites" in the Designated Territory including, without limitation military bases, hotels, college campuses, airports, train stations, travel plazas, casinos, and sports or entertainment venues or stadiums.

2.5. SIZE OF DESIGNATED TERRITORY

Franchisor will grant only one license to Franchisee for a Designated Territory. Franchisor will use the most recent information available in the U.S. Census Data, or other statistical sources of Franchisor's choosing, which may change from time to time, to determine the size of the Designated Territory. Franchisee will maintain rights to the Designated Territory even if the population in the Designated Territory increases during the Initial Term. Franchisor has the exclusive right to determine the boundaries of the Designated Territory which will be designated in Schedule 1 to the Franchise Agreement. If the Designated Territory is not known at the time of signing, Schedule 1 shall be completed and signed after the Effective Date by Franchisee and Franchisor.

2.6. MODIFICATION OF SYSTEM

Franchisor, in its Reasonable Business Judgment, reserves the right at all times to supplement, modify, alter and/or amend the System. Franchisee shall promptly comply with all such modifications to the System whether such modification(s) results in the addition, subtraction, modification and/or enhancement to any and/or all components of the System. Franchisor's modifications to the System shall not materially alter Franchisee's fundamental rights under this Agreement.

2.7. CORPORATE ENTITY OWNERSHIP AND GUARANTY

If Franchisee is a Corporate Entity, Franchisee represents, and Franchisor enters into this Agreement with Franchisee in reliance upon such representation, that the individual(s) identified in the Statement of Franchise Owners set forth in Schedule 2 of this Agreement is/are the holder(s) of a legal or beneficial interest (in the stated percentages) of the Corporate Entity. Franchisee shall amend and modify Schedule 2 upon any change in ownership of the Corporate Entity, subject also to the transfer rules and restrictions set forth herein, and Franchisee shall furnish a revised Schedule 2 promptly to Franchisor to ensure that Schedule 2 is at all times current, complete and accurate. All Owners holding a five percent (5%) or greater interest, and their spouses, must sign the Owner's Guaranty attached to this Agreement as Schedule 3 in his/her individual capacity. The guaranty shall survive any Transfer or termination of this Agreement with respect to obligations incurred prior to such Transfer or termination.

SECTION 3
APPROVED LOCATION, DEVELOPMENT, AND OPERATIONS

3.1. APPROVED LOCATION

Franchisee shall develop, operate and manage the Franchised Business from a retail location that is approved by Franchisor. At all times, the Approved Location shall be exclusively dedicated to the operation of the Franchised Business. Franchisee shall not lease, purchase or otherwise acquire a proposed location until such information as Franchisor may require is provided to Franchisor, and Franchisor has approved the location in writing. If the location is not known at the time of signing this agreement, Franchisor shall grant Franchisee a non-exclusive search area. Franchisee must identify and evaluate a site based on Franchisor's site criteria within the search area. Franchisee's site must be selected within 120 days of the Effective Date of this Agreement, as evidenced by providing Franchisor with a draft of the binding lease with a duration equal to the full Initial Term of this Agreement. Franchisor's approval of the proposed location does not constitute a representation or warranty by Franchisor of any kind as to profitability or success at the proposed location. Neither the Franchisor's acceptance of the premises nor any information communicated to Franchisee regarding Franchisor's standard site selection criteria for Laundry Spot laundromats nor the Approved Location will constitute a warranty or representation of any kind, express or implied, as to the suitability of the site for the Franchised Business. Franchisor's acceptance of a proposed site and designation of an Approved Location merely signifies that Franchisor is willing to grant Franchisee a Laundry Spot franchise at the Approved Location. If Franchisee leases the site designated as the Approved Location, Franchisee must sign the lease within 180 days from the Effective Date and must ensure that the landlord signs the Lease Agreement Rider in the form attached to this Agreement as Schedule 6. If Franchisee's landlord refuses to sign the Lease Agreement Rider in substantially the same form as the attached Schedule 6, such refusal may constitute grounds upon which Franchisor refuses to approve the proposed site or withdraw Franchisor's approval.

3.2. OPENING REQUIREMENTS

Franchisee may not open its Franchised Business until: (a) the initial training program has been completed to Franchisor's satisfaction; (b) all amounts due to Franchisor have been paid; (c) Franchisor has been furnished with copies of all insurance policies and certificates, or other documentation of insurance coverage and payment of premiums that Franchisor may request; (d) all approvals and conditions set forth in this Agreement have been met; (e) Franchisee has obtained all necessary permits and licenses to operate a Franchised Business; (f) Franchisee has ordered, received and installed all equipment, supplies, inventory, tools, products, uniforms and computer hardware and software required by Franchisor; and (g) Franchisee must have satisfied all pre-opening obligations set forth by Franchisor in the Operations Manual.

3.3. FRANCHISED BUSINESS OPENING

Franchisee must open the Franchised Business to the public and commence the day-to-day operations of the Franchised Business within 12 months from the Effective Date of this Agreement or on the date listed as the "**Opening Deadline**" in Schedule 1 whichever is earlier.

3.4. FRANCHISED BUSINESS OPERATIONS AND SUPPLIERS

At all times, the Franchised Business shall: (a) be exclusively operated from the Approved Location that has been approved by Franchisor; (b) exclusively offer and sell the Approved Products and Services as designated by Franchisor, in its Reasonable Business Judgment, and as modified by

Franchisor from time to time; (c) ensure that the Approved Products and Services are only offered and provided by Franchisee through employees that have, to Franchisor's satisfaction, completed the training requirements and training required by Franchisor; and (d) be operated in conformity with the Operations Manual as may be modified and supplemented from time to time by Franchisor. Franchisee agrees that control over the nature, quality, branding and source of the services, products, supplies, inventory, apparel and/or accessories used in the Franchised Business is critical to the System and that, irrespective of the availability of substitute products, supplies, inventory, apparel and/or accessories, which may be less expensive than the products, supplies, inventory, apparel and/or accessories Franchisor authorizes and approves, Franchisee shall only utilize the Approved Products and Services and only obtain these items from Approved Suppliers. By signing the Agreement, Franchisee agrees and acknowledges its understanding that Franchisor and/or its affiliates reserve the right to become the exclusive supplier of certain products, supplies, inventory, apparel and/or accessories used in the System.

3.5. MANAGEMENT SYSTEM

At all times, Franchisee shall exclusively use the Management System designated by Franchisor, in its Reasonable Business Judgment, and as may be modified, supplemented or replaced by Franchisor from time to time on the terms and conditions in this Section 3.5. Franchisee cannot substitute or replace the Management System in favor of any substitutes or other systems. Franchisor shall have real-time, unrestricted access to all data generated by or through such systems, including sales, customer, and operational data. All such data shall be the sole and exclusive property of Franchisor. Franchisee shall ensure that all required data is transmitted to Franchisor in the format and frequency specified by Franchisor. Franchisee shall be responsible for initial license fees, training fees and continuing monthly license fees required for use of the Management System. Such fees shall be designated and determined by Franchisor in its Reasonable Business Judgment or by the Approved Suppliers and shall be paid to Franchisor and/or to the Approved Suppliers directly. Franchisee shall use the Management System and the Management System Data for the exclusive benefit of the Franchised Business and in accordance with the terms of this Agreement and Franchisor's standards and specifications as set forth in the Operations Manual. Franchisee agrees that the Management System and the Management System Data will contain proprietary and confidential information owned solely by Franchisor. At all times, Franchisee shall provide and permit Franchisor to maintain direct and independent access to the Management System, and Franchisee shall electronically transfer and transmit to Franchisor all Management System Data upon request and upon termination or expiration of this Agreement. Upon Franchisor's request, Franchisee shall upgrade, replace and modify the Management System. Franchisee shall keep and maintain the Management System and the Management System Data as secret and confidential, and Franchisee shall maintain security precautions to maintain the confidentiality and secrecy of the Management System Data and to prevent the unauthorized access or use. In no event shall Franchisor be liable to Franchisee for any damages, including any lost profits, lost savings, or other incidental or consequential damages, relating to Franchisee's use or, Franchisee's inability to use the Management System even if Franchisor has been advised of the possibility of such damages, or for any claim by any other party including the software developer.

3.6. SOCIAL AND DIGITAL MEDIA, WEBSITE AND PHONE NUMBERS

Franchisor is the absolute owner of all Social and Digital Media, phone numbers, and Published Content. Franchisee shall not use, access or open accounts regarding or related to Social and Digital Media or engage in Internet advertising unless expressly approved by Franchisor in writing which approval Franchisor may be withheld, conditioned or limited as determined by Franchisor in its

Reasonable Business Judgment and which approval, if given, shall be limited to the marketing and promotion of the Franchised Business in accordance with Franchisor's standards and specifications. Franchisee shall similarly not create or use phone numbers for use in the Franchised Business that are not expressly approved by Franchisor. Upon expiration, termination or transfer of this Agreement for any reason, Franchisee's rights to use the Social and Digital Media, phone numbers used in connection with the Franchised Business, Internet-based log-in accounts such as Google My Business and Published Content shall automatically terminate and shall be transferred to Franchisor. Franchisee shall execute and deliver to Franchisor the Assignment of Telephone Numbers and Social and Digital Media Accounts attached to this Agreement as Schedule 8.

3.7. FRANCHISED BUSINESS RELOCATION

Franchisee may not relocate the Franchised Business from the Approved Location without Franchisor's written consent which may be withheld in Franchisor's sole discretion. Franchisor may condition consent to relocation on requirements including, among other things: (a) that the proposed new Approved Location meet and satisfy Franchisor's then-current standards for Approved Locations; (b) that the proposed site be located within Franchisee's Designated Territory; (c) that the proposed site (even if it is located within the Designated Territory) not be within close proximity to the Approved Location of another Laundry Spot laundromat; and (d) that Franchisee pay to Franchisor a relocation fee of $5,000.

3.8. RIGHTS AND RESTRICTIONS ON USE OF MARKS GENERALLY

Franchisee agrees that it's right to use the Marks in its Franchised Business are restricted by the terms and conditions in this Section 3.8. By signing this Agreement, Franchisee acknowledges and agrees that Franchisee's right to use the Marks and the System are derived solely from this Agreement; Franchisee may only use the Marks and any aspect of the System in its operation of the Franchised Business and only in compliance with this Agreement and all applicable standards, specifications, and operating procedures prescribed by Franchisor in the Operations Manual; and Franchisee will make every effort to protect, maintain, and promote the Marks as identifying the System and only the System. Franchisee agrees that any unauthorized use of the Marks by Franchisee constitutes a breach of this Agreement and an infringement of the rights of Franchisor and in and to the Marks.

3.9. RESTRICTIONS ON CORPORATE ENTITY NAME

Franchisee agrees that it will not use any Marks or portion of any Marks as part of a corporate or trade name, or with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form. Franchisee agrees that it will safeguard and maintain the reputation and prestige of the Marks and will not do anything that would tarnish the image of or adversely affect the value, reputation or goodwill associated with the Marks. Franchisee agrees not to do anything that would dilute, directly or indirectly, the value of the goodwill attached to the Marks, nor counsel, procure or assist anyone else to do the same. Franchisee agrees to use the Marks only in lettering, logos, print styles, forms, and formats approved by Franchisor, and promptly follow instructions regarding the Marks as provided in the Operations Manual and otherwise given by Franchisor from time to time.

3.10. NOTICE TO PUBLIC ON OWNERSHIP

Franchisee will use the following copyright notice at least once on each piece of advertising, promotional, or other material used in connection with the Approved Products and Services: © (year of first publication). THE LAUNDRY SPOT FRANCHISE LLC, All Rights Reserved. Franchisee will use the Marks with a superscript "®", ™ or "SM", as specified by Franchisor. Franchisee shall identify itself as an independently owned and operated Laundry Spot laundromat and shall not issue

titles to the Managing Owner or Operations Manager or any employee with confusing titles that would confer ownership of the Laundry Spot brand or that Franchisee is an officer or director of Franchisor.

3.11. INFRINGEMENT OF MARKS

If, in Franchisor's Reasonable Business Judgment, the use of Marks in connection with the Approved Products and Services will infringe or potentially infringe upon the rights of any third party, weakens or impairs the rights of Franchisor or its affiliates in the Marks, or it otherwise becomes advisable at any time in the sole discretion of Franchisor or its affiliates for Franchisor to modify or discontinue use of the Marks, then upon notice from Franchisor, Franchisee will immediately terminate or modify such use in the manner prescribed by Franchisor. Franchisor may require Franchisee to use one or more additional or substitute trade names, trademarks, service marks or other commercial symbols or copyrighted materials. Franchisee will have no rights of damages, offset, or right to terminate this Agreement as a result thereof, and Franchisor and its affiliates shall have no liability or obligation whatsoever with respect to Franchisee's modification or discontinuance of any of the Marks. Franchisee shall notify Franchisor within three days after receiving notice of any claim, demand or cause of action based upon or arising from any attempt by any other person, firm or corporation to use the Marks or any colorable imitation thereof. Upon receipt of timely notice of an action, claim or demand against Franchisee relating to the Marks, Franchisor and its affiliates shall have the sole right, but not the duty, to defend any such action unless the claim of infringement is based on the Franchisee's authorized and valid use of the Marks. Franchisor and its affiliates shall have the exclusive right to contest or bring action against any third party regarding the third party's use of any of the Marks and shall exercise such right in the sole discretion of Franchisor. Franchisor and its affiliates shall control all actions but not be obligated to take any action. In any defense or prosecution of any litigation relating to the Marks or components of the System undertaken by Franchisor, Franchisee shall cooperate with Franchisor, execute any documents, and take all actions as may be desirable or necessary in the opinion of Franchisor's counsel, to carry out such defense or prosecution. All provisions of this Agreement applicable to the Marks apply to any and all additional trademarks, service marks, commercial symbols and copyrighted materials authorized for use by and licensed to Franchisee by Franchisor after the date of this Agreement.

3.12. RESTRICTIONS ON INTERNET

Franchisor retains the sole right to market on the Internet and use the Marks on the Internet, including all use of websites, domain names, URL's, directory addresses, metatags, linking, advertising, and co-branding and other arrangements. Franchisee may not independently market on the Internet, or use any domain name, address, locator, link, metatag, or search technique, with words or symbols similar to the Marks or otherwise establish any presence on the Internet without Franchisor's prior written approval. Franchisee will provide Franchisor with content for Franchisor's Internet marketing, and will sign Internet and intranet usage agreements, if any. Franchisor retains the right to approve any linking or other use of its website.

3.13. FRANCHISED BUSINESS DEVELOPMENT

Franchisee shall develop and construct the premises of the Approved Location in accordance with Franchisor's standards and specifications. The Approved Location must be constructed and established in accordance with Franchisor's plans and specifications which Franchisor will provide. Prior to constructing, equipping and building out the premises at the Approved Location, Franchisee shall prepare and submit for approval the specific plans and specifications. If Franchisor determines, in its Reasonable Business Judgment, that any plans are not consistent with the plans and specifications set forth in the Operations Manual, Franchisor may prohibit implementation of the plans and

disapprove the plans. Franchisee must obtain all required building, utility, sign, health, sanitation, and business permits and licenses, and any other required permits and licenses. Franchisee shall purchase and install all required furniture, fixtures and equipment and decorate the premises in accordance with the plans and specifications approved in writing and in compliance with all applicable ordinances, building codes, permit requirements and lease or deed requirements and restrictions. At all times, in the construction and operation of the Franchised Business, Franchisee shall exclusively install, use, attach, maintain, replenish and replace only those types of construction and decorating materials, furniture, fixtures, equipment, and signs that Franchisor has approved or designated in the Operations Manual as meeting Franchisor's specifications and standards for appearance, function and performance. Franchisee may only purchase approved or designated types of construction and decorating materials, fixtures, equipment, furniture and signs from any supplier approved or designated by Franchisor, which may include Franchisor and its affiliates.

3.14. HOURS OF OPERATION

Franchisee shall operate the Franchised Business during the hours of operation specified in the Operations Manual. By signing this Agreement, Franchisee acknowledges that the consistency of all Laundry Spot franchises being open during the same hours is critical to the success and goodwill of the System. Franchisee may apply for a variance to modify hours of operations on certain days based on extenuating or special circumstances.

3.15. SAFETY AND SECURITY MONITORING

Franchisee shall implement comprehensive security and safety monitoring procedures including continuous visual supervision of customer areas and equipment during all business hours. Staff members must monitor customer activities to ensure safe use of equipment, provide assistance as needed, maintain order and cleanliness, and respond to any safety concerns or emergencies. Franchisee shall install and maintain security cameras, alarm systems, and other monitoring equipment as specified by Franchisor and shall ensure that monitoring systems are operational at all times.

SECTION 4
TRAINING AND OPERATING ASSISTANCE

4.1. TRAINING

Before Franchisee begins operating the Franchised Business, Franchisee and, if Franchisee is a Corporate Entity, the Managing Owner, and the Operations Manager must attend and successfully complete the Franchisor's initial training program to Franchisor's satisfaction. Training may be held virtually, in Hamilton, Ohio, or in a location that Franchisor designates. If the Operations Manager's employment with Franchisee is terminated at any time, Franchisee must designate a new Operations Manager who must successfully complete the initial training program within 30 days of being hired subject to Franchisor's availability to conduct such training. Franchisee is responsible to pay $500 per trainer per day (the "**Additional Training Fee**") and to pay for the fees associated with training new hires as well as the costs of airfare, ground transportation, lodging, meals, personal expenses, and the Operations Manager's salary and benefits. Franchisor will conduct additional or refresher training upon request as Franchisor deems necessary and as may be available. Franchisor will charge its then-current Additional Training Fee: (a) for newly hired Operations Managers and personnel; (b) if Franchisor requires remedial training as a result of Franchisee's failure to comply with Laundry Spot brand standards; (c) for re-training persons who are repeating a training program, or their substitutes; and (d) for training programs that Franchisor makes optional for franchisees. If Franchisor conducts

on-site training, Franchisee must also pay for travel, meals, and lodging expenses for Franchisor's trainer(s).

4.2. OPERATING ASSISTANCE

Franchisor will advise Franchisee in its Reasonable Business Judgment and as Franchisor deems necessary, of Franchisor's applicable standards, procedures and System requirements concerning the Franchised Business through email, phone calls, in-person visits subject to availability, and through the Operations Manual. Franchisor will establish, update and communicate the Franchisor's standards for the marketing and promotion of the Franchised Business including, but not limited to, the marketing materials and mediums that Franchisee may utilize. Franchisee will provide the names and addresses of Approved Suppliers for the Approved Products and Services through the Operations Manual or otherwise in writing. Franchisee acknowledges that the Initial Franchise Fee and Royalty Fees are paid for the license to operate the Franchised Business, which includes the Marks, the System and Franchisor's Confidential Information. Prior to opening the Franchised Business, and in addition to the initial training program described in Section 4.1, Franchisor will (a) provide Franchisee with a list of Approved Suppliers for equipment, inventory, equipment, supplies, uniforms, marketing materials and branded items that Franchisee will need either in the Operations Manual or otherwise in writing; (b) identify the Designated Territory; (c) identify the Franchised Business on the System Website; (d) provide Franchisee with access to the Operations Manual; (e) provide Franchisee with marketing collateral; and (f) provide marketing assistance as Franchisor deems necessary.

4.3. OPERATIONS MANUAL

The Operations Manual contains mandatory and as applicable, suggested specifications, standards and operating procedures that Franchisor prescribes for Laundry Spot laundromats in its Reasonable Business Judgment. Franchisor may unilaterally amend the Operations Manual and System standards at any time, and Franchisee shall comply with all such amendments within the time specified by Franchisor. Franchisee shall operate the Franchised Business in strict accordance with the standards, specifications, and requirements set forth in the Operations Manual as they may be supplemented, modified, changed, and/or replaced in the future by Franchisor in its Reasonable Business Judgment. Franchisee shall keep and maintain the confidentiality of the Operations Manual and shall keep and maintain all files, data and information contained in the Operations Manual in a secure location. Some of the revisions to the Operations Manual may include changes with respect to: (a) sales and marketing strategies; (b) equipment and supplies; (c) accounting and reporting systems and forms; (d) insurance requirements; (e) operating procedures; (f) required technology; (g) Approved Products and Services; (h) hours of operation; and (i) trade dress, décor and the usage of Marks. Franchisee covenants to accept, implement and adopt any such modifications at its own cost.

4.4. NOTICE OF PRE-OPENING GUIDANCE AND ASSISTANCE

If Franchisee believes Franchisor has failed to adequately provide pre-opening guidance and assistance to Franchisee, Franchisee must notify Franchisor in writing within 30 days following the opening of the Franchised Business. Absent the timely provision of such notice to Franchisor, Franchisee shall be deemed to conclusively acknowledge that all pre-opening and opening guidance and assistance required to be provided by Franchisor were sufficient and satisfactory in Franchisee's judgment and that Franchisee did not require any additional guidance or assistance.

SECTION 5
FEES

5.1. INITIAL FRANCHISE FEE

Upon execution of this Agreement Franchisee shall pay to Franchisor an initial franchise fee in the amount of $60,000 (the "**Initial Franchise Fee**"). The Initial Franchise Fee is fully earned by Franchisee when paid upon execution of this Agreement and is not refundable.

5.2. ROYALTY FEE

Throughout the Initial Term of this Agreement, Franchisee shall pay to Franchisor a continuing non-refundable royalty fee (the "**Royalty Fee**") in an amount of 5% of Franchisee's Gross Sales.

5.3. ROYALTY FEE DUE DATE

The Royalty Fee is due on Wednesday of each week for the prior week's Gross Sales (the "**Due Date**"). On the Due Date, Franchisee shall report, transmit, confirm, and/or otherwise make available a report containing information relating to the Gross Sales, financial performance, and operations of the Franchised Business for the prior week (the "**Royalty and Activity Report**") as may be requested by Franchisor. Franchisor shall have the right to verify Franchisee's Royalty Fee payments from time to time, as Franchisor deems necessary in any commercially reasonable manner. Franchisee shall execute Franchisor's designated ACH Authorization Form attached to this Agreement as Schedule 9 and such other authorization agreements permitting Franchisor's direct withdrawal and/or electronic transfer directly from Franchisee's designated business bank account, for the on-going payment of Royalty Fees, and other fees and sums due to Franchisor under this Agreement.

5.4. TECHNOLOGY SUPPORT FEE

Upon notice to you, Franchisee must pay Franchisor or its designee the then-current technology fee as described in the Operations Manual (the "**Technology Support Fee**"), for support services related to Franchisor's designated technology package that Franchisor may authorize for its System in the future. The Technology Support Fee is currently not being collected. The maximum Technology Fee will be $750 per month, and Franchisor reserves the right to increase this fee up to 10% annually. Franchisee must pay Franchisor or its designated third-party supplier all initial software license fees for any software Franchisee is required to use in the operation of its Franchised Business as prescribed by Franchisor.

5.5. NON-COMPLIANCE FEES AND CHARGES

Franchisee shall pay Franchisor a non-compliance fee in the amount of $100 per day of non-compliance (the "**Non-Compliance Fee**") for each and every instance where a fee, charge, and/or financial obligation payable to Franchisor under this Agreement is not paid in full when due plus interest at a rate equal to the lesser of either 18% per annum, or the maximum interest rate allowed by applicable law plus all costs incurred by Franchisor in the collection of such unpaid and past due obligations including, but not limited to, reasonable attorney's fees, costs, and expenses. The Non-Compliance Fee shall also be applicable to any operational default and System requirement set forth in this Agreement and the Operations Manual. Nothing contained in this Section 5.5 shall be interpreted as interfering with or negating Franchisor's rights and remedies in Section 16 and as otherwise set forth in this Agreement. All of Franchisor's rights and remedies are cumulative and shall be interpreted as cumulative to one another.

5.6. WITHHOLDING AND APPLICATION OF PAYMENTS

Franchisor agrees that, under no circumstance, is Franchisee entitled to withhold payments due to Franchisor under this Agreement or payments due to Franchisor's affiliates, Approved Supplier, or landlord. Among other things and without limitation to the foregoing, Franchisee expressly agrees that any claim by Franchisee as to the alleged non-performance of Franchisor's obligations shall not permit and/or entitle Franchisee to withhold payments due to the Franchisor under this Agreement. Franchisor has sole discretion to apply any payments received from Franchisee or to offset any indebtedness of Franchisee to Franchisor to any past due indebtedness for Royalty Fees, Brand Marketing Fund Contributions, purchases from Franchisor or its affiliates, interest or any other indebtedness of Franchisee to Franchisor or its affiliates.

5.7. INSUFFICIENT FUNDS AND LATE FEE

If Franchisee remits the Royalty Fees or any other sums due to Franchisor under this Agreement with a check returned for non-sufficient funds more than one time in any calendar year, in addition to all other remedies which may be available, Franchisor shall have the right to require that Royalty Fees payments and any other sums due to Franchisor under this Agreement be made by certified or cashier's checks (or other secure payment method). To encourage prompt delivery of all Business Records (defined in Section 12.3 below), Certificates of Insurance, Royalty and Activity Reports, and any other documentation or record that may be requested by Franchisor under this Agreement, Franchisee shall pay, upon demand, a late report fee in the amount of $100 which will be assessed per day for a late report. Additionally, if Franchisee fails to remit the Royalty Fees or any other sums due to Franchisor under this Agreement by the Due Date, in addition to all other remedies which may be available, Franchisee shall pay a late fee of $100 or 5% of the amount due per incident whichever is greater. If Franchisee's bank account possesses insufficient funds and/or fails to process a payment or transfer related to a fee due, Franchisee shall pay $250 or the maximum amount allowable under law whichever is greater.

5.8. RESERVED RIGHT TO CHANGE FREQUENCY OF PAYMENTS

Franchisor reserves the right to require, in its sole discretion, that Franchisee remit the Royalty Fees or any other sums due to Franchisor under this Agreement monthly or in increments other than weekly.

5.9. CPI ADJUSTMENTS

Franchisor reserves the right to periodically adjust all fees (including minimum fees) expressed as a fixed dollar amount based on changes to the Consumer Price Index in the United States (CPI). Franchisor may review and increase these fees annually based on any CPI changes. The adjusted fee shall be calculated by multiplying the current fee by a fraction: (a) the numerator of which is an amount calculated as the product of (i) 100 and (ii) the difference of Current CPI minus Baseline CPI; and (b) the denominator of which is Baseline CPI, where "Current CPI" means the then-current CPI and "Baseline CPI" means the CPI in effect on: (i) the Effective Date of this Agreement (for the initial fee adjustments); or (ii) the date Franchisor implemented the last fee adjustment (for subsequent fee adjustments). Franchisor may utilize any CPI index series published by the U.S. Department of Labor or any comparable Governmental Authority that Franchisor deems appropriate. Franchisor currently uses the following index: All Urban Wage Earners and Clerical Workers (CPI-W), U.S. City Average (1982-84 = 100), "All Items". Franchisor will notify Franchisee of any CPI adjustment at least 60 days before the fee adjustment becomes effective.

5.10. MOBILE APPLICATION AND POS SYSTEM FEES

Franchisee shall pay the monthly fees for the mobile application and POS system as designated by Franchisor. As of the Effective Date of this Agreement, the mobile application fee is $99 per month and the POS system fee is $180 per month. Franchisee acknowledges and agrees that these fees are subject to increase at any time upon notice from Franchisor or the Approved Supplier. Franchisor may, in its sole discretion, elect to collect these fees directly from Franchisee (including via electronic funds transfer or ACH as set forth in Section 5.3) or may direct Franchisee to pay such fees directly to the Approved Supplier. Franchisee shall make all such payments when due in accordance with Franchisor's direction. Failure to timely pay the mobile application fee or POS system fee shall constitute a material breach of this Agreement and shall be subject to all remedies available to Franchisor under this Agreement, including but not limited to the Non-Compliance Fees set forth in Section 5.5 and termination rights under Section 16.

SECTION 6
RESTRICTIVE COVENANTS AND OBLIGATIONS

6.1. RESTRICTIVE COVENANTS

Franchisee agrees that only through the course of entering into this Agreement is Franchisee being provided with access to the System, Franchisor's training, use of the Marks, access to the Operations Manual, Confidential Information, list of Approved Suppliers, Customer Information and Franchisor's trade secrets. Franchisee agrees that competition between Franchisee and its Owners and Franchisor will jeopardize the entire System and cause irreparable harm to Franchisor and other Laundry Spot franchisees. Accordingly, Franchisee and its Owners agree to comply with the restrictive covenants set forth in Section 6 and throughout this Agreement.

6.2. CONFIDENTIAL INFORMATION

Franchisee agrees that, at all times, both during the Initial Term of this Agreement, and, after its expiration or termination, Franchisee (a) shall not use the Confidential Information, which includes Customer Information, in any business or capacity other than the operation of the Franchised Business pursuant to this Agreement and as instructed by Franchisor; (b) shall maintain the confidentiality of the Confidential Information at all times; (c) shall not make unauthorized copies of documents containing any Confidential Information; (d) shall take all reasonable steps that Franchisor requires from time to time to prevent unauthorized use or disclosure of the Confidential Information; and (e) shall stop using the Confidential Information immediately upon the expiration, termination or transfer of this Agreement. Franchisee agrees that the foregoing covenants and obligations shall also apply to Owners who shall each execute and deliver to Franchisor the Owner's Guaranty in the form attached to this Agreement as Schedule 3 and Franchisee's directors, officers, employees and agents where disclosure of the Confidential Information was necessary for the operations of the Franchised Business and where such director, officer, employee and/or agent previously executed and timely delivered to Franchisee the Nondisclosure, Non-Competition and Confidentiality Agreement in the form attached as Schedule 4.

6.3. IN-TERM NON-COMPETITION OBLIGATIONS

Franchisee agrees that, during the Initial Term of this Agreement and the Renewal Term, Franchisee shall not engage in the following activities: (a) owning and/or having any legal or equitable interest whether, as an individual proprietor, owner, partner, member or shareholder of a Corporate Entity, or, in any similar capacity, in a Competitive Business that offers the same or similar products as Laundry Spot laundromats; (b) operating, managing, funding and/or selling products whether, as an

employee, officer, director, manager, consultant, representative, agent, and/or creditor or, in any similar capacity, for or benefitting a Competitive Business; (c) diverting or attempting to divert any business or customers from Franchisor or, one of Franchisor's affiliates or other Laundry Spot franchisees; (d) inducing any customer or prospective customer of Franchisor, Franchisor's affiliates, Laundry Spot franchisees, or, of Franchisee, to any other person or business that is not in the System; (e) and/or engaging in any actions, inactions, and/or activities in violation of Section 6.2 of this Agreement (all, individually and, collectively, referred to as the "**Prohibited Activities**").

6.4. UNFAIR COMPETITION

Franchisee agrees that, if it were to engage in the Prohibited Activities, such actions would be unfair, would constitute unfair competition and would cause harm to Franchisor, the System and other Laundry Spot laundromats and franchisees. Franchisee agrees that the foregoing covenants and obligations shall also apply to Franchisee's Owners.

6.5. POST-TERMINATION NON-COMPETITION OBLIGATIONS

Upon termination, expiration of the Initial Term, regardless of the cause, or the transfer, sale or assignment of this Agreement and/or the Franchised Business by Franchisee, neither Franchisee, any guarantors, the Operations Manager, the Managing Owner, nor Franchisee's Owners shall have any direct or indirect interest (i.e., through a relative) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent, in any Competitive Business within 50 miles of the Approved Location, the Designated Territory, or any other Laundry Spot laundromat. For the Post-Term Restricted Period, Franchisee and Owners shall not solicit or hire any employee or customer of Franchisor or any Laundry Spot franchisee. If any person restricted by this Section 6.5 refuses to voluntarily comply with the foregoing obligations, the two-year Post-Term Restricted Period will automatically extend indefinitely and shall commence upon the entry of any order of a court or arbitrator enforcing this Section 6.5.

6.6. REASONABLENESS OF RESTRICTIVE COVENANTS AND OBLIGATIONS

The parties have attempted in Section 6 to limit Franchisee's right to compete only to the extent necessary to protect Franchisor from unfair competition. If the scope or enforceability of the provision of Section 6 is disputed at any time by Franchisee, a court or arbitrator, as the case may be, may modify Section 6 to the extent necessary to make such provision enforceable under applicable law. In addition, Franchisor reserves the right to reduce the scope of Section 6 without Franchisee's consent, at any time or times, effective immediately upon notice to Franchisee.

6.7. BREACH OF RESTRICTIVE COVENANTS AND OBLIGATIONS

Franchisee acknowledges and agrees that Franchisor must be protected against the potential for unfair competition by Franchisee's use of Franchisor's System, Marks, training, assistance, Operations Manual and/or Confidential Information in direct competition with Franchisor. Franchisee further acknowledges that Franchisor would not have entered into this Agreement or shared the Confidential Information, and other information with Franchisee, absent Franchisee's agreement to strictly comply with the provisions of Section 6. Franchisee acknowledges that it will have access to Franchisor's Confidential Information and, therefore, be in a unique position to use the special knowledge gained as a franchisee. Franchisee acknowledges that a breach of the covenants contained in Section 6 will be deemed to threaten and cause immediate and substantial irreparable injury to Franchisor. Accordingly, Franchisee agrees that Franchisor will have the right to obtain immediate injunctive relief against Franchisee without limiting any other rights or remedies and without posting a bond. If a court requires the filing of a bond notwithstanding the preceding sentence, Franchisee and Franchisor agree

that the amount of the bond shall not exceed $1,000. Franchisor's remedies under this Section 6.7 may be combined with other remedies available to Franchisor under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

6.8. APPLICABILITY OF RESTRICTIVE COVENANTS

Section 6 will also apply to the officers, directors, stockholders, partners, members, trustees, beneficiaries and/or principals of Franchisee and any persons controlled by or under common control with Franchisee. In the event that Franchisee is an individual, Section 6 will also apply to Franchisee's spouse and immediate family members.

SECTION 7
OPERATING STANDARDS AND FRANCHISEE OBLIGATIONS

7.1. FRANCHISEE OPERATIONS

Franchisee shall diligently develop the Franchised Business and use its best efforts to market and promote the required Approved Products and Services. The Franchised Business shall exclusively offer and sell the Approved Products and Services as designated by Franchisor in the Operations Manual and/or as otherwise designated by Franchisor in writing and as may be modified by Franchisor from time to time. Franchisor shall have the sole and absolute discretion to add, modify, or discontinue any service offerings, products, or operational methods at any time, and Franchisee must implement any such changes within 30 days of written notice. Franchisee must participate in all limited-time offers, test products, and system-wide promotions as directed by Franchisor. Franchisee shall exclusively operate the Franchised Business in accordance with the standards, specifications, and operational requirements as designated by Franchisor in this Agreement, the Operations Manual, and/or as otherwise designated by Franchisor and as may be modified by Franchisor from time to time. Any additional required Approved Products and Services introduced into the System by Franchisor must be offered for sale on a continuing basis at the Franchised Business at the time and in the manner required by Franchisor. Franchisor will provide at least 30 days' prior written notice of any new required Approved Products and Services introduced into the System.

7.2. FRANCHISED BUSINESS CONDITIONS

The Franchised Business and everything related to the Franchised Business must be maintained in good condition and must be kept clean, neat and sanitary. All maintenance, repairs and replacements requested by Franchisor or needed in connection with the Franchised Business must be promptly made. Franchisee or, if the Franchisee is a Corporate Entity, the Managing Owner, the Operations Manager and all employees must be clean and neat in appearance. Franchisee must ensure that all advertising, labeling, packaging and other materials associated with the Approved Products and Services fully conform to all applicable laws and regulations. Franchisee must operate the Franchised Business in full compliance with all applicable consumer protection laws, and labor and employment laws. Franchisee must comply with all laws and regulations relating to privacy and data protection and must comply with any privacy policies or data protection and breach response policies Franchisor periodically may establish. Franchisee must comply with all landlord standards for cleanliness as may be required in Franchisee's lease agreement.

7.3. DAY-TO-DAY OPERATIONS AND PRICING

Franchisee must use its best efforts to (a) ensure customer satisfaction; (b) use good faith in all dealings with customers, potential customers, referral sources, suppliers and creditors; (c) respond to customer complaints in a courteous, prompt and professional manner; (d) use its best efforts to promptly and

fairly resolve customer disputes in a mutually agreeable manner; and (e) take such actions as Franchisor deems necessary or appropriate to resolve customer disputes. While Franchisor may prescribe standards, specifications, processes, procedures, requirements or instructions the Operations Manual or this Agreement, Franchisor shall not control the day-to-day managerial operations of the Franchised Business, or the specific manner and means by which Franchisee complies with Franchisor's mandatory standards and procedures. Franchisor may provide guidance to Franchisee regarding recommended prices to be charged for Approved Products and Services; however, Franchisee shall be free to establish its own prices, subject to any maximum or minimum prices established by Franchisor subject to applicable law.

7.4. COMPUTER SECURITY

Franchisee acknowledges and understands that computer systems are vulnerable to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from these problems, and Franchisee waives any and all claims Franchisee may have against Franchisor as the direct or indirect result of such disruptions, failures or attacks. Franchisee must also take reasonable steps to verify that Franchisee's suppliers, lenders, landlords (if applicable), customers, and governmental agencies on which Franchisee relies, are reasonably protected. This may include taking reasonable steps to secure Franchisee's systems, including, but not limited to, firewalls, access code protection, anti-virus systems, and use of backup systems. Franchisor recommends but does not require carrying sufficient levels of Cyber Liability insurance.

7.5. COMPUTER SYSTEM AND SOFTWARE UPDATES

Franchisee shall acquire, maintain, and upgrade hardware, software, information processing and communication systems, and Internet and other network access providers, as prescribed in the Operations Manual and as modified periodically by Franchisor. Franchisee shall comply with any separate software or other license agreements that Franchisor or its designee use in connection with the System. Franchisee shall utilize Franchisor's required software, and, if established, proprietary database management and intranet system as the exclusive means for tracking and maintaining customer and supplier information, and for such other uses as prescribed by Franchisor periodically in the Operations Manual. Monthly sales reporting may occur through mandatory software including the automatic draft via electronic transfer of Royalty Fees, Brand Marketing Fund Contributions, Technology Fees and any other fees due to Franchisor.

7.6. APPROVED SUPPLIERS

The standards and specifications for Franchisee's Approved Products and Services, uniforms, inventory, supplies, forms, advertising materials, computer hardware and software, and other items required by Franchisor shall be referenced in the Operations Manual. Franchisor reserves the right to require Franchisee to purchase any or all items necessary to operate the Franchised Business from Franchisor's Approved Suppliers, if one is so designated. Franchisor has the right to require Franchisee to discontinue purchasing any product or service from any supplier and may appoint new Approved Suppliers at any time in its sole discretion. In addition, Franchisor has the right, at any time and in its sole discretion, to designate Franchisor or one of its affiliates as the only Approved Supplier.

7.7. APPROVED PRODUCTS AND SERVICES

Franchisee agrees that, among other things, the Approved Products and Services to be offered and sold at the Franchised Business and the methods for marketing and promoting the Franchised

Business must conform to System standards and specifications as determined by Franchisor in its Reasonable Business Judgment, and, as designated by Franchisor in the Operations Manual.

7.8. MARKET RESEARCH AND TESTING

Franchisor may conduct market research and testing to evaluate, modify, test and/or sample the services, products, equipment and supplies Franchisor authorizes. Franchisee agrees to participate in Franchisor's market research programs that may be conducted by Franchisor in its discretion, by test marketing services and/or products from the Franchised Business. Franchisee agrees to provide Franchisee with timely reports and other relevant information regarding such market research. Franchisee agrees to purchase a reasonable quantity of the tested products or services and effectively promotes and makes a reasonable effort to sell the services or products.

7.9. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES

Franchisee shall secure and maintain in full force all required licenses, permits and certificates relating to the operation of the Franchised Business, and Franchisee must operate the Franchised Business in full compliance with all applicable laws, ordinances, codes and regulations. Franchisee must investigate, review, and comply with all laws applicable to the operation of the Franchised Business, including, without limitation, all labor laws and obligations, wage and hour laws and obligations, employer practices laws and obligations, labor department rules and regulations, workers compensation and unemployment laws and rules, insurance obligations, and health and safety laws, rules and obligations; privacy and protection of customer and employee information and data and, all laws, rules, and regulations related to customer and employee solicitations.

7.10. NOTIFICATION OF VIOLATION OF LAW

Franchisee must immediately notify Franchisor in writing of any cause of action, claim, lawsuit, proceeding, and investigation; issuance of any order, writ, injunction, award, and/or decree by any court, agency, or other governmental entity; and any notice of violation of any law, ordinance, code, permit, or regulation.

7.11. TRUTH IN ADVERTISING

Franchisee shall, at all times, ensure that all advertising and promotion of the Franchised Business by Franchisee is completely factual and conform to the highest standards of ethical advertising. Franchisee shall refrain from any business practice, advertising practice, or personal conduct that may be injurious to Franchisor, the System, Laundry Spot laundromats, and the Marks.

7.12. ANTI-TERRORISM LAWS

Franchisee and Owners agree to comply with, and/or to assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Executive Order 13224, the USA Patriot Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority addressing, or in any way relating to, terrorist acts and acts of war ("**Anti-Terrorism Laws**"). If Franchisee, an Owner, or Franchisee's employees violate any of the Anti-Terrorism Laws and/or become listed on the Annex to Executive Order 13244, then Franchisor may terminate this Agreement immediately without prior notice to Franchisee.

7.13. MANAGEMENT OF FRANCHISED BUSINESS

Franchisee understands and agrees that its active, continuing and substantial personal involvement and hands-on supervision of the Franchised Business and, if Franchisee is a Corporate Entity, its Managing Owner is critical to the success of the Franchised Business. At all times, the Franchised

Business must be under the active, continuing and substantial personal involvement and hands-on supervision of Franchisee or, if Franchisee is a Corporate Entity, its Managing Owner. Franchisee may hire an Operations Manager to oversee the day-to-day operation of the Franchised Business.

7.14. MANAGEMENT SERVICE FEE

Upon death or disability of Franchisee or, if Franchisee is a Corporate Entity, the Managing Owner or upon default or abandonment of the Franchised Business, Franchisor has the right to charge 10% of Gross Sales for management services (the "**Management Service Fee**"). Any determination as to whether Franchisor may elect to provide management services, if any, and the extent of such services, and/or the discontinuation thereof, shall be exclusively determined by Franchisor in its Reasonable Business Judgment. The Management Service Fee shall be immediately payable upon invoice by Franchisor and may be directly debited from Gross Sales.

7.15. ALTERNATIVE SUPPLIERS

If Franchisee would like to use any products in establishing and operating the Franchised Business that Franchisor has not approved (for products that must meet Franchisor's standards, specifications or that require supplier approval), Franchisee must first send Franchisor sufficient information, specifications and samples for Franchisor to determine whether products comply with Franchisor's standards and specifications or the supplier meets the Franchisor's then-current Approved Supplier criteria. Franchisee must pay Franchisor's expenses to evaluate products, or suppliers regardless of whether Franchisor provides approval or not. Franchisor will decide within a reasonable time after receiving the required information (usually 30 days) whether Franchisee may purchase or lease the products from the supplier.

7.16. REBATES

Franchisee acknowledges and agrees that Franchisor and its affiliates may receive rebates, commissions, or other consideration from suppliers, vendors, or service providers based on Franchisee's purchases. Franchisor shall have no obligation to share any such amounts with Franchisee and shall be entitled to keep for their own use and account of all such rebates and consideration.

7.17. MAINTENANCE AND APPEARANCE

At all times, Franchisee and the Franchised Business shall: (a) exclusively offer and sell the Approved Products and Services as designated by Franchisor in the Operations Manual and as may be modified by Franchisor from time to time; (b) exclusively purchase and utilize the supplies and equipment as designated by Franchisor in the Operations Manual and as may be modified by Franchisor from time to time; (c) maintain a complete and updated inventory and required supplies as designated by Franchisor in the Operations Manual and as may be modified by Franchisor from time to time; (d) maintain the Franchised Business in a clean, sanitary, functional, and well-maintained condition; and (e) maintain, update, refurbish and remodel the Franchised Business upon notice.

7.18. UPDATING AND UPGRADING GENERALLY

Upon the request of Franchisor, Franchisee must, at its sole expense, improve, modify, remodel, and refurbish the Franchised Business to the Franchisor's then-current standards and specifications. Franchisee agrees to make such improvements or modifications when changes to Franchisor's standards and specifications are made applicable to the Franchised Business.

7.19. REMEDIES FOR NONCOMPLIANCE WITH APPEARANCE

If Franchisee fails or refuses to initiate within 30 days after Franchisor's request, and/or fails to continue in good faith and with due diligence, any required improvement, modification, refurbishment, renovation, and/or remodel of the Franchised Business premises, then Franchisor has the right but is not obligated, to enter upon the Franchised Business premises and effect such improvement, modification, refurbishment, renovation, and/or remodel on Franchisee's behalf, and Franchisee must pay the entire cost to Franchisor on demand plus 10% administrative fee.

7.20. DAMAGE CAUSED BY CASUALTY

If the Franchised Business premises is damaged or destroyed by fire or any other casualty, Franchisee must, as soon as practicable but in no event later than two months after such casualty, initiate repairs or reconstruction, and thereafter in good faith and with due diligence continue until completion of the repairs or reconstruction, in order to restore the premises of the Franchised Business to its original condition before the casualty.

7.21. ALTERATIONS TO THE FRANCHISED BUSINESS

Franchisee shall not make any material alterations to the premises of the Franchised Business without Franchisor's prior written consent. Franchisee shall not replace or make any unapproved replacements of or material alterations to the fixtures, equipment, furniture, designs, or signs, comprising or being a part of the Franchised Business. Franchisor has the right, in its sole discretion and at the sole expense of Franchisee, to rectify any material alterations to Franchised Business not previously approved by Franchisor or contrary to the specifications and standards of Franchisor as contained in the Operations Manual or otherwise set forth by Franchisor.

7.22. UNIFORM IMAGE, STANDARDS, SPECIFICATIONS, AND SERVICES

To ensure that the highest degree of uniformity, quality, and service is maintained (as determined by Franchisor in Franchisor's Reasonable Business Judgment), Franchisee must use its best efforts to operate the Franchised Business in strict conformity with the methods, standards, and specifications of Franchisor as set forth in the Operations Manual and as Franchisor may, in Franchisor's Reasonable Business Judgment, otherwise prescribe in writing. Without limitation to the foregoing, Franchisee agrees that Franchisee shall: (a) exclusively offer and sell the Approved Products and Services; (b) exclusively utilize only those methods, procedures, and System as designated by Franchisor in the Operations Manual or otherwise in writing and, as Franchisor may modify from time to time in Franchisor's Reasonable Business Judgment; (c) exclusively utilize the equipment, supplies, materials, uniforms, signage and forms as designated by Franchisor in the Operations Manual or otherwise in writing and, as Franchisor may modify from time to time in Franchisor's Reasonable Business Judgment; (d) exclusively utilize the Marks as designated by Franchisor in the Operations Manual or otherwise in writing, as Franchisor may modify from time to time in Franchisor's Reasonable Business Judgment; (e) provide prompt, courteous, and efficient service to customers; (f) maintain ordinary and regular business hours as required by Franchisor in the Operations Manual or otherwise in writing, as may be modified by Franchisor from time to time in Franchisor's Reasonable Business Judgment; (g) adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct in dealing with customers and suppliers of the Franchised Business; (h) conduct all advertising and promotion of the Franchised Business in strict compliance with Franchisor's standards and specifications and to the highest standards of ethical advertising; (i) refrain from any business or advertising practice that may be injurious to the goodwill associated with Franchisor and the Marks; (j) promptly respond to all customer and potential customer inquiries and complaints to achieve high levels of customer satisfaction and reviews; (k) honor and implement refund policies established by Franchisor from time

to time in Franchisor's Reasonable Business Judgment; (l) maintain and display the signage and displays required by Franchisor including that the Franchised Business is independently owned and operated by Franchisee; (m) adopt, implement, and abide by the System and all changes made to the System (as designated by Franchisor in Franchisor's Reasonable Business Judgment); (n) maintain a fully trained competent staff capable of serving customers and providing courteous quality service in accordance with the Operations Manual and Franchisor's standards and specifications; (o) not promote any other businesses at the Franchised Business; (p) comply with all laws applicable to the operation of the Franchised Business; (q) permit Franchisor or Franchisor's agents, at any reasonable time, to inspect the Franchised Business; (r) implement and maintain, at Franchisee's expense, bookkeeping, accounting, and record-keeping system conforming to the requirements and formats Franchisor prescribes from time to time in Franchisor's Reasonable Business Judgment; and (s) grant and give full and complete on-demand and continuous instantaneous access to Franchisee's business and financial records, including, without limitation, Franchisee's POS system, the Management System utilized by Franchisee, and Franchisee's Management System Data.

7.23. CREDIT CARD POLICY

Franchisee shall accept all major credit cards and other the forms of payment specified by Franchisor in the Operations Manual as payment. Franchisee must ensure that the POS system and/or credit card processing terminals (whichever are responsible for processing credit card transactions) are in compliance with the most current Payment Card Industry ("**PCI**") standards. This currently includes, at a minimum, completing required assessments by the credit card associations, performing quarterly scans of the network, and in some cases may include on-site audits. Franchisee is solely responsible for complying with these standards and applicable regulations in a timely manner and for all costs of maintaining compliance.

7.24. PICKUP AND DELIVERY

Franchisee may offer pickup and delivery services for the Approved Products and Services only through the Franchisee's own employees in compliance with Franchisor's standards; Franchisor's proprietary online ordering platform, if any; or third-party delivery service providers approved in writing by Franchisor (collectively, "**Third-Party Providers**"), subject to Franchisor's prior written approval. Franchisor reserves the right to revoke approval of any Third-Party Provider at any time in its sole discretion.

7.25. MAINTENANCE OBLIGATIONS

Franchisee shall maintain all washing machines, dryers, and other laundromat equipment utilized in the Franchised Business in good working order and repair at all times. Franchisee shall ensure that all equipment operates safely, efficiently, and in accordance with manufacturer specifications and Franchisor's standards as set forth in the Operations Manual. Franchisee shall implement and maintain a preventive maintenance program for all equipment in accordance with manufacturer recommendations and Franchisor's requirements.

7.26. REPAIR AND REPLACEMENT TIMEFRAMES

Franchisee must promptly repair or replace any broken, malfunctioning, or inoperative equipment. For critical equipment including but not limited to washing machines and dryers, Franchisee must initiate repair or replacement within 24 hours of discovering the malfunction or receiving notice thereof and complete such repair or replacement within 48 hours unless circumstances beyond Franchisee's reasonable control prevent such completion. For non-critical equipment, repairs or replacement must be initiated within 72 hours and completed within seven days.

7.27. MANUFACTURER MAINTENANCE SCHEDULES

Franchisee shall strictly comply with all manufacturer-recommended maintenance schedules for each piece of equipment in the Franchised Business. Franchisee shall maintain detailed records of all maintenance performed and make such records available to Franchisor upon request. Failure to follow manufacturer maintenance schedules may void equipment warranties and constitute a breach of this Agreement.

7.28. EQUIPMENT REPLACEMENT

Franchisor reserves the right to require Franchisee to replace any equipment that Franchisor determines, in its Reasonable Business Judgment, is old, obsolete, inefficient, or no longer meets Franchisor's brand standards, operational requirements, or customer service expectations. Franchisee must comply with such replacement requirements within the timeframe specified by Franchisor, which shall be reasonable under the circumstances but not less than 90 days unless emergency circumstances require immediate replacement.

7.29. MANDATORY INSPECTION AND REPLACEMENT

After seven years of operation, Franchisee must have all laundromat equipment professionally inspected annually by a qualified technician approved by Franchisor. After 10 years of operation, all washing machines and dryers must be inspected annually and replaced when they no longer meet Franchisor's operational standards, efficiency requirements, or brand image standards as determined by Franchisor in its sole discretion. Franchisee shall bear all costs associated with such inspections and any required replacements.

7.30. CLEANLINESS OF EQUIPMENT

Franchisee shall maintain all equipment in a clean, sanitary, and attractive condition at all times. Equipment must be free from excessive wear, damage, rust, stains, or other conditions that detract from the professional appearance of the Franchised Business or that may affect customer perception of quality and cleanliness. Franchisee shall clean equipment according to the schedule and procedures specified in the Operations Manual.

7.31. APPROVED PARTS AND SERVICE PROVIDERS

Franchisee shall use only original manufacturer parts or parts approved by Franchisor for all equipment repairs and maintenance. All service work must be performed by technicians and service providers approved by Franchisor or who meet Franchisor's qualification standards as set forth in the Operations Manual. Franchisee must obtain Franchisor's prior written approval before engaging any new service provider not previously approved by Franchisor.

7.32. EQUIPMENT DOWNTIME

Franchisee acknowledges that equipment downtime directly affects customer service and the reputation of the System. If more than 25% of washing machines or dryers are out of service simultaneously for more than 24 hours, or if equipment downtime results in customer complaints or negative reviews, Franchisee shall implement immediate corrective measures and may be subject to Non-Compliance Fees as set forth in Section 5.5. Repeated or prolonged equipment downtime that materially affects the operation of the Franchised Business may constitute grounds for default with the opportunity to cure under Section 16.

7.33. ENVIRONMENTAL REGULATIONS COMPLIANCE

Franchisee shall comply with all applicable federal, state, and local environmental regulations relating to wastewater discharge, water usage, chemical disposal, and environmental protection in the operation of the Franchised Business. Franchisee shall monitor all changes to applicable environmental laws and regulations and ensure ongoing compliance throughout the term of this Agreement. Franchisee shall properly collect, store, and dispose of all lint, chemical containers, cleaning product waste, and other materials generated by the Franchised Business in accordance with applicable law and Franchisor's standards. Franchisee shall not dispose of any chemicals, solvents, or other hazardous materials through the wastewater system except as permitted by applicable permits and regulations. Franchisee shall maintain records of all waste disposal activities and make such records available to Franchisor upon request. Franchisor shall have the right to inspect the Franchised Business and review all environmental permits, waste disposal records, utility usage reports, and other documents related to Franchisee's compliance with this Section 7.33. If Franchisor determines that Franchisee has violated any provision of this Section 7.33 or applicable environmental law, Franchisee must immediately implement corrective measures and may be subject to Non-Compliance Fees and other remedies set forth in this Agreement. Continued or repeated violations may constitute grounds for default with the opportunity to cure under Section 16.

7.34. WASTEWATER DISCHARGE PERMITS

Franchisee shall obtain and maintain in full force and effect all permits, licenses, and approvals required by applicable law for wastewater discharge from the Franchised Business, including but not limited to industrial pretreatment permits, discharge permits, and any other environmental permits. Franchisee shall ensure timely renewal of all such permits and shall immediately notify Franchisor of any permit violations, citations, or enforcement actions.

7.35. FILTRATION AND TREATMENT SYSTEMS

If required by applicable law, regulation, or permit conditions, Franchisee shall install, operate, and maintain wastewater filtration systems, lint traps, oil-water separators, and other treatment equipment necessary to meet discharge standards. All such systems shall be installed by qualified contractors approved by Franchisor and maintained in accordance with manufacturer specifications and regulatory requirements. Franchisee shall be solely responsible for all costs associated with the installation, operation, and maintenance of such treatment systems.

7.36. UTILITY METER REQUIREMENTS

If required by local law, Franchisee shall install separate utility meters for gas and electrical service to laundromat equipment as required by utility companies or local regulations. If the building uses gas heating for washing machines and dryers, Franchisee shall install a separate gas meter dedicated to monitoring usage of the laundromat equipment. Franchisee shall comply with all utility company requirements regarding meter installation, access, and safety protocols.

7.37. APPROVED CHEMICALS AND STORAGE

Franchisee shall use only detergents, fabric softeners, cleaning chemicals, and other chemical products that have been specifically approved by Franchisor and are designated in the Operations Manual or otherwise approved in writing by Franchisor. Franchisee shall not use any generic, substitute, or non-approved chemical products in the operation of the Franchised Business without Franchisor's prior written consent. All chemical products must meet Franchisor's quality, performance, and safety standards as set forth in the Operations Manual. Franchisee shall store and handle all chemicals in strict compliance with Occupational Safety and Health Administration (OSHA) regulations,

manufacturer instructions, and all applicable federal, state, and local safety regulations. Franchisee shall maintain proper ventilation, secure storage areas, appropriate containment systems, and safety equipment including eyewash stations and emergency shower facilities as required by applicable law. All chemical storage areas must be locked and accessible only to trained personnel. Franchisee is strictly prohibited from using any chemical products that have not been specifically approved by Franchisor.

7.38. CHEMICAL INVENTORY LEVEL

Franchisee shall maintain adequate inventory levels of all required chemical products to ensure uninterrupted operation of the Franchised Business. Franchisee shall implement inventory management procedures that include regular inventory counts, rotation of stock to ensure freshness, proper disposal of expired products, and maintenance of minimum and maximum inventory levels as specified by Franchisor. Franchisee shall obtain and maintain current Safety Data Sheets (SDS) for all chemical products used in the Franchised Business. SDS documents shall be readily accessible to all employees and emergency responders in both electronic and hard copy formats. Franchisee shall ensure that all SDS information is current and that employees are trained on the proper interpretation and application of SDS requirements. Franchisee shall immediately replace any outdated SDS documents and notify employees of any changes to chemical safety information.

7.39. DOSING SYSTEM REQUIREMENTS

Franchisee shall install, operate, and maintain chemical dosing systems that meet Franchisor's specifications and industry standards for accuracy, reliability, and safety. All dosing systems must be calibrated according to manufacturer specifications and Franchisor's requirements as set forth in the Operations Manual. Franchisee shall conduct regular calibration checks and maintain detailed records of all calibration activities. Dosing systems must be equipped with appropriate safety features including leak detection, overflow protection, and automatic shutoff mechanisms.

7.40. CUSTOMER SAFETY STANDARDS

Franchisee shall implement and maintain safety protocols to protect customers from exposure to chemicals during dispensing, equipment operation, and normal business activities. All chemical dispensing systems must be designed and operated to prevent customer contact with concentrated chemicals. Franchisee shall post appropriate safety warnings, provide customer safety instructions, and maintain emergency procedures for chemical exposure incidents. Franchisee shall immediately report any customer injury or exposure incident to Franchisor and applicable regulatory authorities.

7.41. CUSTOMER LOYALTY PROGRAM

Franchisee shall participate in and utilize Franchisor's designated customer loyalty rewards program (the "**Loyalty Program**") as specified in the Operations Manual and as may be modified by Franchisor from time to time in its Reasonable Business Judgment. Franchisee's participation in the Loyalty Program is mandatory, and Franchisee may not opt out of or refuse to implement any aspect of the Loyalty Program without Franchisor's prior written consent, which may be withheld in Franchisor's sole discretion. Franchisee shall use only the loyalty card system, customer relationship management technology, and related software designated by Franchisor for the Loyalty Program. All loyalty program technology must integrate with Franchisee's required POS system and Management System. Franchisee shall not modify, customize, or alter any loyalty program technology without Franchisor's prior written approval. Franchisee must upgrade or replace loyalty program technology as required by Franchisor upon reasonable notice. Franchisee shall strictly comply with all terms, conditions, policies, procedures, and promotional offers related to the Loyalty Program as set forth in the Operations

Manual and as communicated by Franchisor from time to time. Franchisee must honor all loyalty rewards, points, discounts, and promotional benefits earned by customers regardless of whether such benefits were earned at the Franchised Business or at other Laundry Spot locations. Franchisee shall not modify loyalty program benefits, terms, or redemption procedures without Franchisor's prior written authorization. Franchisor reserves the right to modify, enhance, replace, or discontinue the Loyalty Program at any time in its sole discretion.

7.42. MOBILE PICKUP AND DELIVERY SERVICES

Mobile pickup and delivery services are currently optional for Franchisee but may become mandatory upon written notice from Franchisor. Franchisor reserves the right, in its sole discretion and upon reasonable notice to Franchisee, to require Franchisee to offer mobile services as part of the Approved Products and Services. If Franchisee elects to offer mobile services or if Franchisor requires mobile services, Franchisee must comply with all provisions of this Section 7.42 and all related standards and specifications set forth in the Operations Manual. If Franchisee offers mobile services, Franchisee must purchase or lease a Ford Transit-150 Cargo or Mercedes Sprinter Cargo Van, or such other vehicle as Franchisor may approve in writing in its sole discretion. The vehicle must be in good condition, meet all applicable safety and emissions standards, and be capable of safely transporting laundry equipment and customer orders. Franchisee may not use personal vehicles, pickup trucks, or other non-approved vehicles for mobile services without Franchisor's specific written approval, which may be conditioned on the vehicle meeting Franchisor's standards for capacity, appearance, and safety. All vehicles used for mobile services must be wrapped with Laundry Spot graphics, logos, and branding elements as specified by Franchisor and purchased through Franchisor's approved suppliers. Vehicle wraps must cover the entire vehicle exterior in accordance with Franchisor's design specifications and brand standards. Franchisee shall maintain all mobile service vehicles in excellent mechanical condition, with current registration, inspection, and all required safety equipment. Vehicles must be kept clean both inside and outside, free from damage, dents, scratches, or other conditions that detract from the professional appearance required by Franchisor's brand standards. Franchisee may provide mobile services only within its Designated Territory unless specifically authorized by Franchisor to service areas outside the Designated Territory. Franchisee may not establish regular mobile routes or service areas that conflict with other Laundry Spot franchisees' territories without Franchisor's prior written approval and coordination with affected franchisees.

7.43 ANNUAL CONFERENCE

Franchisor may, but is not obligated to, hold an annual franchisee conference (the "**Conference**") devoted to training, operational updates, system developments, networking among franchisees, and planning for the future of the Laundry Spot system. Franchisor shall have sole discretion over whether to hold a Conference in any given year, the format and structure of the Conference, the agenda and topics to be covered, and all other aspects of Conference planning and execution. If Franchisor elects to hold a Conference, Franchisee or, if Franchisee is a Corporate Entity, the Managing Owner must attend the Conference. Franchisee shall pay Franchisor a conference fee of up to $1,000 per person attending the Conference. The exact conference fee will be determined by Franchisor based on the cost of Conference facilities, materials, meals, and other expenses associated with the Conference, and may vary from year to year. In addition to the Conference fee, Franchisee shall be responsible for all travel expenses, lodging costs, meal expenses, and employee wages not included in the Conference fee, and any other personal expenses incurred by Franchisee's attendees in connection with Conference attendance.

SECTION 8
INSURANCE

8.1. INSURANCE REQUIREMENTS

Franchisee shall purchase and at all times maintain in full force and effect during the Initial Term (and tail insurance for periods after the Initial Term), insurance policies, in such amounts and on such terms as prescribed in the Operations Manual. All insurance policies shall name Franchisor, its affiliates and such other parties as Franchisor may designate as additional insureds. Coverage for the additional insureds shall not be limited to claims of vicarious liability. In addition, the Franchisee's insurers shall endorse or otherwise amend the policies such that their policies are primary and non-contributory; waive any right of subrogation as respects the additional insureds and provide the additional insureds with 30 days' advance written notice of cancellation or other material change in coverage. Franchisee shall provide Franchisor with original or duplicate copies of all insurance policies, including endorsements, or other proof of insurance acceptable to Franchisor evidencing coverage required by this Section 8.1, together with proof of payment within 10 days of issuance thereof. Franchisee shall also furnish Franchisor with all proof of insurance coverage required by this Section 8.1, including endorsements, within 10 days after any of the following events: all policy renewals, but not less often than annually, and all instances of any change to, addition to, or replacement of any insurance. The policies and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All proof of insurance is subject to approval by Franchisor. Franchisor reserves the right to require complete, certified copies of all required insurance policies at any time. Franchisee acknowledges that Franchisor does not represent or warrant that any insurance that Franchisee is required to purchase will provide adequate coverage or protection for Franchisee. Franchisee should consult with its own insurance agents, brokers, attorneys and other insurance professionals to determine the level of insurance protection it needs and desires, in addition to the coverage and limits required by Franchisor. Franchisor reserves the right to modify minimum insurance requirements at any time in its sole discretion by updating the Operations Manual.

8.2 MINIMUM POLICY REQUIREMENTS

Franchisee must carry: (a) reasonable comprehensive public liability and property damage insurance, including personal and bodily injury liability, contractual liability, employers' liability, and owners' and contractors' protective insurance coverage with respect to the activities conducted by Franchisee and any employee, agent or other person performing work on behalf of Franchisee with respect to the Franchised Business, with a policy limit of not less than $2,000,000 general liability coverage (including personal injury) or such greater amount as may be specified in writing by Franchisor from time to time and not less than $1,000,000 per occurrence for personal and bodily injury liability and not less than $100,000 per occurrence for damage to rental premises or such greater amount as may be specified in writing by Franchisor from time to time, and not less than $5,000 medical coverage for any one person or such greater amount as may be specified in writing by Franchisor from time to time; (b) reasonable products liability/completed operations insurance with a policy limit of not less than $2,000,000; and (c) reasonable business interruption insurance in respect of the Franchised Business with a policy limit not less than that which may be prescribed by Franchisor from time to time. If mobile services are provided, Franchisee must obtain Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than $1,000,000. Franchisee must carry workers' compensation as required by local law.

8.3. FAILURE TO OBTAIN INSURANCE

In the event Franchisee fails to obtain the required insurance and to keep the same in full force and effect, Franchisor may, but shall not be obligated to, purchase insurance on Franchisee's behalf from an insurance carrier of Franchisor's choice, and Franchisee must reimburse Franchisor for the cost of the insurance plus 10% plus interest for any amounts Franchisor pays on behalf of Franchisee due to Franchisee's failure to meet the insurance obligations. This remedy is cumulative to all other remedies including default of this Agreement. Notwithstanding the foregoing, failure of Franchisee to obtain insurance constitutes a material breach of this Agreement entitling Franchisor to terminate this Agreement or exercise any or a combination of the other default remedies. Franchisee's insurance procurement obligations under this Section 8.3 are separate and independent of Franchisee's indemnity obligations.

SECTION 9
MARKETING

9.1. BRAND MARKETING FUND CONTRIBUTION

Franchisor has developed a marketing and brand development fund (the "**Brand Marketing Fund**") to be utilized nationally, regionally and/or locally in Franchisor's discretion. Franchisee shall pay a mandatory and continuing fee to the Brand Marketing Fund in the amount of 1% of Gross Sales (the "**Brand Marketing Fund Contribution**"). The Brand Marketing Fund Contributions are collected at the same time as Royalty Fees. Franchisor reserves the right to increase the Brand Marketing Fund Contribution up to 2% upon 30 days' notice to Franchisee. Franchisor shall have the sole discretion over the strategic direction, creative concepts, materials, and endorsements used by the Brand Marketing Fund, and the geographic market, and media placement and allocation of the Brand Marketing Fund. Franchisee agrees that the purpose of the advertising, media, marketing and activities financed by the Brand Marketing Fund is and shall be for the general enhancement of the System and general brand recognition and awareness.

9.2. BRAND MARKETING FUND USAGE

Franchisor will use Brand Marketing Fund Contributions for producing, maintaining, administering and directing consumer advertising on a national and/or regional level as Franchisor deems necessary or appropriate, in Franchisor's sole discretion. The Brand Marketing Fund may be used to pay various costs and expenses related to the administration, activities and/or the brand awareness goals of Franchisor including expenses incurred by Franchisor for advertising, marketing, product and service testing, product and service development, maintenance, evaluation and monitoring of the Management Systems, upgrades to the System Website, development of the Social and Digital Media and creative development that is internally administered or prepared by Franchisor and other marketing activities made by Franchisor. Franchisor may spend in a fiscal year an amount greater or less than the aggregate contributions of all Laundry Spot laundromats to the Brand Marketing Fund in that year. Franchisor may use multiple sources for advertising including in-house and regional or national agencies. Franchisor will maintain Franchisee's contributions separately for audit purposes. Franchisor will not use Brand Marketing Fund Contributions for any of its general operating expenses, except for reasonable administrative costs and overhead related to the administration of the Brand Marketing Fund. Franchisor will not use Brand Marketing Fund Contributions for the direct solicitation of franchise sales; however, Franchisor may include a statement regarding the availability of information about the purchase of Laundry Spot franchises in advertising and other items produced or distributed using the Brand Marketing Fund. Franchisor will attempt to use all contributions in the fiscal year they are made; however, if less than all monies in the Brand Marketing Fund are spent in

the fiscal year in which they accrue, the money will remain in the Brand Marketing Fund to be spent in subsequent years. Franchisor will use any interest or other earnings of the Brand Marketing Fund before Franchisor uses current contributions. Franchisor intends for the Brand Marketing Fund to be perpetual, but Franchisor has the right to terminate it if necessary. Franchisor will not terminate the Brand Marketing Fund until all contributions and earnings have been used for advertising and promotional purposes, or Franchisor has returned Franchisee's *pro rata* share.

9.3. BRAND MARKETING FUND GENERALLY

The Brand Marketing Fund is not audited. The Brand Marketing Fund is not a trust, and Franchisor assumes no fiduciary duty in administering it. All interest earned on monies contributed to the Brand Marketing Fund will be used to pay costs of the Brand Marketing Fund before other assets of the Brand Marketing Fund are spent. Except for the salaries of marketing personnel employed by Franchisor, Franchisor does not receive compensation for administering the Brand Marketing Fund. The Brand Marketing Fund is not and will not be Franchisor's asset. If amounts are unspent in the Brand Marketing Fund at fiscal year-end, those amounts are carried over by the Brand Marketing Fund for expenditure in the following year.

9.4. FRANCHISEE PARTICIPATION IN MARKETING AND ACKNOWLEDGMENT

Franchisee agrees to participate in all advertising, marketing, promotions, research and public relations programs instituted by the Brand Marketing Fund. All interest earned on monies contributed to the Brand Marketing Fund will be used to pay costs of the Brand Marketing Fund before other assets of the Brand Marketing Fund are spent. Except as expressly provided in Section 9, Franchisor assumes no direct or indirect liability, responsibility, or obligation to Franchisee with respect to the maintenance, direction, and/or administration of the Brand Marketing Fund. Franchisee agrees and acknowledges that Franchisee's failure to derive any direct benefit from paying Brand Marketing Fund Contributions will not serve as a basis for a reduction or elimination of its obligation to contribute to the Brand Marketing Fund.

9.5. ADVERTISING COUNCIL

Franchisor may, in its Reasonable Business Judgment, establish a council to provide guidance respecting the administration of the Brand Marketing Fund and marketing matters concerning the Brand Marketing Fund. The council shall only serve in an advisory capacity, and Franchisor shall select members of the council which may be comprised of the Franchisor's or its officers, directors and/or employees as well as franchisees of the System and third parties.

9.6. LOCAL MARKETING

Franchisor recommends that Franchisee spend $1,000 per month on local marketing activity. Local marketing expenditures are not included in the Brand Marketing Fund Contribution and will be Franchisee's sole cost and expense. Franchisor may elect to make the local marketing expenditures required for Franchisees to spend upon 30 days' notice.

9.7. FRANCHISOR APPROVAL OF LOCAL MARKETING

All local marketing, advertising, and promotional activities by Franchisee must be pre-approved in writing by Franchisor. Franchisor reserves the right to direct, override, or require Franchisee's participation in any local, regional, or national marketing campaigns. Franchisee must participate in all required marketing initiatives and allocate the minimum amounts specified by Franchisor for such activities. Franchisee must submit to Franchisor samples of all proposed plans and materials unless, within the previous six months, Franchisor prepared or already approved the plans or materials. If

Franchisee emails Franchisor with a request for approval, along with all needed information, Franchisor will ordinarily provide Franchisee with a response to the proposed plans or materials within 10 business days; but if Franchisor does not give its approval within 15 business days, Franchisor will have been deemed to have reasonably disapproved of the plans or materials. All copyrights in and to marketing, advertising and promotional materials Franchisee develops will become Franchisor's sole property. Franchisee must sign the documents and, if necessary, require Franchisee's third-party marketing agency or marketing contractors to sign the documents, that Franchisor deems reasonably necessary to implement this provision.

9.8. REQUIRED FRANCHISOR APPROVAL OF ALL MARKETING

All marketing and promotion of the Franchised Business and all marketing media, campaigns, marketing channels, and efforts used by Franchisee must conform to Franchisor's standards and specifications as set forth in the Operations Manual or as may be otherwise directed by Franchisor in writing from time to time.

9.9. POLITICAL CONTRIBUTIONS

Franchisee acknowledges and agrees that certain associations between the Franchised Business, the Marks and the System, on the one hand, and certain political, religious, cultural or other types of groups, organizations, causes, or activities, on the other, however well-intentioned and/or legal, may create an unwelcome, unfair, or unpopular association with, or an adverse effect on, Franchisor's reputation and the goodwill associated with the Marks. Accordingly, Franchisee agrees that it will not, without Franchisor's prior written consent, take any actions that are, or which may be perceived by the public to be, taken in the name of, in connection or association with the Franchised Business, the Marks, and the System involving the donation of any money, products, services, goods, or other items to, any charitable, political or religious organization, group, or activity.

9.10. SOCIAL AND DIGITAL MEDIA AND PUBLISHED CONTENT

Franchisee's use of Social and Digital Media shall be subject to and require Franchisor's express written consent which shall and may be withheld by Franchisor. Posts to Social and Digital Media must be approved by Franchisor prior to publication. Any and all interest and right in or to the Social and Digital Media and/or Published Content shall, at all times, be and is the exclusive property of Franchisor both during the Term of this Agreement, and upon the expiration or termination of this Agreement. Franchisee agrees that the System Website and all improvements and modifications made to the System Website, Social and Digital Media, and Published Content are and shall be the exclusive property of Franchisor. Franchisor reserves all rights to the marketing, sale and distribution of Approved Products and Services through Social and Digital Media. If Franchisor approves Franchisee's right to utilize Social and Digital Media, Franchisee agrees that all Social and Digital Media accounts associated with and/or relating to the Franchised Business shall be jointly administered and, upon demand of Franchisor, be transferred to Franchisor before or after termination of this Agreement.

9.11. SYSTEM WEBSITE

During the Term of this Agreement and subject to Franchisee's compliance with the terms and conditions of this Agreement, the System Website shall include information related to the Franchised Business as shall be determined and designated by Franchisor in its Reasonable Judgment.

9.12. TELEPHONE RESTRICTIONS

Franchisor has the right to require Franchisee to use one or more designated telephone vendors. Franchisor may designate, and own, the telephone numbers for the Franchised Business. Franchisee shall execute and deliver to Franchisor the Assignment of Telephone Numbers and Social and Digital Media Accounts attached to this Agreement as Schedule 8. Upon Franchisor's request, Franchisee shall execute, update, and/or re-execute the Assignment of Telephone Numbers and Social and Digital Media agreement including after termination or expiration of this Agreement. As between Franchisor and all third parties, Franchisee represents and acknowledges that such third party is authorized to rely on the Assignment of Telephone Numbers and Social and Digital Media agreement, irrespective of any dispute and/or controversy between Franchisee and Franchisor.

9.13. ADVERTISING COOPERATIVE

Franchisor possesses the right to authorize, establish, designate and de-authorize a local or regional advertising cooperative within those markets that Franchisor designates (the "**Advertising Cooperative**"). Franchisee acknowledges that Franchisor possesses the sole and exclusive right to designate any geographic area in which two or more franchisees are located as a region for the purpose of establishing an Advertising Cooperative.

9.14. PROMOTIONS, PRIZE CONTESTS AND SPECIAL OFFERS

Franchisee shall fully participate in all such promotional campaigns, prize contests, special offers, and other programs, national, regional, or local in nature which are prescribed from time to time by Franchisor. Franchisee shall be responsible for the costs of such participation. In addition, Franchisee shall honor any coupons, gift certificates or other authorized promotional offers of Franchisor at Franchisee's sole cost unless otherwise specified in writing by Franchisor. The cost for such participation will be applied to Franchisee's local advertising requirements.

9.15. GRAND OPENING MARKETING REQUIREMENTS

Franchisee must spend at least $10,000 but no more than $20,000 on the grand opening marketing program (the "**Grand Opening Marketing Program**") which commences approximately 30 days before opening the Franchised Business. The purpose of the Grand Opening Marketing Program is to generate initial awareness, customer traffic and sales consistent with Franchisor's brand positioning and standards. Franchisor shall provide Franchisee with guidelines for the Grand Opening Marketing Program which may include recommended vendors, media channels, digital advertising, promotional offers and local community engagement efforts. Franchisee shall submit a proposed Grand Opening Marketing Program plan and budget for Franchisor's review no later than 60 days prior to the scheduled opening date. Franchisee shall diligently implement the program in accordance with the approved plan and cooperate with Franchisor to monitor its effectiveness. Franchisee shall provide Franchisor with documentation substantiating the actual amounts spent on the Grand Opening Marketing Program including invoices, receipts and media placement confirmations, within 30 days following the completion of the program. If Franchisee fails to spend the required minimum, Franchisor may require franchisee to allocate the shortfall to additional marketing efforts as designated by Franchisor or pay the shortfall into the Brand Marketing Fund.

SECTION 10
RELATIONSHIP OF THE PARTIES AND INDEMNIFICATION

10.1. RELATIONSHIP BETWEEN FRANCHISOR AND FRANCHISEE

Franchisee acknowledges that it is an independent contractor and is not an agent, partner, joint venturer or employee of Franchisor, and no training or supervision given by, or assistance from, Franchisor shall be deemed to negate such independence. Neither party is liable or responsible for the other's debts or obligations, nor shall either party be obligated for any damages to any person or property directly or indirectly arising out of the operation of the other party's business authorized by or conducted pursuant to this Agreement. Franchisor and Franchisee agree that no partnership, fiduciary relationship, joint venture or employment relationship exists between them. Franchisee shall conspicuously identify itself in all dealings with the public as a sole operator that is an entity separate from Franchisor and state that Franchisor has no liability for the Franchised Business being conducted from the Approved Location in and from the Designated Territory. It is expressly agreed that the parties intend by this Agreement to establish between Franchisor and Franchisee the relationship of franchisor and franchisee. It is further agreed that Franchisee has no authority to create or assume in Franchisor's name or on behalf of Franchisor, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of Franchisor for any purpose whatsoever. Franchisee agrees that it will not hold itself out as the agent, employee, partner or co-venturer of Franchisor. All employees hired by or working for Franchisee shall be the employees of Franchisee and shall not, for any purpose, be deemed employees of Franchisor or subject to Franchisor's supervision or control. Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof.

10.2. NO JOINT EMPLOYER

Franchisee is, and shall remain, the sole and exclusive employer of all employees of the Franchised Business. Franchisor is not a joint employer with Franchisee, and nothing contained in this Agreement shall be interpreted as creating a joint employer relationship. Franchisee possesses the sole right to locate, interview, hire, schedule, supervise, compensate and discipline Franchisee's employees. Franchisee is responsible for all decisions regarding hiring, firing, training, supervising, disciplining, scheduling, paying wages to, and withholding and paying taxes for all employees. Franchisee, each Owner, and Franchisee's officers, directors, manager, agents, representatives, independent contractors and employees are not employees, representatives, or agents of Franchisor and shall never represent themselves as employees, representatives, or agents of Franchisor. Franchisee's compliance with all federal, state and local labor laws rules and regulations shall be exclusively determined and managed by Franchisee. Franchisee will implement a training program for employees and will maintain at all times a staff of trained employees sufficient to operate the Franchised Business in compliance with Franchisor's mandatory standards. Franchisor may require that Franchisee use a payroll and human resources services through an Approved Supplier. To the extent that the Operations Manual and/or any other communications from Franchisor includes information, specifications, procedures, criteria and/or requirements as to employees of the Franchised Business, such requirements shall be interpreted, exclusively, for the purpose of maintaining brand standards associated with the System, to protect the good will associated with the System, and to ensure System uniformity requirements and standards concerning the Approved Products and Services, and under no circumstance shall same relate to the employer-employee relationship. As to the foregoing issue of joint employer and the non-existence thereof, in the event of any inconsistency or conflict between this Agreement and the Operations Manual, the terms of this Agreement shall take precedence and govern. Neither party

hereto shall make any agreements, representations or warranties (except by Franchisor in advertising as provided herein) in the name of, or an behalf of, the other party; neither party hereto shall be obligated by, nor have any liability for, any agreements, representations or warranties made by the other (except by Franchisor in advertising as provided herein) nor shall Franchisor be liable for any damages to any person or property, directly or indirectly, arising out of the operation of Franchisee's Franchised Business, whether caused by Franchisee's negligent or willful action or failure to act. Franchisor shall have no liability for Franchisee's obligations to pay any third parties, including without limitation, Franchisee's employees, any product vendors, or any value added, sales, use, service, occupation, excise, Gross Sales, income, property or other tax levied upon Franchisee, Franchisee's property, the Franchised Business or upon Franchisor in connection with the sales made or business conducted by Franchisee (except any taxes Franchisor is required by law to collect from Franchisee with respect to purchases from Franchisor).

10.3. INDEMNIFICATION BY FRANCHISEE

Franchisee and each Owner shall indemnify, defend through counsel acceptable to Franchisor, and hold Franchisor, Franchisor's affiliates, and their respective officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, employees, assigns and successors (the "**Franchisor Indemnified Parties**") harmless from all losses, expenses, claims, causes of action, lawsuits, liabilities, taxes, costs, demands, proceedings, investigation, hearing, and/or damages arising out of, or relating to, the Franchised Business (including, without limitation, the ownership and operation of the Franchised Business, employment-related claims, health and safety violations, data breaches, and claims arising from third-party delivery services), and Franchisee shall pay all of the Franchisor Indemnified Parties' reasonable costs, fees and expenses of defending any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing brought against any of the Franchisor Indemnified Parties or any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing in which any of the Franchisor Indemnified Parties is named as a party, including, without limitation, reasonable accountant fees, attorney fees, and expert witness fees, court costs, deposition fees, travel expenses and other litigation expenses. At the expense and risk of Franchisee and each Owner, Franchisor may elect to assume (but is not obligated to undertake) the defense and/or settlement of any action, lawsuit, proceeding, claim, or demand. Such an election by Franchisor to assume its defense shall not diminish the obligation of Franchisee and each Owner to indemnify, defend and hold harmless Franchisor. Under no circumstances are the Franchisor Indemnified Parties required or obligated to seek recovery from third parties or otherwise mitigate their respective losses in order to maintain a claim against Franchisee or any Owner. Franchisee and each of the Owners agree that Franchisor's failure to pursue recovery or mitigate loss in no way reduces the amounts recoverable from Franchisee or any Owner. Franchisor and Franchisee agree that the terms of this Section 10.3 shall survive the termination, expiration or transfer of this Agreement.

SECTION 11
MARKS, SYSTEM, AND INNOVATIONS

11.1. OWNERSHIP AND GOODWILL

Franchisee agrees that Franchisor is the owner of all right, title and interest in and to the Marks, the System, Published Content and the goodwill associated with the Marks, the System and the Published Content. Franchisee shall comply with all obligations and restrictions of use set forth in Section 3.8. Franchisee's right to use the Marks and the System is derived solely from this Agreement. Franchisee acknowledges that the Marks designate the origin or sponsorship of the System, the Franchised

Business, and the Approved Products and Services, and that Franchisor desires to protect the goodwill of the Marks and to preserve and enhance the value of the Marks. Franchisee will never dispute, contest, or challenge, directly or indirectly, the validity or enforceability of the Marks or the ownership of the Marks, nor counsel, procure, or assist anyone else to do the same, nor will it take any action that is inconsistent with the ownership of the Marks by Franchisor, nor will Franchisee represent that it has any right, title, or interest in the Marks other than those expressly granted by this Agreement. Franchisor or its affiliate may decide, in its sole and absolute discretion, to apply to register or to register any trademarks or copyrights with respect to the Approved Products and Services. Failure of Franchisor or its affiliate to obtain or maintain in effect any such application or registration is not a breach of this Agreement. Franchisee will not, before or after termination or expiration of the Agreement, register or apply to register any of the Marks or any trademark, service mark or logo confusingly similar thereto anywhere in the world. All usage of the Marks by Franchisee and any goodwill established by Franchisee's use of the Marks shall inure to the exclusive benefit of Franchisor. This Agreement does not confer any goodwill or other interests in the Marks to Franchisee upon expiration or termination of the Agreement.

11.2. NOTIFICATION OF INFRINGEMENT AND CLAIMS

Franchisee shall notify Franchisor within three days after receiving notice of any claim, demand or cause of action based upon or arising from any attempt by any other person, firm or corporation to use the Marks or any colorable imitation thereof. Upon receipt of timely notice of an action, claim or demand against Franchisee relating to the Marks, Franchisor and its affiliates shall have the sole right, but not the duty, to defend any such action unless the claim of infringement is based on the Franchisee's authorized and valid use of the Marks. Franchisor and its affiliates shall have the exclusive right to contest or bring action against any third party regarding the third party's use of any of the Marks and shall exercise such right in the sole discretion of Franchisor. Franchisor and its affiliates shall control all actions but not be obligated to take any action. In any defense or prosecution of any litigation relating to the Marks or components of the System undertaken by Franchisor, Franchisee shall cooperate with Franchisor, execute any and all documents, and take all actions as may be desirable or necessary in the opinion of Franchisor's counsel, to carry out such defense or prosecution.

11.3. DISCONTINUANCE OF USE OF MARKS

If, in Franchisor's reasonable discretion, the use of Marks in connection with the products offered by the Franchised Business will infringe or potentially infringe upon the rights of any third party, weakens or impairs the rights of Franchisor or its Affiliates in the Marks, or it otherwise becomes advisable at any time in the sole discretion of Franchisor or its affiliates for Franchisor to modify or discontinue use of the Marks, then upon notice from Franchisor, Franchisee will immediately terminate or modify such use in the manner prescribed by Franchisor. Franchisor may require Franchisee to use one or more additional or substitute trade names, trademarks, service marks or other commercial symbols or copyrighted materials. Franchisor shall reimburse Franchisee for the tangible cost of compliance with this requirement (such as the cost of printing new letterhead and business cards), but Franchisee will have no rights of damages, offset, or right to terminate this Agreement as a result thereof, and Franchisor and its affiliates shall have no liability or obligation whatsoever with respect to Franchisee's modification or discontinuance of any Marks.

11.4. INDEMNIFICATION OF FRANCHISEE

If Franchisee is sued in a legal proceeding or is threatened with legal action and/or a notice of infringement by a third party where the claims and/or causes of action directly relate to a third party claiming trademark infringement, unfair competition, and/or trademark dilution as a result of

Franchisee's authorized use of the Marks in accordance with the terms of this Agreement and the System (the "**IP Claim**"), then Franchisor shall indemnify Franchisee for the reasonable and direct costs incurred by Franchisee and/or a judgment entered against Franchisee, provided that Franchisee immediately notifies Franchisor of the IP Claim by a written notice sent to Franchisor via email and priority overnight courier; Franchisee provided and afforded Franchisor the absolute opportunity and right to defend against the IP Claim and to select and appoint legal counsel of Franchisor's choosing; and Franchisee utilized the Marks in accordance with the terms of this Agreement and the System. Franchisee agrees that time is of the essence with respect to notifying Franchisor of the IP Claim.

11.5. OWNERSHIP OF INNOVATIONS, IMPROVEMENTS AND INFORMATION

In connection with the development, establishment, marketing, promotion and operation of the Franchised Business, Franchisee shall disclose to Franchisor all of Franchisee's ideas, concepts, methods, and products conceived or developed by Franchisee, any Owner, and/or Franchisee's affiliates, officers, directors, shareholders, partners, agents, members, representatives, independent contractors, servants and employees relating to the development and operation of Laundry Spot laundromats and the System. Franchisee herein assigns to Franchisor as a work-made-for-hire, and Franchisee agrees to procure an assignment of any such ideas, concepts, methods, and products that Franchisee is required to disclose to Franchisor under this Section 11.5. from each Owner and Franchisee's affiliates, officers, directors, shareholders, partners, agents, members, representatives, independent contractors, servants and employees. Franchisor shall have no obligation to tender any lump sum payment, on-going payments, or any other consideration to Franchisee, any Owner, each Owner and Franchisee's affiliates, officers, directors, shareholders, partners, agents, members, representatives, independent contractors, and employees with respect to any such idea, concept, method, technique or product. Franchisee agrees that Franchisee shall not use, or allow any other person or entity to use, any such concept, method, technique, or product without obtaining Franchisor's prior written approval.

SECTION 12
RECORDS AND REPORTS

12.1. MAINTENANCE AND PRESERVATION OF RECORDS

Franchisee shall maintain and preserve for at least six years from the dates of their preparation, full, complete and accurate books, records, and accounts from the Franchised Business. Such records shall be maintained and preserved in the form and manner by Franchisor in the Operations Manual or otherwise in writing.

12.2. REPORTING OBLIGATIONS

Franchisee shall report, transmit, confirm, and/or otherwise make available to Franchisor the Royalty and Activity Report. Additionally, within 30 days of the end of each calendar month, Franchisee shall submit to Franchisor monthly financial statements and other reports related to the operations of the Franchised Business including, but not limited to, income statement, statement of cash flows, balance sheet, and other operational reports. Within 60 days of the end of each calendar year, Franchisee shall submit to Franchisor annual financial statements and other reports related to the operations of the Franchised Business including, but not limited to, year-end income statement, statement of cash flows, balance sheet, and other operational reports designated by Franchisor. Franchisee shall provide to Franchisor annual federal, state and local tax returns as same are prepared and submitted to the applicable federal, state and local entities within 45 days of Franchisee or Franchisee's agent filing such returns with the applicable federal, state and local entities. Franchisee shall timely submit to Franchisor

all other forms, reports, records, information, and data as Franchisor may reasonably request in writing or as otherwise set forth in the Operations Manual. Franchisee represents that the financial statements, information, and reports submitted to and/or made available to Franchisor shall be and remain true and accurate.

12.3. BUSINESS RECORDS AND CUSTOMER INFORMATION

Franchisee acknowledges and agrees that Franchisor owns all business records and databases, whether in print, electronic or other form, related to the Franchised Business ("**Business Records**") that include, without limitation, Customer Information. Franchisee further acknowledges and agrees that, at all times during the term of this Agreement, Franchisor has the right to access and use the Business Records as Franchisor determines to be in the best interest of Franchisor or the System. Franchisee may not use the Business Records for any purpose whatsoever other than in the normal conduct of the Franchised Business, and may not sell, loan or give the Business Records to anyone without Franchisor's prior written permission. Upon termination or expiration of this Agreement, Franchisee must promptly deliver to Franchisor all Business Records in Franchisee's possession, including, without limitation, all Customer Information, without retaining any copies of the Business Records.

SECTION 13
INSPECTION AND AUDITS

13.1. FRANCHISOR'S RIGHT TO INSPECT

Franchisor and Franchisor's representatives will have the right during business hours to inspect the Approved Location. Franchisor and Franchisor's representatives will have the right to observe the manner in which Franchisee is selling and marketing its Approved Products and Services and conducting its operations of the Franchised Business ("**Quality Assurance Inspection**"). If it is determined that the Franchised Business is operating below Franchisor's standards, Franchisee will be notified in writing of all issues that fall below Franchisor's standards and may be required to pay a Non-Compliance Fee plus Franchisor's costs for the inspection and any related costs associated with the inspection. Franchisor and Franchisor's representatives will have the right to discuss with Franchisee all matters that may pertain to compliance with this Agreement and with Franchisor's standards, specifications, requirements, instructions and procedures set forth in the Operations Manual, and Franchisor may take photographs of Franchisee's completed work as it relates to the Franchised Business. Franchisor and Franchisor's representatives have the right to require that Franchisee demonstrate that the Franchised Business employees are properly trained in a manner sufficient to provide Approved Products and Services in compliance with Franchisor's then-current standards and procedures. Franchisee shall in all respects cooperate with Franchisor's rights under this Section 13.1. Franchisee herein consents to allow Franchisor to conduct mystery shopper inspections and unannounced inspections during normal business hours and shall pay a fee of $250 for costs if the mystery shop reveals issues that fall below Franchisor's standards.

13.2. FRANCHISOR'S RIGHT TO EXAMINE BOOKS AND RECORDS

Franchisor has the right at any time during business hours, and, without advance notice to Franchisee, to examine or audit, or cause to be examined or audited by a third party, the business records, cash control devices, POS system, electronic data, third-party delivery sales records, bookkeeping and accounting records, bank statements, sales and income tax records and returns, and other books, statements, and records of the Franchised Business and Franchisee. Franchisee shall maintain complete and accurate copies of all such books, statements, records and supporting documents on the premises of the Franchised Business. Franchisee must fully cooperate with Franchisor, Franchisor's

representatives, and third parties hired by Franchisor to conduct any such examination or audit. Franchisee shall pay to Franchisor any amounts underreported. In the event Franchisor's examination of Franchisee's records reveals that Franchisee underreported any figure to Franchisor by 2% or more, then Franchisee shall reimburse to Franchisor the amount underreported plus pay all of Franchisor's costs in connection with Franchisor's audit/examination.

SECTION 14
TRANSFER OF INTEREST

14.1. TRANSFER BY FRANCHISOR

Franchisor has an unrestricted and unequivocal right to transfer and/or assign any or all of its rights or obligations under this Agreement and the Ancillary Agreements, in whole or in part, in Franchisor's sole discretion. Nothing contained in this Agreement shall prevent, prohibit, restrict, hinder, enjoin or otherwise restrain Franchisor from selling, transferring, conveying, or assigning this Agreement and the Ancillary Agreements, and/or Franchisor's rights and obligations under this Agreement and the Ancillary Agreements, to any person, entity, Corporate Entity or other third party. Franchisee specifically acknowledges and agrees that Franchisor may sell its assets, the Marks or the System to any third party of Franchisor's choice; may offer its securities privately or publicly; may merge with or acquire other corporations or be acquired by another corporation; may undertake a refinancing, recapitalization, leverage buyout, or other economic or financial restructuring; or may terminate or cease to exist or dissolve, in any such case without Franchisee's consent and, provided the transferee expressly assumes and undertakes to perform Franchisor's obligations in all material respects, free of any responsibility or liability whatsoever to Franchisee after the transaction occurs. Franchisee expressly and specifically waives any claims, demands, or damages against Franchisor arising from or related to the transfer of the Marks, assets or the System from Franchisor to any other party.

14.2. FRANCHISEE'S RESTRICTED RIGHT TO TRANSFER

Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee. Accordingly, this Agreement, Franchisee's rights and interests hereunder, the property and assets owned and used by Franchisee in connection with the Franchised Business and any shares, stock, membership or interest in any corporation, limited liability company, or other entity having an interest in the Franchised Business, shall not be voluntarily or involuntarily, directly or indirectly sold, pledged, assigned, transferred, shared, subdivided, sub-franchised, encumbered or transferred in any way, in whole or in part, in any manner whatsoever without the prior written approval of Franchisor which may be withheld in Franchisor's discretion. Any unauthorized sale, assignment, transfer or other conveyance, by operation of law or otherwise, or any attempt to do so, shall be deemed void and grounds for termination of this Agreement by Franchisor.

14.3. CONDITIONS FOR APPROVAL OF TRANSFER

No Transfer shall be effective without Franchisor's prior written consent, which may be conditioned on Franchisee's full compliance with this Agreement, payment of all fees, completion of training by the transferee, Franchisor's right of first refusal, and completion of any required upgrades or remodels. Franchisor may require the transferee to execute the then-current form of Franchise Agreement and related documents. No transfer or assignment of this Agreement will be approved by Franchisor or be effective unless and until all the following conditions are satisfied:

(a) Franchisee must provide written notice to Franchisor of the proposed transfer of this Agreement and the obligations hereunder at least 30 days prior to the transfer;

(b) All of Franchisee's accrued monetary obligations and all other outstanding obligations to Franchisor and/or Franchisor's affiliates under this Agreement and the Ancillary Agreements must be satisfied in a timely manner, and Franchisee must satisfy all trade, supplier, and vendor accounts and other debts, of whatever nature or kind, in a timely manner;

(c) Franchisee and each Owner must be in full compliance with this Agreement and not be in material default or breach of this Agreement or the Ancillary Agreements;

(d) The transferee must meet Franchisor's then-current standards for accepting franchisees including having a high moral character, having sufficient business experience, and having sufficient financial resources to own and operate a Laundry Spot laundromat, all of which Franchisor shall determine in Franchisor's sole discretion;

(e) Franchisee must sign the then-current standard form franchise agreement offered to new franchisees of Laundry Spot laundromats which may differ materially from the terms in this Agreement;

(f) The transferee shall be bound by all terms and conditions of this Agreement, and each owner of the transferee shall personally execute the then-current form of the Owner's Guaranty attached to the then-current franchise agreement;

(g) All obligations of Franchisee under this Agreement and the Ancillary Agreements shall be assumed by the transferee, and each individual owner of transferee in a manner satisfactory to Franchisor;

(h) Franchisee and, if the Franchisee is a Corporate Entity, the Managing Owner and each other Owner must execute the general release releasing Franchisor, Franchisor's affiliates and Franchisor's past and present officers, directors, shareholders, members, partners, agents, representatives, independent contractors, servants and employees, of any and all claims including claims related to the Franchise Agreement and the parties' franchise relationship among all other claims;

(i) Franchisee must pay the transfer fee in the amount of $10,000 if to a third-party franchisee or $2,500 if Franchisee is transferring control to a new Managing Owner or if the transferee is an existing Laundry Spot franchisee;

(j) Transferee's employees, directors, officers, independent contractors, and agents who will have access to Confidential Information shall execute the then-current Nondisclosure, Non-Competition and Confidentiality Agreement;

(k) Franchisee shall provide Franchisor with a copy of the signed purchase agreement (which must contain a Franchisor approval contingency) for review; and

(l) At the transferee's expense, the transferee, and the transferee's Managing Owner, Operations Managers and/or any other applicable employees of transferee must successfully complete any training programs then in effect for Laundry Spot franchisees upon terms and conditions set forth in the then-current franchise agreement or as Franchisor otherwise reasonably requires.

14.4. BROKER FEES

Franchisee agrees and acknowledges that Franchisee shall be solely responsible for paying any broker fees and/or commissions involved with the sale or transfer of the Franchised Business if, at Franchisee's request, Franchisor engages such broker to assist with the sale or transfer of the Franchised Business.

14.5. DEATH OR DISABILITY OF FRANCHISEE OR AN OWNER

Upon the death or permanent disability of Franchisee or its Managing Owner, the executor, administrator, conservator or other personal representative of Franchisee, or, if the Franchise is a Corporate Entity with multiple Owners, the remaining Owners, must appoint a Managing Owner within a reasonable time, which shall not exceed 30 days from the date of death or permanent disability. The appointed Managing Owner (as applicable) must attend and successfully complete the initial training program within 60 days of the appointment. If the Franchised Business is not being managed by a Franchisor-approved Managing Owner or Operations Manager within 30 days after such death or permanent disability, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of the Franchised Business for, and on behalf of, Franchisee at Franchisee's sole costs until an approved Operations Manager is able to assume the management and operation of the Franchised Business. Franchisor's appointment of an Operations Manager for the Franchised Business does not relieve Franchisee of its obligations under this Agreement, including this Section 14.5, or constitute a waiver of Franchisor's right to terminate this Agreement pursuant to Section 16 below. At all times, including while the Franchised Business may be managed by Franchisor's appointed manager, Franchisor shall not be liable for any debts, losses, costs, or expenses incurred in the operations of the Franchised Business or to any creditor of Franchisee for any products, materials, supplies or services purchased by the Franchised Business. Franchisor has the right to charge a reasonable fee up to 10% of Gross Sales for such management services and may cease providing management services at any time. If Franchisee is an individual, then in the event of the death or permanent disability of Franchisee, this Agreement may be transferred to any designated person, heir or beneficiary without the payment of the transfer fee, but the transfer must take place within 120 days. The transfer of this Agreement to such transferee of Franchisee shall be subject to the applicable terms and conditions of Section 14, and the transfer shall not be valid or effective until Franchisor has received the properly executed legal documents, which Franchisor's attorneys deem necessary to document such transfer of this Agreement. Furthermore, the transferee must agree to be unconditionally bound by the terms and conditions of this Agreement, personally guarantee the performance of Franchisee's obligations under this Agreement and execute the Owner's Guaranty attached to this Agreement as Schedule 3.

14.6. TRANSFER TO WHOLLY OWNED CORPORATE ENTITY

If signing this Agreement as an individual, Franchisee may transfer this Agreement to a Corporate Entity wholly owned by the individual Franchisee(s) (the "**Assignee Corporate Entity**") on the condition that: Franchisee (individually, jointly and severally as to each individual Franchisee) sign and be bound by the Owner's Guaranty attached to this Agreement as Schedule 3; Franchisee has provided Franchisor with true and accurate copies of corporate formation documents related to the Assignee Corporate Entity and the ownership of the Assignee Corporate Entity and has further provided Franchisor with all additional documentation as Franchise may request concerning the proposed assignment and/or Assignee Corporate Entity to confirm that the Assignee Corporate Entity is wholly-owned by Franchisee(s); and Franchisee is otherwise in compliance with the terms and conditions of this Agreement and any Ancillary Agreements. If these conditions are not met, then Section 14.3 shall apply to the transfer. Franchisee shall not be required to pay a transfer fee for a transfer under this Section 14.6.

14.7. FRANCHISOR'S RIGHT OF FIRST REFUSAL

Upon Franchisee receiving a bona fide, signed written offer from the fully disclosed purchaser (the "**Offer**"), Franchisee must submit an exact copy of the Offer to Franchisor. Franchisor shall have 30 days after receiving the Offer to decide whether Franchisor will match the Offer; however, Franchisor

may substitute cash for any form of payment proposed in the Offer. If Franchisor notifies Franchisee that Franchisor intends to match the Offer within said 30-day period, Franchisee or Owner (as applicable) must sell the Franchised Business to Franchisor. Franchisor will have 60 days to prepare for closing. Franchisor shall be entitled to receive from Franchisee or Owner (as applicable) all customary representations and warranties given by Franchisee or Owner (as applicable) as the seller of the assets and/or the ownership interest or, at Franchisor's election, the representations and warranties contained in the offer. If Franchisor does not exercise its right of first refusal, Franchisee or Owner (as applicable) may complete the transfer to the purchaser pursuant to and in accordance with the terms of the Offer, provided that separate and apart from this Section 14.7, Franchisee complies with the terms of Section 14.3. If the sale to the purchaser is not completed within 60 days after delivery of the Offer to Franchisor, or there is a material change in the terms of the sale, Franchisee must present the new terms to the Franchisor, which will again have the right of first refusal specified in this Section 14.7. Franchisor's right of first refusal in this Section 14.7 shall not apply to any transfer pursuant to Section 14.6 of this Agreement.

SECTION 15
RENEWAL OF FRANCHISE

15.1. FRANCHISEE'S RIGHT TO RENEW

When the Initial Term expires, Franchisee shall have the option to extend its rights to operate the Franchised Business for one additional 10-year term (the "**Renewal Term**"), provided Franchisor determines in its sole and absolute discretion that Franchisee has met all of the requirement set forth in Section 15.2 of this Agreement.

15.2. CONDITIONS FOR RENEWAL

Franchisee's renewal rights provided for in Section 15.1 of this Agreement are subject to and contingent upon Franchisee's satisfaction, in Franchisor's sole and absolute discretion, of the following conditions and criteria:

(a) Franchisee shall provide not less than 180 days but not more than 365 days written notice to Franchisor prior to the expiration of the Initial Term (the "**Renewal Notice**") of Franchisee's election to renew;

(b) At the time of delivering the Renewal Notice, Franchisee and its Owners must be in compliance with the terms of this Agreement and all Ancillary Agreements, and not in any default of this Agreement or any Ancillary Agreements;

(c) Franchisee shall conduct an inspection of the laundromat equipment pursuant to Section 7.29 and, if necessary, replace equipment that does not meet Franchisor's current standards or that does not pass inspection;

(d) Franchisee shall pay the renewal fee of $5,000;

(e) Franchisee agrees to, sign and deliver to Franchisor the then-current form of franchise agreement (the "**Renewal Franchise Agreement**") that Franchisee acknowledges may contain terms, conditions, requirements, and rights that are materially and substantively different from those granted and contained in this Agreement;

(f) Franchisee and its Owners must, prior to the Renewal Term, undertake and complete, to Franchisor's satisfaction, such additional training, if any, as designated and determined by Franchisor in its Reasonable Business Judgment;

(g) Franchisee and its Owners must agree to, sign, and deliver Franchisor's then-current form of guaranty and general release discharging Franchisor, Franchisor's affiliates and

its officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, employees, successors and assigns from any and all claims, causes of action, and suits arising from and/or related to this Agreement, the franchise relationship, and any other agreements signed between Franchisee and Franchisor and its affiliates. If local law precludes Franchisee's issuance of a general release, Franchisor, at Franchisor's election, may condition renewal on Franchisee and each Owner's delivery to Franchisor of an estoppel letter advising and informing Franchisor that the undersigned possesses no legal claim or cause of action against Franchisor and is not aware of any facts of circumstances involving any breach of this Agreement by Franchisor or Franchisor's agents or employees;

(h) Franchisee has provided Franchisor with proof of current licenses, insurance and any necessary permits;

(i) Franchisee has met any other conditions that Franchisor reasonably requires; and

(j) Franchisee has upgraded the computer system, décor, furniture, fixtures, equipment, trade dress, Marks, logos, and any other part of the System used in the operation of the Franchised Business to Franchisor's then-current standards.

15.3. FAILURE TO COMPLY WITH RENEWAL TERM

Failure by Franchisee, and, as applicable, each Owner to timely comply with the foregoing conditions shall be deemed an election by Franchisee not to renew the franchise.

SECTION 16
DEFAULTS, TERMINATION AND REMEDIES

16.1. AUTOMATIC DEFAULT AND TERMINATION

Franchisee shall be in default of this Agreement, and, this Agreement shall be automatically and immediately terminated, without notice to Franchisee and without providing Franchisee with any opportunity to cure, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances:

(a) Franchisee becomes insolvent, and/or Franchisee makes a general assignment for the benefit of creditors or takes any other similar action for the protection or benefit of creditors;

(b) Franchisee is unable to pay its debts as they mature, and/or Franchisee gives notice to any governmental body or agency of insolvency, pending insolvency, suspension of operations and/or pending suspension of operations;

(c) Franchisee files a voluntary petition in bankruptcy, Franchisee is adjudicated bankrupt or insolvent, and/or Franchisee files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or other similar relief under any applicable federal and/or state law relative to bankruptcy, insolvency or similar relief for debtors;

(d) An involuntary petition in bankruptcy is filed against Franchisee and Franchisee fails to have the involuntary petition discharged within 35 days of the petition filing, and/or Franchisee seeks, consents to, or acquiesces in, the appointment of any trustee, receiver, conservator, custodian or liquidator for Franchisee's business or any assets of Franchisee;

(e) A bill in equity or other proceeding for the appointment of any trustee, receiver, conservator, custodian or liquidator of Franchisee for Franchisee's business or any of

its assets is filed and Franchisee consents to same;

(f) A court of competent jurisdiction appoints or orders any trustee, receiver, conservator, custodian or liquidator for the Franchised Business or any of Franchisee's assets and such appointment or order remains for an aggregate of 60 days, whether or not consecutive, from the date of entry thereof;

(g) Franchisee initiates proceedings for a composition with creditors under any state or federal law or such a proceeding is initiated against Franchisee;

(h) This Agreement, or any of Franchisee's rights under this Agreement, is levied upon under any attachment or execution, and/or execution is levied upon or against the Franchised Business or any assets of Franchisee, and/or a final judgment against Franchisee remains of record or unsatisfied for 30 days or more, unless an appeal and/or bond is filed;

(i) Franchisee's Corporate Entity is dissolved;

(j) A cause of action or lawsuit to foreclose any lien or mortgage against the Approved Location;

(k) A cause of action or lawsuit to foreclose any lien against equipment used in the operation of the Franchised Business is instituted against Franchisee and not dismissed within 60 days after the summons is served on Franchisee; and/or

(l) Real or personal property of Franchisee used in the operation of the Franchised Business is sold after levy thereupon by any sheriff, marshal or other law enforcement officer.

(m) Franchisee loses possession of the leased premises at the Approved Location through non-compliance with the Franchisee lease (including non-payment of rent) and subsequent notice of termination of lease.

16.2. TERMINATION UPON NOTICE

Franchisee shall be in default of this Agreement, and, this Agreement may be terminated by Franchisor, in Franchisor's sole discretion, upon written notice from Franchisor to Franchisee and without providing Franchisee any opportunity to cure, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances, with such termination effective on the date of Franchisor's notice:

(a) Franchisee, on three instances and/or occasions, engages, commits, and/or suffers an action, inaction, omission, event, and/or circumstance that constitutes or qualifies as a default under this Agreement, irrespective of whether or not such action, inaction, omission, event, and/or circumstance is the subject of a notice of default from Franchisor to Franchisee and irrespective of whether or not such default was timely cured and irrespective of whether or not Franchisee paid any penalties or additional fees to Franchisor;

(b) Franchisee, intentionally and knowingly, refuses to comply with and/or breaches any term, condition, provision, and/or requirement of this Agreement with the intent of causing harm to Franchisor, the System, the goodwill of the System, other System franchisees and/or customers of the Franchised Business;

(c) Franchisee intentionally, knowingly, with prior notice, and/or through negligence, at any time, develops, manages, maintains, and/or operates the Franchised Business in violation of federal, state, and/or local laws, rules, regulations, ordinances, permits, codes and/or conduct resulting in a foreseeable, immediate and/or imminent threat to the safety of any third-party including customers, employees, and/or the public at

large;

(d) Franchisee abandons, surrenders and/or fails to continuously and actively operate the Franchised Business for more than three days and/or intentionally ceases to operate the Franchised Business during normal business hours and/or expresses to Franchisor that the business is being surrendered, abandoned or closed in the immediate future;

(e) Franchisee and/or its Owners intentionally misrepresent and/or omit material information in any submitted application and during the application process;

(f) The information, records, statements, and/or data maintained by Franchisee and/or reported by Franchisee contain intentional inaccuracies and/or material inaccuracies that are either misleading or false;

(g) Franchisee attempts to transfer or purportedly attempts to transfer, this Agreement or any of Franchisee's rights under this Agreement, without Franchisor's prior approval, written consent, and/or otherwise not in accordance with this Agreement or otherwise breaches the terms of Section 14 of this Agreement;

(h) Franchisee discloses, divulges, provides access to, communicates, and/or permits the communication of the contents, data and/or information contained in the Operations Manual or Confidential Information to any third party not otherwise authorized by Franchisor;

(i) Franchisee engages in any activity that injures, harms, damages, or otherwise has a material adverse effect on Franchisor, the System, the Marks, the Franchised Business, and/or the reputation of the Laundry Spot brand;

(j) Franchisee is in default of an Ancillary Agreement, and, if the applicable agreement provides for the opportunity to cure, fails to timely cure the breach or default of the Ancillary Agreement, including, without limitation, the Owner's Guaranty;

(k) Franchisee and/or an Owner of Franchisee is convicted of a felony crime, and/or pleads guilty or nolo contendere to a felony crime;

(l) Franchisee and/or an Owner engages in intentionally dishonest and/or unethical conduct that, in Franchisor's Reasonable Business Judgment, results in embarrassment to Franchisor, the System, the Marks, the Franchised Business, and/or the reputation of the Laundry Spot brand;

(m) Franchisee fails to complete, to Franchisor's reasonable satisfaction, the training program and/or additional, refresher or remedial training programs designated by Franchisor;

(n) Franchisee fails, upon receiving actual or constructive notice, to immediately notify Franchisor of any known breach of the Nondisclosure, Non-Competition and Confidentiality Agreement by any person or entity; immediately notify Franchisor of facts and information that would cause a reasonable person to believe that a person or entity violated the Nondisclosure, Non-Competition and Confidentiality Agreement and/or is in the process of violating the Nondisclosure, Non-Competition and Confidentiality Agreement; and take reasonable steps including notice to Franchisor and Franchisee's consultation with Franchisee's legal counsel, to prevent any person or entity from violating the terms of the Nondisclosure, Non-Competition and Confidentiality Agreement and/or otherwise publicly disseminating Confidential Information;

(o) Franchisee misappropriates, misuses, or makes any unauthorized use of the Marks, the Confidential Information, and/or the System and/or Franchisee materially impairs the goodwill associated with the Marks, and/or Franchisee applies for registration of the Marks anywhere in the world;

(p) Franchisee and/or an Owner fails to comply with Anti-Terrorism Laws or becomes listed on the Annex to Executive Order 13244;

(q) Franchisee submits on two or more occasions during the Initial Term a report, financial statement, tax return, schedule or other information or supporting record which understates its Gross Sales by 2% or more, unless Franchisee demonstrates that such understatement resulted from inadvertent error within five days of notice;

(r) Franchisee sells or offers for sale any unauthorized product or service, engages in any unauthorized business or practice under the Marks or under a name or mark which is confusingly similar to the Marks;

(s) Franchisee fails to obtain and maintain all required permits and licenses or loses any licenses necessary to operate the Franchised Business beyond any applicable cure period or operates the Franchised Business without the necessary licenses or permits for any period of time;

(t) There are five or more bad customer reviews (two-stars or less) online with respect to the Franchised Business in any 12-month period that are not addressed to the satisfaction of the customer or satisfaction of Franchisor;

(u) Franchisee fails to open the Franchised Business within 18 months of the Effective Date; or

(v) Franchisee receives a notice of default from its landlord and fails to cure same within five days.

16.3. DEFAULT WITH OPPORTUNITY TO CURE

Franchisee shall be in default of this Agreement and, this Agreement shall be terminated, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances, unless, Franchisee timely cures, to the satisfaction of Franchisor, such default/action, inaction, omission, event, and/or circumstance within 10 calendar days of Franchisor's written notice:

(a) Franchisee fails, refuses, and/or is unable to timely pay the Royalty Fee, Brand Marketing Fund Contribution, and/or any other payment, fee, financial obligation, charge, and/or monetary obligation payable and/or due to Franchisor pursuant to the terms of this Agreement, under this Agreement, and/or any other agreement between Franchisor and Franchisee;

(b) Franchisee and/or Franchisee's affiliate fails, refuses, and/or is unable to pay any payment, fee, financial obligation, charge, and/or monetary obligation payable to Franchisor and/or Franchisor's affiliates pursuant to this Agreement and/or any other agreement between or among Franchisor, Franchisor's affiliate, Franchisee and/or Franchisee's affiliate;

(c) Franchisee fails or refuses, at any time, and, without legal justification as may be determined by Franchisor in its Reasonable Business Judgment, to pay any third-party supplier or vendor for any goods, products, supplies, equipment, materials and/or any other items used by, benefiting, and/or intended to benefit the Franchised Business;

(d) Franchisee fails or refuses, at any time, to maintain the required insurance policies and insurance coverage required for the Franchised Business as set forth in this Agreement, and/or in the Operations Manual;

(e) Franchisee offers any unauthorized or unapproved products or services through the Franchised Business; or

(f) Franchisee orders or purchases supplies from an unapproved supplier without Franchisor's approval.

Franchisee shall be in default of this Agreement and this Agreement shall be terminated upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances unless Franchisee timely cures, to the satisfaction of Franchisor, such default/action, inaction, omission, event, and/or circumstance within 30 calendar days of Franchisor's written notice:

(g) Franchisee fails or refuses to comply with and/or breaches any term, condition, provision, and/or requirement of this Agreement that is not otherwise a default under Sections 16.1 or 16.2 of this Agreement;

(h) Franchisee fails or refuses to comply with and/or breaches any term, condition, provision, and/or requirement of any agreement, other than this Agreement, between Franchisor and Franchisee, and/or an affiliate and/or an Approved Supplier of Franchisor and Franchisee;

(i) Franchisee fails or refuses, at any time, to manage, maintain, and/or operate the Franchised Business in compliance with the terms of this Agreement, as designated or specified in the Operations Manual, which may be updated or modified from time to time, and/or in accordance with Franchisor's standards, specifications, and requirements as periodically communicated to Franchisee;

(j) Franchisee fails or refuses, at any time, to develop, manage, maintain, and/or operate the Franchised Business in compliance with all applicable federal, state, and local laws, rules, regulations, ordinances, permits, and codes that provide for a cure period of 30 days or more;

(k) At any time, an inspection and/or evaluation of the operations of the Franchised Business (whether by Franchisor or a third party inspection services, or as otherwise designated by Franchisor, and, whether or not such inspections are on notice or mystery shopper) Franchisor, in its Reasonable Business Judgment, determines that the operations of the Franchised Business do not meet or are in violation of the operational standards and requirements set forth in this Agreement, the Operations Manual, and/or as communicated to Franchisee from time to time;

(l) Franchisee fails to maintain a 4-star or better rating on Google My Business and any other similar online rating platform; or

(m) Franchisee fails or refuses to submit to Franchisor records, reports, stored media, recordings, financial statements, books, accounts, statements, data, documentation and/or other information as required by this Agreement, as set forth in the Operations Manual, and/or as requested by Franchisor.

16.4. FRANCHISOR'S RIGHTS, REMEDIES, AND DAMAGES

Upon termination by Franchisor before the end of the Initial Term and in addition to the obligations set forth in Section 17, Franchisor, in addition to any and all other rights and remedies available under this Agreement and at law and in equity, shall possess the rights and remedies set forth in this Section 16.4, each of which are not exclusive of the other and may be/are in conjunction with one another as follows:

(a) Franchisor shall have the right to hold Franchisee and its Owners liable for, and recover from each of them, jointly and severally, all payments, fees, monetary obligations, financial obligations, interest, and charges due and owing to Franchisor from Franchisee pursuant to this Agreement, the Ancillary Agreements, and/or any

other agreements between Franchisee and Franchisor, including, without limitation, Royalty Fees and Brand Marketing Fund Contributions with each and every payment and obligation to be accelerated and due immediately;

(b) Franchisor may hold Franchisee and its Owners liable for, and recover from each of them, jointly and severally, consequential or expectation damages including lost revenues, profits, and fees including, but not limited to, Royalty Fees, Brand Marketing Fund Contributions, and all other fees, revenues and/or expenses that would have been paid to Franchisor under the terms of this Agreement and throughout the Initial Term of this Agreement, had a breach not occurred and had Franchisor not terminated this Agreement;

(c) Franchisor may hold Franchisee and its Owners liable for, and recover from each of them, jointly and severally, a liquidated damages sum equal to the average Royalty Fees and Brand Marketing Fund Contributions paid by Franchisee per month over the 12-month period preceding the date of early termination (or, if the Franchised Business was not open throughout the entire 12-month period, then the average Royalty Fees and Brand Marketing Fund Contributions paid by Franchisee per month for the period in which the Franchised Business was open or, if the Franchised Business was never open, the average monthly Royalty Fees and Brand Marketing Fund Contributions earned by Franchisor from Laundry Spot franchisees System-wide), multiplied by 36 or the number of months remaining in the Term of this Agreement, whichever is less ("**Liquidated Damages**"); and

(d) During the 30-day period after the termination of the Franchise Agreement, Franchisor has the right to purchase any assets of the Franchised Business under Section 17.3.

16.5. TERMINATION BY FRANCHISEE

If Franchisee and each Owner are in full compliance with each and every term and provision of this Agreement, any amendment or successor agreement, and any of the Ancillary Agreements, and Franchisor materially breaches Franchisor's substantive and material obligations set forth in this Agreement, Franchisee must, within 30 days of any such occurrence, issue written notice to Franchisor giving the Franchisor 90 days to cure. Franchisee may terminate this Agreement in the event that Franchisor does not correct the material breach within 90 days after Franchisor's receipt of Franchisee's written notice of such material breach to Franchisor. In a case where Franchisor's material breach cannot reasonably be cured within 90 days, Franchisor shall be provided with a reasonable time period of greater than 90 days to cure such material breach provided that Franchisor provides reasonable evidence to Franchisee of Franchisor's current, continuing and/or planned efforts to correct the material breach within a reasonable time. In either case, Franchisee's termination of this Agreement shall not take effect until expiration of the 90-day period and/or such reasonable time period, whichever is greater, as necessary to cure the material breach. Franchisee's termination of this Agreement for any reason other than as set forth in this and in compliance with this Section 16.5 shall not constitute the termination of this Agreement and shall constitute a material breach of this Agreement by Franchisee. All post-termination covenants that survive termination shall apply upon termination under this Section 16.5. Franchisee agrees that it shall not withhold payment of any amount due to Franchisor whatsoever or set off amounts owed to Franchisor under this Agreement, which right of set off is hereby expressly waived by Franchisee.

SECTION 17
OBLIGATIONS UPON TERMINATION, EXPIRATION AND CONTINUING OBLIGATIONS

17.1. PAYMENT OF AMOUNTS OWED TO FRANCHISOR

Without limitation as to any other Section or provision of this Agreement, upon expiration or termination of this Agreement for any reason, Franchisee shall immediately pay to Franchisor all sums of money and fees due under the terms of this Agreement including but not limited to Royalty Fees and Brand Marketing Fund Contributions. If this Agreement is terminated prior to the Initial Term, Franchisee shall pay Liquidated Damages to Franchisor within 15 days of termination.

17.2. CEASE OPERATIONS AND PROTECTION OF THE SYSTEM

Upon expiration, termination, or transfer of this Agreement for any reason by Franchisor or Franchisee, Franchisee shall immediately:

(a) Cease to operate the Franchised Business that was the subject of this Agreement;

(b) Refrain from directly or indirectly, holding oneself/itself out to any person or entity, or represent themselves/itself as a present or former Laundry Spot franchisee;

(c) Cease to use, in any manner: the System including, without limitation, the Confidential Information, the Marks, the Management System, the Management Systems Data, and the Operations Manual; any methods, procedures, or techniques associated with the System in which Franchisor possesses proprietary rights or constitute Franchisor's trade secrets; the Approved Products and Services; and any other advertising, marketing, media, and any other information, documents or things associated with Franchisor, the System, the Marks, and the Franchised Business;

(d) Return to Franchisor the Operations Manual (including any and all parts, supplements, and copies of the Operations Manual), the Confidential Information (including without limitation the Management System Data and all customer lists and information), and all other confidential materials, equipment, software, information, and property owned by Franchisor and all copies thereof;

(e) Permanently cease accessing, immediately disconnect from, and discontinue using any and all Social and Digital Media, cloud-based systems, and/or servers that store, maintain, and/or provide access to the Operations Manual, Confidential Information, and all other standards and specifications of Franchisor;

(f) Notify Franchisor, in writing, of any and all locations where Franchisee may have maintained and/or stored digital files and/or media containing all or parts of the Operations Manual, any Confidential Information, and all other standards and specifications of Franchisor, immediately turn over such digital files and media to Franchisor, and follow Franchisor's instructions as to the destruction of such digital files and media;

(g) Take all actions necessary and/or reasonably required to cancel all fictitious or assumed names or equivalent registrations relating to the Marks;

(h) Transfer, disconnect, and/or otherwise assign, as directed by Franchisor, all telephone numbers, email addresses, yellow pages telephone directories, Internet listings, telephone directory type listings, accounts and log-in information used in connection with Franchisee's former Franchised Business and/or otherwise associated with the System and/or the Marks and effectuate, perform, honor, and comply with Franchisee's obligations under the Assignment of Telephone Numbers and Social and

Digital Media Accounts attached to this Agreement as Schedule 8;

(i) Pay all sums owed to Franchisor under the Franchise Agreement and all other agreements with Franchisor

(j) Cease representing itself as a Laundry Spot franchisee;

(k) If Franchisor passes on its right to purchase the assets of the Franchised Business under Section 17.3, completely de-identify and de-brand the commercial space associated with the Franchised Business;

(l) Abide by, and comply with, the restrictive covenants and obligations set forth in this Agreement, including, without limitation, the restrictive covenants and obligations set forth in Section 6 of this Agreement; and

(m) Provide Franchisor, within 30 days of the expiration, termination, or transfer of this Agreement, with written proof demonstrating that Franchisee has complied with the terms of this Section 17.2 and all other obligations under this Agreement that Franchisee must perform, abide by, and comply with, subsequent to the termination, expiration, or transfer of this Agreement.

17.3. PURCHASE OPTION UPON TERMINATION OR EXPIRATION

When this Agreement expires or is terminated, Franchisor will have the right (but not the obligation) to purchase any or all of the assets related to the Franchised Business. To exercise this option, Franchisor will notify Franchisee no later than 30 days after this Agreement expires or is terminated. The purchase price for all assets that Franchisor elects to purchase will be the lower of the book value of such assets as declared on Franchisee's last filed tax returns or the fair market value of the assets. If the parties cannot agree on the purchase price within 30 days after notice, the value will be determined by an independent appraiser reasonably acceptable to both parties. The parties will equally share the cost of the appraisal except if the value comes in at or below the written offer to Franchisee. In such a case, the Franchisee shall bear the costs of the appraisal. Franchisor's purchase will be of assets only (free and clear of all liens), and the purchase will not include any liabilities of Franchisee unless assumed by Franchisor. The purchase price for assets will not include any factor or increment for any trademark or other commercial symbol used in the business, the value of any intangible assets, or any goodwill or "going concern" value for the Franchised Business. Franchisor may withdraw its exercise of the purchase option at any time before it pays for the assets. Franchisee will sign a bill of sale for the purchased assets and any other transfer documents reasonably requested by Franchisor. If Franchisor exercises the purchase option, Franchisor may deduct from the purchase price all amounts due from Franchisee and amounts which Franchisor paid or will pay to third parties to satisfy indebtedness owed by Franchisee to third parties. If any of the assets are subject to a lien, Franchisor may pay a portion of the purchase price directly to the lienholder to pay off such lien. Franchisor may withhold 25% of the purchase price for 90 days to ensure that all of Franchisee's taxes and other liabilities are paid. Franchisor may assign this purchase option to another party including an affiliate or entity controlled by Franchisor.

17.4. CONTINUING OBLIGATIONS

All obligations under this Agreement that expressly, or by their nature, survive, or are intended to survive, the expiration, termination, or transfer of this Agreement shall continue in full force and effect subsequent to, and notwithstanding, this Agreement's termination, expiration, or transfer until such obligations are satisfied in full or, by their nature and/or terms, such obligation(s) expire.

SECTION 18
ENFORCEMENT AND CONSTRUCTION

18.1. SEVERABILITY AND MODIFICATION

Each term and provision of this Agreement shall be interpreted or otherwise construed to be independent of each other and severable. Although each term and provision of this Agreement is considered by the parties to be reasonable and intended to be enforceable, if any term or provision of this Agreement is found by a court of competent jurisdiction, agency, or other government agency to be unenforceable as written or otherwise, then such term and condition shall be modified, rewritten, interpreted, or "blue-lined" to include as much of its nature and scope as will render it enforceable. If such term and condition cannot be so modified in any respect, then the remainder of this Agreement shall be interpreted, construed and enforced as if such term and condition was not included in this Agreement. If any applicable and binding law or rule requires a greater prior notice than is required in this Agreement, or the taking of some other action not required by this Agreement, or if under any applicable and binding law or rule, any term and condition of this Agreement, or any specification, standard, or operating procedure Franchisor prescribe is invalid or unenforceable, then the greater prior notice and/or other action required by law or rule shall be substituted for the comparable provisions, and Franchisor has the right, in its sole discretion, to modify the invalid or unenforceable term and condition, specification, standard, or operating procedure to the extent required to be valid and enforceable. Franchisee agrees to be bound by any such substituted and/or modified term and condition of this Agreement imposing the maximum duty permitted by law that is prescribed within the terms of any provision of this Agreement as though it were originally articulated in, and made a part of, this Agreement as of the Effective Date.

18.2. WAIVER OF OBLIGATIONS

No failure or delay by Franchisor in exercising any right or remedy under this Agreement shall constitute a waiver thereof. Acceptance by Franchisor of any payments, fees, charges, or other amount from Franchisee payable to Franchisor pursuant to this Agreement shall not constitute a waiver or acceptance of Franchisee's default or breach of this Agreement or otherwise a waiver of any term and condition of this Agreement, and Franchisor reserves the right to pursue any and all additional remedies set forth in this Agreement, at law or in equity. Franchisor shall likewise not be deemed to have waived or impaired any term and condition, right, option or power set forth in this Agreement by virtue of any custom or practice of the parties at variance with the terms and conditions of this Agreement or Franchisor's insistence upon Franchisee's strict compliance with its obligations, including any mandatory specification, standard or operating procedure. No waiver by Franchisor of any term and condition of this Agreement shall be valid unless in writing and signed by Franchisor. In the event of a breach or default of this Agreement, should Franchisor elect, in its sole discretion, to not terminate this Agreement, such action shall be without prejudice and without waiver of Franchisor's rights in the future. Franchisee acknowledges that it has not relied on any oral or written representations, promises, or statements not expressly set forth in this Agreement or the Disclosure Document.

18.3. FORCE MAJEURE

If either Franchisor or Franchisee is delayed in performing any obligation under this Agreement by any cause reasonably beyond its control when such cause would affect any person or entity similarly situated, including, without limitation, war, civil disorder, catastrophic weather, power outage, acts of God, including, but not limited to, natural disaster, tornados, earthquakes, wildfires, government shutdowns, pandemics and/or labor strikes unassociated with Franchisee or Franchisor (collectively,

"**Force Majeure**"), then the time period for performing such obligation shall be extended by a period of time equal to the period of delay. Notwithstanding the immediately foregoing sentence, any delay resulting from Force Majeure shall not excuse Franchisee's payment of any fee, charge, amount, and/or any other monetary or financial obligation to Franchisor under this Agreement, including, without limitation, the payment of the Royalty Fee and Brand Marketing Fund Contributions, nor shall it excuse Franchisee's obligations to maintain confidentiality or to indemnify Franchisor. The non-performance of any obligation under this Agreement due to Force Majeure shall not be extended or otherwise excused for more than six months.

18.4. SPECIFIC PERFORMANCE AND INJUNCTIVE RELIEF

Nothing in this Agreement bars Franchisor's right to obtain specific performance of the provisions of this Agreement and injunctive relief under legal and/or equity rules against threatened conduct that will cause damages or loss to it, the Marks or the System. Without limitation to the rights set forth in Section 6 of this Agreement, Franchisee agrees that Franchisor may obtain such injunctive relief. Franchisee agrees that Franchisor will not be required to post a bond (other than as set forth in Section 6.7 of this Agreement) to obtain injunctive relief and that Franchisee's only remedy if an injunction is entered against Franchisee will be the dissolution of that injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). The remedies available to Franchisor are not exclusive to one another and may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Without limiting the foregoing, Franchisee agrees that in the event of its breach of this Agreement respecting and/or concerning the System and/or the Marks shall cause irreparable harm to Franchisor, the System and the Marks.

18.5. RIGHTS OF PARTIES ARE CUMULATIVE

The rights under this Agreement are cumulative, and no exercise or enforcement by a party of any right or remedy precludes the exercise or enforcement by that party of any other right or remedy which Franchisor or Franchisee is entitled by law to enforce.

18.6. GOVERNING LAW

EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. §§ 1051 *ET SEQ.*) OR OTHER FEDERAL LAW, THIS AGREEMENT AND THE RELATIONSHIP BETWEEN THE PARTIES HERETO SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF OHIO, EXCEPT THAT ITS CHOICE OF LAW AND CONFLICTS OF LAWS RULES SHALL NOT APPLY AND ANY FRANCHISE REGISTRATION, DISCLOSURE, RELATIONSHIP OR SIMILAR STATUTE WHICH MAY BE ADOPTED BY THE STATE OF OHIO SHALL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH.

18.7. INTERNAL DISPUTE RESOLUTION

As a mandatory condition precedent prior to Franchisee taking any legal or other action against Franchisor, or its Owners, officers and directors, whether for damages, injunctive, equitable or other relief (including, but not limited to, rescission), based upon any alleged act or omission of Franchisor's, Franchisee shall first give Franchisor and its affiliates at least 90 days' prior written notice and opportunity to cure such alleged act or omission, or to resolve such matter.

18.8. MEDIATION IS A CONDITION PRECEDENT

Except for actions brought by Franchisor against Franchisee for non-payment of fees and for claims by Franchisor seeking injunctive relief against Franchisee under Section 18.4, Franchisor and Franchisee each agree to submit any claim, controversy or dispute between or involving Franchisor or any of its affiliates (and their respective Owners, shareholders, officers, directors, agents, representatives and/or employees) and Franchisee (and Franchisee's Owners, agents, representatives and/or employees, as applicable) arising out of or related to: this Agreement or any other agreement between the parties and their affiliates; Franchisor's relationship with Franchisee; the validity of this Agreement or any other agreement between the parties and their affiliates; or any System standard, to non-binding mediation at a place that Franchisor designates within five miles of where Franchisor's principal office is located at the time of the demand for mediation is made or in Hamilton, Ohio, at Franchisor's option. The mediation shall be conducted by either a mutually agreed-upon mediator or, failing such agreement within a reasonable period of time (not to exceed 15 days) after either party has notified the other of their desire to seek mediation, by the American Arbitration Association in accordance with its Commercial Mediation Procedures. Absent agreement to the contrary, the mediator shall be experienced in the mediation of disputes between franchisors and franchisees. Franchisee and Franchisor agree that any statements made by either Franchisee or Franchisor in any such mediation proceeding will not be admissible in any subsequent arbitration or legal proceeding or otherwise disclosed by either Franchisee or Franchisor to any third party who, except to the extent a third party is a participant in the mediation proceeding. Each party will bear its own costs and expenses of conducting the mediation and share equally the costs of any third parties who are required to participate. The mediation provisions of this Agreement are intended to benefit and bind certain third-party non-signatories, Franchisee's Owners and its affiliates. Any mediation proceeding conducted pursuant to this sub-section and any settlement or agreement arising therefrom shall be kept confidential between the parties, except for any settlement disclosure Franchisor is legally required to make within a disclosure document. The parties intend for any mediation proceeding to be both private and confidential. Any third parties who are required to participate in a mediation proceeding must be bound by the same confidentiality obligations as the parties.

18.9. ARBITRATION REQUIREMENT

EXCEPT FOR ACTIONS BROUGHT BY FRANCHISOR AGAINST FRANCHISEE FOR NON-PAYMENT OF FEES OR ACTIONS BY FRANCHISOR SEEKING INJUNCTIVE OR NON-MONETARY RELIEF AGAINST FRANCHISEE, ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, IF NOT RESOLVED BY THE INTERNAL DISPUTE RESOLUTION AND MEDIATION PROCEDURES DESCRIBED ABOVE, MUST BE DETERMINED BY ARBITRATION IN HAMILTON, OHIO, OR WITHIN FIVE MILES OF WHERE FRANCHISOR'S PRINCIPAL OFFICES ARE LOCATED AT THE TIME THE DEMAND FOR ARBITRATION IS FILED WITH THE AMERICAN ARBITRATION ASSOCIATION. THIS ARBITRATION CLAUSE WILL NOT DEPRIVE FRANCHISOR OF ANY RIGHT IT MAY OTHERWISE HAVE TO SEEK INJUNCTIVE OR NON-MONETARY RELIEF FROM A COURT OF COMPETENT JURISDICTION. THE OHIO-BASED ARBITRATOR MUST HAVE SUBSTANTIAL EXPERIENCE IN FRANCHISE LAW AND ADJUDICATING COMMERCIAL DISPUTES. IF PROPER NOTICE OF ANY HEARING HAS BEEN GIVEN, THE ARBITRATOR WILL HAVE FULL POWER TO PROCEED TO TAKE EVIDENCE OR TO PERFORM ANY OTHER ACTS NECESSARY TO ARBITRATE THE MATTER IN THE ABSENCE OF ANY PARTY WHO FAILS TO APPEAR. THE ARBITRATOR WILL HAVE NO POWER TO STAY THE EFFECTIVENESS OF ANY PENDING TERMINATION OF FRANCHISE; ASSESS CONSEQUENTIAL, EXEMPLARY

OR PUNITIVE DAMAGES AGAINST FRANCHISOR; DETERMINE DAMAGES AGAINST FRANCHISOR THAT EXCEED THE LIMITATIONS SET FORTH IN THIS AGREEMENT; OR MAKE ANY AWARD THAT MODIFIES OR SUSPENDS ANY LAWFUL PROVISION OF THIS AGREEMENT. THE PARTY AGAINST WHOM THE ARBITRATOR RENDERS A DECISION MUST PAY ALL EXPENSES OF ARBITRATION AND REASONABLE ATTORNEYS' FEES. THE REASONED AWARD BY THE ARBITRATOR SHALL BE BINDING. ANY COURT OF COMPETENT JURISDICTION MAY ENTER JUDGMENT UPON THE ARBITRATION AWARD. THE PARTIES AGREE AND INTEND THAT AN ARBITRATION WILL BE KEPT BOTH PRIVATE AND CONFIDENTIAL BETWEEN THEM. AT THE OUTSET OF ANY ARBITRATION, THE PARTIES SHALL SEEK THE ENTRY OF A PROTECTIVE ORDER FROM THE ARBITRATOR, PROTECTING ALL PLEADINGS, MOTIONS, EXHIBITS, DEPOSITION TRANSCRIPTS, DISCOVERY REQUESTS AND RESPONSES, DOCUMENTS, AWARDS, ORDERS, DECISIONS AND REPORTS FROM DISCLOSURE BY THE PARTIES, THE ARBITRATOR, AND ANY NON-PARTY WITNESSES OR OTHER PARTICIPANTS. ADDITIONALLY, ANY FINAL AWARD SHALL REITERATE SUCH ORDER OF PROTECTION, EXCEPT FOR THE TERMS OF AN AWARD WHICH FRANCHISOR IS LEGALLY REQUIRED TO DISCLOSE IN A FRANCHISE DISCLOSURE DOCUMENT, OR DISCLOSURES IN CONNECTION WITH JUDICIAL PROCEEDINGS ANCILLARY TO THE ARBITRATION, SUCH AS A JUDICIAL CHALLENGE TO, OR ENFORCEMENT OF, AN AWARD, AND UNLESS OTHERWISE REQUIRED BY LAW.

18.10. ARBITRATION AND LITIGATION VENUE

Subject to the mediation and arbitration obligations set forth in Sections 18.8 and 18.9, Franchisor and Franchisee agree that any judicial action or legal proceeding permitted under this Agreement, including actions to compel arbitration, enforce an arbitration award, or seek injunctive relief not subject to arbitration, must be brought exclusively in the state or federal courts of competent jurisdiction located in Hamilton, Ohio. Franchisor and Franchisee do hereby irrevocably consent to the personal jurisdiction and venue of such courts and waive any objection to such jurisdiction or venue, including objections based on inconvenient forum. Without limitation to the foregoing and notwithstanding same, Franchisor and Franchisee agree that Franchisor, at Franchisor's sole election, may bring any legal action or proceeding seeking a temporary restraining order, preliminary injunction, or any action seeking Franchisor's enforcement of an arbitration award or any judicial decision in the federal or state court located in the county and state where either the Franchised Business was located, where Franchisee resides, or where any assets of Franchisee are located.

18.11. VARIANCES

FRANCHISEE AGREES THAT FRANCHISOR HAS AND MAY AT DIFFERENT TIMES, IN FRANCHISOR'S ABSOLUTE AND SOLE DISCRETION, APPROVE EXCEPTIONS OR CHANGES FROM THE UNIFORM STANDARDS OF THE SYSTEM, WHICH FRANCHISOR DEEMS DESIRABLE OR NECESSARY UNDER PARTICULAR CIRCUMSTANCES. FRANCHISEE UNDERSTANDS THAT IT HAS NO RIGHT TO OBJECT TO OR AUTOMATICALLY OBTAIN SUCH VARIANCES, AND ANY EXCEPTION OR CHANGE MUST BE APPROVED IN ADVANCE BY FRANCHISOR IN WRITING. FRANCHISEE UNDERSTANDS THAT EXISTING FRANCHISEES MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENTS AND THAT THE RIGHTS AND OBLIGATIONS OF EXISTING FRANCHISEES MAY DIFFER MATERIALLY FROM THIS AGREEMENT.

18.12. LIMITATIONS OF CLAIMS

FRANCHISEE'S CLAIMS SHALL BE BARRED UNLESS SUCH CLAIM AND/OR CAUSE OF ACTION IS BROUGHT TO THE ATTENTION OF FRANCHISOR WITHIN 30 DAYS OF THE OCCURRENCE. ANY FRANCHISEE CLAIM OR CAUSE OF ACTION MUST BE COMMENCED WITHIN ONE YEAR FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED OR ONE YEAR FROM THE DATE ON WHICH FRANCHISEE OR FRANCHISOR KNEW, OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIM AND/OR CAUSE OF ACTION, WHICHEVER OCCURS FIRST IN TIME.

18.13. WAIVER OF DAMAGES AND LIMITATION OF DAMAGES

FRANCHISEE HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, CONSEQUENTIAL, LOST PROFITS, OR SPECULATIVE DAMAGES AGAINST FRANCHISOR AND AGREES THAT IN THE EVENT OF A DISPUTE, EXCEPT AS OTHERWISE PROVIDED HEREIN, FRANCHISEE SHALL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT. IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES SHALL CONTINUE IN FULL FORCE AND EFFECT.

18.14. WAIVER OF JURY TRIAL

FRANCHISOR AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER A LEGAL ACTION, IN MEDIATION, OR IN ARBITRATION.

18.15. BINDING EFFECT

This Agreement is binding upon the parties of this Agreement and their respective executors, administrators, heirs, assigns and successors in interest, and shall not be modified except by written agreement signed by both Franchisee and Franchisor.

18.16. COMPLETE AGREEMENT

This Agreement, and the Schedules to this Agreement, as executed and, as applicable, constitute the entire, full and complete Agreement between Franchisor and Franchisee concerning the subject matter of this Agreement and supersedes all prior related agreements between Franchisor and Franchisee. The foregoing shall not constitute and does not constitute any disclaimer as to the express representations made by Franchisor in the Disclosure Document disclosed to Franchisee.

18.17. ATTORNEY FEES, EXPENSES AND COSTS TO ENFORCE

Franchisor shall be entitled to the recovery of all reasonable attorney fees, costs and expenses associated with and/or related to arbitration and/or litigation including, but not be limited to, attorney fees, arbitration fees, filing fees, arbitrator fees, deposition expenses, expert witness fees and filing fees if Franchisor is the substantially prevailing party. Further, Franchisor is entitled to recovery of expenses (including attorney's fees) it incurs before expiration and termination and before any suit is filed to enforce or defend any provision in this Agreement including Franchisee's non-payment of fees due to Franchisor and/or non-compliance of any System standard. Franchisor shall also be

entitled to all attorneys' fees and costs associated with Franchisee bringing an action in the incorrect forum or venue, and a court or arbitrator entering a ruling in Franchisor's favor.

18.18. NO CLASS ACTION OR MULTI-PARTY ACTIONS

FRANCHISOR AND FRANCHISEE AGREE THAT ALL PROCEEDINGS AND/OR LEGAL ACTIONS ARISING OUT OF OR RELATED TO THIS AGREEMENT AND/OR THE OFFER AND SALE OF THE FRANCHISE FROM FRANCHISOR TO FRANCHISEE, WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND NOT A CLASS-WIDE BASIS, AND, THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S OWNERS, AND/OR GUARANTORS AND FRANCHISOR AND/OR FRANCHISOR'S AFFILIATES, OFFICERS, DIRECTORS AND/OR EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER FRANCHISEE.

18.19. ACCEPTANCE BY FRANCHISOR

This Agreement will not be binding on Franchisor unless and until an authorized officer of Franchisor has signed it.

18.20. OPPORTUNITY FOR REVIEW BY FRANCHISEE'S ADVISORS

Franchisor recommends that Franchisee have this Agreement, and the Disclosure Document reviewed by Franchisee's lawyer, accountant, and other business advisors, prior to signing this Agreement, and by signing this Agreement, Franchisee acknowledges that it had the opportunity to heed this advice.

18.21. NO PERSONAL LIABILITY

Franchisee agrees that the fulfillment of any of Franchisor's obligations written in this Agreement or based on any oral communications ruled to be binding in a court of law shall be Franchisor's sole obligation, and none of Franchisor's employees, officers and/or authorized agents shall be personally liable to Franchisee for any reason. The foregoing shall not be construed to imply that Franchisor and/or Franchisor's agents have made any oral promises as this written Agreement represents the sole Agreement between Franchisor and Franchisee.

18.22. RELEASE OF PRIOR CLAIMS

By executing this Agreement, Franchisee, and on behalf of its heirs, legal representatives, successors and assigns, and each assignee of this Agreement by accepting assignment of the same, forever releases and discharges Franchisor and its officers, directors, employees, agents and servants, including Franchisor's subsidiary and affiliated corporations, their respective officers, directors, employees, agents and servants, from any and all claims relating to or arising under this Agreement or any other agreement between the parties executed prior to the date of this Agreement including, but not limited to, any and all claims, whether presently known or unknown, suspected or unsuspected, arising under the franchise, securities or antitrust laws of the United States or of any state or territory thereof. In compliance with federal franchise laws, this general release expressly excludes claims arising from representations in the Laundry Spot Franchise Disclosure Document, or its exhibits or amendments.

18.23. NON-UNIFORM AGREEMENTS

Franchisee agrees that Franchisor makes no representations or warranties that all other agreements with Laundry Spot franchisees entered into before or after the Effective Date do or will contain terms substantially similar to those contained in this Agreement. Franchisee agrees that Franchisor may waive or modify comparable provisions of other franchise agreements to other System franchisees in a non-uniform manner.

18.24. NO RIGHT TO OFFSET
Franchisee shall not, on grounds of the alleged nonperformance, material breach, or default by Franchisor of this Agreement, any other agreement between Franchisor and Franchisee, or for any other reason, withhold any payment, fee, or any other amount payable by Franchisee to Franchisor pursuant to this Agreement, including, without limitation, the payment of the Royalty Fee and Brand Marketing Fund Contributions, or any other payment obligation by Franchisee to Franchisor. Franchisee shall not have the right to offset or withhold any liquidated or unliquidated amount allegedly due to Franchisee from Franchisor against any payment, fee, or any other amount payable to Franchisor pursuant to this Agreement or any other payment obligation by Franchisee to Franchisor.

18.25. HEADINGS
The headings and subheadings in this Agreement are strictly for convenience and reference only, and they shall not limit, expand, or otherwise affect the interpretation and construction of the terms and conditions of this Agreement.

18.26. AUTHORITY TO EXECUTE
Each party agrees, warrants and represents that it has all requisite power and authority to enter into this Agreement. The execution, delivery, and performance of this Agreement have been duly and lawfully authorized by all necessary actions of each party, and the signatory to this Agreement for each party has been duly and lawfully authorized to execute this Agreement for and on behalf of the party for whom each signatory has signed.

18.27. COUNTERPARTS, ELECTRONIC SIGNATURES, AND MULTIPLE COPIES
This Agreement may be executed electronically and/or in counterparts, all of which counterparts shall be deemed originals and taken together shall constitute a single agreement. Executed electronic or print duplicates of this Agreement, if any, and their respective signatures shall be deemed originals.

18.28. JOINT AND SEVERAL LIABILITY
If Franchisee consists of more than one person or entity, then each of the individual Franchisee's liability under this Agreement shall be deemed joint and several.

18.29. RECITALS
The parties agree that the recitals and representations contained on the first page of this Agreement constitute a part of this Agreement and are hereby fully incorporated into the terms of this Agreement.

SECTION 19
NOTICES AND ACKNOWLEDGMENTS

19.1. NOTICES
All notices required or permitted under this Agreement shall be in writing and shall be deemed received: at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); on the next business day after transmission by facsimile or other reasonably reliable electronic communication system; two business days after being sent via guaranteed overnight delivery by a commercial courier service; or five business days after being sent by Registered Mail, return receipt requested. Either party may change their address by a written notice sent in accordance with this Section 19.1. All notices, payments and reports required by this Agreement shall be sent to Franchisor at the following address: Dan Reese, Chief Executive Officer, The Laundry Spot Franchise

LLC, 1875 S. Erie Blvd., Hamilton, Ohio 45011, danreese@laundryspot.com, or at such other address as Franchisor may provide. All notices to Franchisee shall be sent to the address set forth on Page 1 of this Agreement.

19.2. COVENANTS, REPRESENTATIONS AND WARRANTIES OF FRANCHISEE

Franchisee covenants, represents, warrants, and acknowledges that Franchisor is relying upon the following covenants, representations and warranties in making its decision to enter into this Agreement:

(a) Franchisee acknowledges that it has received, has had ample time to read, and has read this Agreement and the corresponding Franchise Disclosure Document, and all related agreements with Franchisor. Franchisee has received Franchisor's current Franchise Disclosure Document at least 14 calendar days prior to signing this Agreement or making a payment to Franchisor in connection with the franchise sale. Franchisee acknowledges that Franchisor has advised Franchisee to obtain independent legal and accounting advice with respect to this Agreement and the transactions arising out of this Agreement. Franchisee further acknowledges that it has had an adequate opportunity to be advised by legal, accounting and other professional advisors of its own choosing regarding all pertinent aspects of the Franchised Business, Franchisor and this Agreement. **Initial: [ ]**

(b) Franchisee has or has made firm arrangements to acquire funds to commence, open and operate the Franchised Business, and Franchisee is financially and otherwise able to accept the risks attendant upon entering into his Agreement. **Initial: [ ]**

(c) Franchisee understands and acknowledges the importance of Franchisor's high standards of quality, appearance, and service and the necessity of operating the Franchised Business under this Agreement in conformity with Franchisor's System standards and specifications. **Initial: [ ]**

(d) Franchisee had the opportunity to ask Franchisor and its employees, agents, or representatives all appropriate questions and those questions have been answered to Franchisee's satisfaction, and, if Franchisee did not use an advisor or lawyer, Franchisee was satisfied relying on Franchisee's own education, experience, and skill to evaluate the Franchise Disclosure Document and this Agreement. **Initial: [ ]**

(e) Franchisee has reached the age of majority, has the legal capacity to enter into this Agreement, is not violating any other agreement by entering into or performing under this Agreement, and is not listed or "blocked" in connection with, and is not in violation of any anti-terrorism law, regulation, or executive order. **Initial: [ ]**

(f) No employee, agent or representative of Franchisor made any oral, written or visual representation or projection to Franchisee of actual or potential sales, earnings or net or gross profits, costs involved in operating a Franchised Business, or the likelihood of success that is not in the Franchise Disclosure Document or that is contrary to, or different from, the information in the Franchise Disclosure Document. **Initial: [ ]**

(g) Franchisee understands the risks of owning the Franchised Business and understands that the success of the Franchised Business will depend primarily on Franchisee's own efforts and abilities and those of Franchisee's employees and that that other factors beyond Franchisee's or Franchisor's control will affect the Franchised Business's success including competition, economic and market conditions, government policies,

labor costs, supply chain delays, supply price fluctuations, inflation, and other factors which may be difficult to anticipate, assess or even identify. **Initial: [ ]**

(h) Franchisee has conducted an independent investigation of this franchise opportunity and, without waiving any rights or disclaiming any disclosures in the Franchise Disclosure Document, Franchisee is agreeable to proceed with this franchise under the terms and conditions of this Agreement. **Initial: [ ]**

IN WITNESS WHEREOF the parties hereto, intending to be legally bound hereby have duly executed this Agreement.

THE LAUNDRY SPOT FRANCHISE LLC	**FRANCHISEE:**
Signature:_____	Signature: _____
Print Name:_____	Print Name**:**_____
Title: _____	Title:_____
Date: _____	Date: _____

SCHEDULE 1 TO THE FRANCHISE AGREEMENT
APPROVED LOCATION, DESIGNATED TERRITORY AND OPENING DEADLINE

APPROVED LOCATION AND DESIGNATED TERRITORY

The Approved Location under this Agreement will be:

_____

If the Approved Location has not yet been selected and approved, the geographic area within which Franchisee will select the site for the Franchised Business is [subject to change in Franchisor discretion]:

_____
_____

The Designated Territory under this Agreement (if applicable) will be:

_____

☐ Check if map is attached.

OPENING DEADLINE: _____

THE LAUNDRY SPOT FRANCHISE LLC	**FRANCHISEE:**
Signature:_____	Signature: _____
Print Name:_____	Print Name**:**_____
Title: _____	Title:_____
Date: _____	Date: _____

SCHEDULE 2 TO THE FRANCHISE AGREEMENT
STATEMENT OF FRANCHISE OWNERS

Franchisee represents that the following schedule is complete and accurately identifies Franchisee's Owners, Franchisee's Managing Owner, and their respective ownership interests in Franchisee. Defined terms shall have the meanings set forth in the Franchise Agreement between Franchisor and Franchisee.

Franchisee's Corporate Entity: _____

State of Incorporation:_____

If Franchisee is a Corporate Entity, Franchisee represents and affirms to Franchisor that the following list identifies each and every Owner of Franchisee and their respective ownership interests.

Owner Name	**Owner Address**	**Ownership Interest Percentage**
Name of designated **Managing Owner:**		

THE LAUNDRY SPOT FRANCHISE LLC

Signature:_____

Print Name:_____

Title: _____

Date: _____

FRANCHISEE:

Signature: _____

Print Name: _____

Title:_____

Date: _____

SCHEDULE 3 TO THE FRANCHISE AGREEMENT
OWNER'S GUARANTY

OWNER'S GUARANTY AGREEMENT

THIS OWNER'S GUARANTY is given on _____ by _____.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement dated _____ herewith ("**Franchise Agreement**") by and between The Laundry Spot Franchise LLC ("**Franchisor**") and _____ ("**Franchisee**"), each of the undersigned individuals (each, a "**Guarantor**" and collectively the "**Guarantors**") hereby personally and unconditionally guarantee(s) to Franchisor and its successors and assigns, for the term of the Franchise Agreement, and thereafter as provided in the Franchise Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Franchise Agreement. Each of the undersigned Guarantors shall be personally bound by, and personally liable for, each and every provision in the Franchise Agreement and Franchisee's breach of any provision in the Franchise Agreement including those relating to monetary obligations, operational obligations, and obligations to take or refrain from taking specific actions or engaging in specific activities, including, but not limited to, the fee requirements in Section 5, the restrictive covenants in Section 6, Franchisee's obligations set forth in Section 7, insurance requirements in Section 8, marketing obligations in Section 11, reporting requirements in Section 12, transfer obligations in Section 14, and obligations upon termination, expiration and transfer in Section 17 of the Franchise Agreement.

Each of the undersigned Guarantor(s) waive(s): (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; (d) any right it may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which it may be entitled.

Each of the undersigned Guarantor(s) consent(s) and agree(s) that: (a) his or her direct and immediate liability under this Guaranty shall be joint and several; (b) he or she shall render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses punctually to do so; (c) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person or entity; and (d) such liability shall 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 shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Franchise Agreement.

This Guaranty represents the entire agreement and understanding of these parties concerning the subject matter hereof, and supersedes all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written.

This Guaranty shall be binding upon Guarantor and his or her heirs, executors, administrators, successors and assigns and shall inure to the benefit of Franchisor and its successors, endorsees, transferees and assigns. Without limiting any other provision hereof, Guarantor expressly agrees that Guarantor's death shall not serve as a revocation of or otherwise affect the guaranty made hereunder and that Guarantor's estate and heirs shall continue to be liable hereunder with respect to any Guaranteed Obligations created or arising after Guarantor's death.

The validity, interpretation and enforcement of this Guaranty and any dispute arising out of the relationship between Guarantor and Franchisor, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of Ohio (without giving effect to principles of conflicts of law).

Section 18 of the Franchise Agreement entitled *Enforcement and Construction,* and its dispute resolution obligations and requirements are incorporated herein as if set forth in full. The enforcement provisions of the Franchise Agreement signed in conjunction with this Guaranty shall apply to the enforcement of this Guaranty.

IN WITNESS WHEREOF, this Guaranty has been entered into the day and year first before written.

PERSONAL GUARANTOR

_____
Personally and Individually (Printed Name)

_____
Personally and Individually (Signature)

HOME ADDRESS

_____

_____

_____

TELEPHONE NO.: _____

PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: ___%

PERSONAL GUARANTOR

_____
Personally and Individually (Printed Name)

_____
Personally and Individually (Signature)

HOME ADDRESS

_____

_____

_____

TELEPHONE NO.: _____

PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: ___%

SCHEDULE 4 TO THE FRANCHISE AGREEMENT
NONDISCLOSURE, NON-COMPETITION AND CONFIDENTIALITY AGREEMENT

[THIS SCHEDULE IS FOR REFERENCE PURPOSES ONLY AS A SAMPLE FORM NONDISCLOSURE, NON-COMPETITION AND CONFIDENTIALITY AGREEMENT THAT FRANCHISOR MAY APPROVE FOR USE BY FRANCHISEE – BEFORE USING WITH AN EMPLOYEE OR CONTRACTOR FRANCHISEE SHOULD HAVE THIS AGREEMENT REVIEWED AND APPROVED BY AN INDEPENDENT LOCAL ATTORNEY HIRED BY FRANCHISEE]

NONDISCLOSURE, NON-COMPETITION AND CONFIDENTIALITY AGREEMENT

This Non-Disclosure and Non-Competition Agreement (this "**Agreement**") is made as of the ____ day of _____, 20____, is by and between_____ _____, ("**Franchisee**," "**we**," "**us**," or "**our**") and _____("**Individual**," "**you**," or "**your**").

WHEREAS, Franchisee is a party to that certain Franchise Agreement dated _____, 20__ ("**Franchise Agreement**") by and between Franchisee and the Franchisor, The Laundry Spot Franchise LLC ("**Company**"); and

WHEREAS, Franchisee desires Individual to have access to and review certain Trade Secrets and other Confidential Information, which are more particularly described below; and

WHEREAS, Franchisee is required by the Franchise Agreement to have Individual execute this Agreement prior to providing Individual access to said Trade Secrets and other Confidential Information; and

WHEREAS, Individual understands the necessity of not disclosing any such information to any other party or using such information to compete against Company, Franchisee or any other franchisee of Company in any business (i) offers the same or similar products as a Laundry Spot laundromat under any service system (ii) in which Trade Secrets and other Confidential Information (as defined below) could be used to the disadvantage of Franchisee, or Company, any affiliate of Company or Company's other franchisees (hereinafter, "Competitive Business"); provided, however, that the term "Competitive Business" shall not apply to any business operated by Franchisee under a Franchise Agreement with Company.

NOW, THEREFORE, in consideration of the mutual promises and undertakings set forth herein, and intending to be legally bound hereby, the parties hereby mutually agree as follows:

1. **Trade Secrets and Confidential Information**

1.1 Individual understands Franchisee possesses and will possess Trade Secrets and other Confidential Information that are important to its business.

1.2 For the purposes of this Agreement, a "Trade Secret" is information in any form (including, but not limited to, materials and techniques, technical or non-technical

data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in the Laundry Spot laundromats that is not commonly known by or available to the public and that information: (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

1.3 For the purposes of this Agreement "Confidential Information" means technical and non-technical information used in or related to Laundry Spot laundromats that is not commonly known by or available to the public, including, without limitation, Trade Secrets and information contained in the Operations Manual and training guides and materials. In addition, any other information identified as confidential when delivered by Franchisee shall be deemed Confidential Information. Confidential Information shall not include, however, any information that: (i) is now or subsequently becomes generally available to the public through no fault of Individual; (ii) Individual can demonstrate was rightfully in its possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement; (iii) is independently developed without the use of any Confidential Information; or (iv) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information.

1.4 Any information expressly designated by Company or Franchisee as "Trade Secrets" or "Confidential Information" shall be deemed such for all purposes of this Agreement, but the absence of designation shall not relieve Individual of his or her obligations hereunder in respect of information otherwise constituting Trade Secrets or Confidential Information. Individual understands Franchisee's providing of access to the Trade Secrets and other Confidential Information creates a relationship of confidence and trust between Individual and Franchisee with respect to the Trade Secrets and other Confidential Information.

2. Confidentiality/Non-Disclosure

2.1 Individual shall not communicate or divulge to (or use for the benefit of) any other person, firm, association, or corporation, with the sole exception of Franchisee, now or at any time in the future, any Trade Secrets or other Confidential Information. At all times from the date of this Agreement, Individual must take all steps reasonably necessary and/or requested by Franchisee to ensure that the Confidential Information and Trade Secrets are kept confidential pursuant to the terms of this Agreement. Individual must comply with all applicable policies, procedures and practices that Franchisee has established and may establish from time to time with regard to the Confidential Information and Trade Secrets.

2.2 Individual's obligations under paragraph 2(a) of this Agreement shall continue in effect after termination of Individual's relationship with Franchisee, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary,

and Franchisee is entitled to communicate Individual's obligations under this Agreement to any future customer or employer to the extent deemed necessary by Franchisee for protection of its rights hereunder and regardless of whether Individual or any of its affiliates or assigns becomes an investor, partner, joint venturer, broker, distributor or the like in a Laundry Spot laundromat.

3. **Non-Competition**

3.1 During the term of Individual's relationship with Franchisee and for a period of two years after the expiration or termination of Individual's relationship with Franchisee, regardless of the cause of expiration or termination, Individual shall not, directly or indirectly, divert or attempt to divert any business or customer of Franchisee or the Company or any licensed Laundry Spot location to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Company's service mark "Laundry Spot" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as the Company designates to be used in connection with Laundry Spot or the Company's uniform standards, methods, procedures and specifications for the establishment and operation of a Laundry Spot laundromat.

3.2 During the term of Individual's relationship with Franchisee, Individual shall not, directly or indirectly, develop, own, manage, operate, be employed by or have any interest in a Competitive Business or offer Competitive Business products or services without the express written consent of Franchisee and the Company.

3.3 For a period of two years after the term of Individual's relationship with Franchisee, regardless of the cause of termination, Individual shall not, directly or indirectly, develop, own, manage, operate, be employee by or have any interest in a Competitive Business or offer Competitive Business products or services anywhere within a 25-mile radius of any Laundry Spot location without the express written consent of Franchisee and the Company.

3.4 At no time shall Individual, directly or indirectly, solicit or otherwise attempt to induce or influence any employee or other business associate of Franchisee, Company or any other Laundry Spot laundromat owner to violate a non-disclosure or non-competition agreement to which such employee or business associate is a party.

4. **Reasonableness of Restrictions**

Individual acknowledges that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of Franchisee, Company, and Company's Trade Secrets and other Confidential Information, the Company's business system, network of franchises and trade and service marks, and Individual waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable. If, however, a court of competent jurisdiction determines that any such restriction is unreasonable or unenforceable, then Individual shall submit to the reduction of any such activity, time period or geographic restriction

necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.

5. **Relief for Breaches of Confidentiality, Non-Solicitation, and Non-Competition**

Individual further acknowledges that an actual or threatened violation of the covenants contained in this Agreement will cause Franchisee and Company immediate and irreparable harm, damage and injury that cannot be fully compensated for by an award of damages or other remedies at law. Accordingly, Franchisee and/or Company shall be entitled, as a matter of right, to an injunction from any court of competent jurisdiction restraining any further violation by Individual of this Agreement without any requirement to show any actual damage or to post any bond or other security. Such right to an injunction shall be cumulative and in addition to, and not in limitation of, any other rights and remedies that Franchisee and Company may have at law or in equity.

6. **Dispute Resolution**

6.1 **Choice of Law.** Except as to claims governed by federal law, Ohio law governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties ("**Claims**").

6.2 **Jurisdiction and Venue.** You and we agree that venue and jurisdiction for any Claims, except those required to be submitted to arbitration, shall be proper solely in the state and federal court nearest to our corporate headquarters in New Albany, Ohio.

6.3 **Jury Waiver.** In any trial between any of the parties as to any Claims, you and we agree to waive our rights to a jury trial and instead have such action tried by a judge.

6.4 **Class Action Waiver.** You agree to bring any Claims, if at all, individually and you shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against us.

6.5 **Punitive Damages Waiver.** As to any Claims, you and we agree to waive our rights, if any, to seek or recover punitive damages.

6.6 **Limitation of Actions.** You agree to bring any Claims against us, if at all, within one year of the occurrence of the facts giving rise to such Claims, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

6.7 **Prior Notice of Claims.** As a condition precedent to commencing an action for a Claim, you must notify us within 30 days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

6.8 **Internal Dispute Resolution.** You must first bring any Claim to our CEO, after providing notice as set forth in Section 6(g) above. You must exhaust this internal dispute resolution procedure before you may bring your Claim before a third party.

6.9 **Mediation and Arbitration.** Before you may bring any Claim against us, you agree to try for a period of 60 days to mediate such claim before a mutually agreed to mediator in the city or county where our headquarters are located. If we cannot mutually agree on a mediator, you and we agree to use the mediation services of the American Arbitration Association (AAA) and split any AAA and mediator fees equally. If mediation is unsuccessful and you decide to pursue a legal claim against us, you agree to bring such claim solely in binding arbitration conducted in the city or county of our headquarters in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The proceedings will be held by a single arbitrator. The decision of the arbitrator will be final and binding upon the parties. Judgment upon the award rendered by the arbitrator may be entered in any court having personal and subject matter jurisdiction.

6.10 **Waiver of Bond.** You agree that if we are forced to bring suit to enforce any provision of this Agreement, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

6.11 **Attorney Fees.** If we are the substantially prevailing party as to any Claims, you agree to reimburse our costs and attorney fees incurred in pursuing or defending the Claims.

7. Miscellaneous

7.1 This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, negotiations and discussions between Individual and Franchisee. This Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the parties.

7.2 This Agreement shall be effective as of the date this Agreement is executed and shall be binding upon the successors and assigns of Individual and shall inure to the benefit of Franchisee, its subsidiaries, successors and assigns. Company is an intended third-party beneficiary of this Agreement with the independent right to enforce the confidentiality and non-competition provisions contained herein.

7.3 The failure of either party to insist upon performance in any one or more instances upon performance of any terms and conditions of this Agreement shall not be construed a waiver of future performance of any such term, covenant or condition of this Agreement and the obligations of either party with respect thereto shall continue in full force and effect.

7.4 In the event that any part of this Agreement shall be held to be unenforceable or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

7.5 This Agreement may be modified or amended only by a written instrument duly executed by Individual, Franchisee and Company.

7.6 The existence of any claim or cause of action Individual might have against Franchisee or Company will not constitute a defense to the enforcement by Franchisee or Company of this Agreement.

INDIVIDUAL CERTIFIES THAT HE OR SHE HAS READ THIS AGREEMENT CAREFULLY AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS THAT IT IMPOSES WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO SUCH PERSON TO INDUCE THE SIGNING OF THIS AGREEMENT.

THE PARTIES ACKNOWLEDGE THAT THE COMPANY IS A THIRD-PARTY BENEFICIARY TO THIS AGREEMENT AND THAT THE COMPANY SHALL BE ENTITLED TO ENFORCE THIS AGREEMENT WITHOUT THE COOPERATION OF THE FRANCHISEE. INDIVIDUAL AND FRANCHISEE AGREE THAT THIS AGREEMENT CANNOT BE MODIFIED OR AMENDED WITHOUT THE WRITTEN CONSENT OF THE COMPANY.

IN WITNESS WHEREOF, Franchisee has hereunto caused this Agreement to be executed by its duly authorized officer, and Individual has executed this Agreement, all being done in duplicate originals with one original being delivered to each party as of the day and year first above written.

FRANCHISEE:

By: _____

Its: _____

INDIVIDUAL:

Signature: _____

Name Printed: _____

SCHEDULE 5 TO THE FRANCHISE AGREEMENT
SITE SELECTION ACKNOWLEDGMENT FORM

[THIS DOCUMENT DOES NOT CONSTITUTE THE APPROVAL OF AN APPROVED LOCATION, DOES NOT GRANT OR DESIGNATE A TERRITORY AND DOES NOT GRANT ANY TERRITORIAL RIGHTS]

Date of this Acknowledgment: _____

Pursuant to and subject to the terms of the Franchise Agreement dated _____ by and between The Laundry Spot Franchise LLC, as Franchisor, and _____, as Franchisee (the "**Franchise Agreement**"), Franchisee has identified a potential area in which Franchisee may seek to identify a potential Approved Location for Franchisee's Laundry Spot laundromat. Based on Franchisee's request, Franchisor agrees that, during the limited period of time that commences on the Effective Date of the Franchise Agreement and ends within 120 calendar days thereafter, that Franchisor shall not grant to any third party the license or right to establish an Approved Location within the following geographic area constituting the Site Selection Area, as such term is defined in the Franchise Agreement:

Site Selection Area: [Must be completed by Franchisor]

The terms contained in this Site Selection Acknowledgment shall have the meaning set forth in the Franchise Agreement. In the event of any inconsistency or conflict between this Site Selection Acknowledgment and the terms of the Franchise Agreement, the terms of the Franchise Agreement shall take precedence and govern. If Franchisor does not complete and sign the Site Selection Acknowledgment, then this Site Selection Acknowledgment Form shall not be effective and there shall be no Site Selection Area. As set forth in the Franchise Agreement, among other things, A SITE SELECTION AREA IS NOT A DESGINATED TERRITORY, DOES NOT CONSTITUTE THE APPROVAL AS TO ANY APPROVED LOCATION, AND DOES NOT AFFORD FRANCHISEE ANY TERRITORIAL RIGHTS.

THE LAUNDRY SPOT FRANCHISE LLC	**FRANCHISEE:**
Signature:_____	Signature: _____
Print Name:_____	Print Name**:**_____
Title: _____	Title:_____
Date: _____	Date: _____

SCHEDULE 6 TO THE FRANCHISE AGREEMENT
FRANCHISOR LEASE RIDER

FRANCHISOR'S RIDER TO LEASE

THIS RIDER TO LEASE ("**Rider**") is made as of _____, by and among _____ ("**Landlord**"), _____ ("**Tenant**") and The Laundry Spot Franchise LLC ("**Franchisor**").

This Rider supplements and forms a part of that certain lease between Landlord and Tenant, dated _____ (the "**Lease**"; any and all references to the Lease shall be deemed to include this Rider) for the leased premises located at _____ (the "Leased Premises"). This Rider is entered into in connection with Franchisor's grant of a franchise to Tenant to operate a franchised Laundry Spot laundromat (the "**Franchised Business**") at the Leased Premises, and is intended to provide Tenant the right to assign the Lease to Franchisor and to provide Franchisor the opportunity to preserve the Leased Premises as a Laundry Spot laundromat in the event of any termination of the Lease or any franchise agreement between Franchisor and Tenant. Landlord agrees that Franchisor will have the right, but not the obligation, to assume the Lease on the terms, covenants and conditions hereinafter set forth. All capitalized terms used herein, but not defined herein, shall have the same meaning as set forth in the Lease.

ARTICLE - I DEFAULT BY TENANT UNDER THE LEASE

SECTION 1.01. Landlord will send Franchisor copies of all written notices of default that it gives to Tenant at the same time Landlord gives such written notices to Tenant.

SECTION 1.02. If Tenant fails to cure a Tenant default under the Lease after the giving of any required default notice and passage of any applicable cure period, then Landlord shall so notify Franchisor and Franchisor or any or to a parent, subsidiary or affiliate of Franchisor (a "**Franchisor Party**") will have the right and the option (but not the obligation), by giving written notice to Landlord within five business days after receipt of Landlord's notice that Tenant is in default under the Lease and has failed to cure the default within the applicable cure period set forth in the Lease, to (a) cure any such default on behalf of Tenant, or (b) request Landlord consent to the assumption of the Lease provided that Franchisor or such Franchisor Party cures all existing defaults of Tenant under the Lease and assumes in writing the obligations of Tenant under the Lease.

ARTICLE - II TERMINATION OF TENANT'S FRANCHISE AGREEMENT

In the event of the termination of Tenant's franchise agreement for the Leased Premises as a result of Tenant's breach thereof, Franchisor shall have the right to request Landlord consent to the assumption of the Lease by giving written notice to Landlord and Tenant of its election to so succeed to Tenant's interest under the Lease, within five business days after the date of the termination of such franchise agreement, provided that Franchisor cures all existing defaults of Tenant under the Lease and assumes in writing the obligations of Tenant under the Lease. A party, whether Franchisor or any Franchisor Party, that assumes the Lease pursuant to Section 1.02(b) above or this Article II is sometimes referred to herein as an "Assuming Franchisor Party".

ARTICLE - III OBTAINING POSSESSION OF THE LEASED PREMISES

Landlord will, at no cost or expense to Landlord, cooperate and reasonably assist with any Assuming Franchisor Party in gaining possession of the Leased Premises if such Assuming Franchisor Party has delivered to Landlord a fully executed assumption of the Lease pursuant to Section 1.02(b) above or Article II above.

ARTICLE - IV ADDITIONAL PROVISIONS

SECTION 4.01. Tenant shall remain liable to Landlord for all of its obligations under the Lease, notwithstanding any assignment of the Lease to an Assuming Franchisor Party. Such Assuming Franchisor Party shall be entitled to recover from Tenant all amounts it pays to Landlord to cure Tenant's defaults under the Lease, including interest and reasonable collection costs.

SECTION 4.02. After an Assuming Franchisor Party assumes Tenant's interest in the Lease, unless otherwise agreed to in writing, such Assuming Franchisor Party will pay, perform and be bound by all of the duties and obligations of the Lease applicable to Tenant that accrue after such assumption, except that such Assuming Franchisor Party shall not be required to assume or be bound by the terms of any amendment to the Lease executed by Tenant without obtaining Franchisor's prior written approval, which approval shall not be unreasonably withheld by Franchisor.

SECTION 4.03. After an Assuming Franchisor Party assumes Tenant's interest in the Lease, Franchisor or such Franchisor Party will not be subject to any provision of the Lease that requires the Tenant to (a) continuously operate a business in the Leased Premises during the fifteen (15) days immediately following the date on which the Assuming Franchisor Party executes the assumption of the Lease if the Leased Premises is closed for remodeling or while Franchisor or the applicable Franchisor Party is seeking to obtain and train a new employees to operate a Franchised Business in the Leased Premises, or (b) make any payment to Landlord for any excess rent or other consideration that is greater than the rent and other charges payable under the Lease.

SECTION 4.04. After an Assuming Franchisor Party assumes Tenant's interest in the Lease, such Assuming Franchisor Party may, with Landlord's consent, which shall not be unreasonably withheld, conditioned or delayed, sublet or assign the Leased Premises to a franchisee of Franchisor who meets Franchisor's financial qualifications and requirements (a "**Replacement Franchisee**"). In the event of such a sublease or assignment, Franchisor shall deliver to Landlord (a) a copy of such Replacement Franchisee's application for the franchise, including but not limited to personal and financial information that Landlord customarily requires from all of its tenants, (b) as applicable, a copy of the sublease or a copy of the assumption agreement pursuant to which such Replacement Franchisee assumes the Lease and agrees to observe the terms, conditions and agreements on the part of tenant to be performed under the Lease (a "**Replacement Franchisee Assumption Agreement**") and (c) a Rider To Lease in the same form as this Rider, to be executed among Landlord, Franchisor and the applicable Replacement Franchisee (a "**New Rider**").

SECTION 4.05. If the Lease is terminated and the Franchisor does not exercise its option to assume the Lease, Tenant agrees, upon receipt of written demand from Franchisor to promptly remove signs decor and other items which Franchisor reasonably requests to be removed as being distinctive and indicative of Franchisor's trademarks and trade dress. Franchisor may enter upon the Leased Premises without being guilty of trespass or tort to effect such de-identification if Tenant fails to do so within

(10) days after receipt of written demand from Franchisor, provided, however, Franchisor shall promptly, at its sole cost and expense, repair, to Landlord's reasonable satisfaction, all damage caused to the Leased Premises and the Franchised Business in connection with such de-identification of the Leased Premises. Tenant shall pay Franchisor for its reasonable costs and expenses in effecting de-identification. Franchisor shall defend, indemnify and hold Landlord harmless from and against any claims arising from Franchisor's de-identification of the Leased Premises.

SECTION 4.06. BY EXECUTING THIS RIDER, FRANCHISOR DOES NOT HEREBY ASSUME ANY LIABILITY WITH RESPECT TO THE LEASED PREMISES OR ANY OBLIGATION AS TENANT UNDER THE LEASE, UNLESS AND UNTIL FRANCHISOR EXPRESSLY ASSUMES SUCH LIABILITY AND/OR OBLIGATION AS HEREIN ABOVE DESCRIBED.

SECTION 4.07. All notices hereunder shall be delivered by certified mail or nationally recognized overnight courier to the addresses described in the Lease or to such other addresses as any party hereto may, by written notice, instruct that notices be given. In the case of Franchisor, notices shall be sent to The Laundry Spot Franchise LLC, Attn: Dan Reese, Chief Executive Officer, 1875 S. Erie Blvd., Hamilton, Ohio 45011, danreese@laundryspot.com, with a copy to The Franchise Firm LLP, 433 Plaza Real, Suite 275, Boca Raton, FL 33432, Attn: Adam G. Wasch, adam@thefranchisefirm.com, until further notice.

SECTION 4.08. Landlord and Tenant agree that each of them shall provide written notice to Franchisor in the event of any change in their respective addresses. Franchisor shall provide written notice to Landlord and Tenant in the event of any change in Franchisor's address.

LANDLORD:	**TENANT**:
By: _____	By:_____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

FRANCHISOR:

THE LAUNDRY SPOT FRANCHISE LLC

By: _____

Name: _____

Title: _____

Date: _____

SCHEDULE 7 TO THE FRANCHISE AGREEMENT
COLLATERAL ASSIGNMENT OF LEASE

COLLATERAL ASSIGNMENT OF LEASE

(for the benefit of The Laundry Spot Franchise LLC and its assigns)

For value received, the undersigned ("**Assignor**") hereby assigns and transfers to The Laundry Spot Franchise LLC ("**Assignee**"), all of Assignor's right, title and interest as tenant in, to and under a certain lease, a copy of which is attached hereto as Exhibit "A" (the "**Lease**") for the following premises (the "**Leased Premises**"):

_____

_____

This Assignment is for collateral purposes only and except as may be otherwise expressly stated and specified herein under no circumstance shall Assignee have any liability or obligation under the Lease and/or Leased Premises, unless: (a) Assignee provides an express written statement that is addressed to Assignor and the landlord for the Leased Premises, is delivered by Assignee to Assignor and the landlord for the Leased Premises, is signed by an officer of Assignee, and that expressly states that Assignee is assuming all rights and interests in and to the Lease pursuant to this Assignment; and (b) Assignee takes possession of the Leased Premises pursuant to the terms hereof, and Assignee assumes the obligations of Assignor under the Lease.

Assignor represents that Assignor possesses full power and authority to enter into this Assignment and that at no time prior to executing this Assignment has Assignor assigned and/or transferred Assignor's interests and/or rights in or to the Lease and/or the Leased Premises.

Assignee has the right and possesses full power and authority to take possession of the Leased Premises, to eject and expel Assignor from possession and occupancy of the Leased Premises and to terminate Assignor's right, title and interest in and to the Lease in the event of: (a) a default by Assignor under the terms of the Lease and Assignor's failure to timely cure such default, assuming that such default is capable of curing; (b) a default by Assignor (in Assignor's capacity as a Laundry Spot franchisee) under the terms and conditions of the Laundry Spot Franchise Agreement between Assignor, as franchisee, and Assignee, as franchisor (the "Franchise Agreement"), and Assignor's failure to timely cure such default, assuming that such default is capable of curing; (c) upon default of any agreement supporting or guaranteeing the Franchise Agreement; or (d) the expiration or termination of the Franchise Agreement.

Assignor agrees that Assignor will not and shall not permit, grant or suffer any termination, surrender or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement, Assignor shall elect and exercise all options to extend the terms of the or renewal of the Lease not less than 120 days prior to the last day that the option must be exercised unless Assignee otherwise agrees in writing. Should Assignor fail to comply with the foregoing, Assignor does hereby appoint Assignee (subject to Assignees acceptance and invocation of such right) to act on behalf of Assignor for the purpose of effectuating extensions and renewals of the Lease.

ASSIGNOR:

By: _____

Name: _____

Title: _____

Date: _____

ASSIGNEE/FRANCHISOR:

THE LAUNDRY SPOT FRANCHISE LLC

By: _____

Name: _____

Title: _____

Date**:** _____

Exhibit A to Collateral Assignment of Lease

[THE LEASE]

SCHEDULE 8 TO THE FRANCHISE AGREEMENT
ASSIGNMENT OF TELEPHONE NUMBERS AND SOCIAL AND DIGITAL MEDIA ACCOUNTS

(for the benefit of The Laundry Spot Franchise LLC and its assigns)

THIS ASSIGNMENT OF TELEPHONE NUMBERS AND SOCIAL AND DIGITAL MEDIA ACCOUNTS ASSIGNMENT ("Assignment") is entered into between _____ (the "Assignor") and The Laundry Spot Franchise LLC and its successors and assigns (the "Assignee").

WHEREAS, Assignee is the franchisor of the Laundry Spot franchise system (the "Franchise System");

WHEREAS, Assignor, as franchisee, and Assignee, as franchisor, are parties to a Franchise Agreement signed in conjunction herewith (the "Franchise Agreement")

WHEREAS, the term "Social and Digital Media" shall refer to and mean "any interactive or static electronic document, application or media that is connected to and/or in a network of computers, servers and/or other devices linked by communications software, part of the world wide web (including, but not limited to websites), linked by the internet or part of a web based application, software application, smart phone based application or social media platform including, but not limited to social media platforms and applications such as Facebook, LinkedIn, Twitter/X, Pinterest, Instagram, TikTok, SnapChat, and YouTube as well as world wide web and internet based directories and local directories, including Google My Business, that refers, references, identifies, reviews, promotes and/or relates, in any way, to Laundry Spot laundromats, Assignor's Franchised Business and/or trademarks associated with the Franchise System and/or Assignee. Social and Digital Media further includes the Laundry Spot website(s) including laundryspot.com, web pages and website subdomains (including those related to, associated with and/or a part of the Franchise System) associated with and/or related to Assignor's Franchised Business and all web pages, blog posts, videos, sections, information, sub-domains, and all other media and/or publications relating to the Franchise System that is displayed and/or transmitted digitally"; and

WHEREAS, in connection with Assignor's establishment and operation of a Franchised Business, Assignor will be utilizing accounts, information, phone numbers and Social and Digital Media subject to strict requirements set forth in the Franchise agreement.

NOW THEREFORE, Assignor, in exchange for good and valuable consideration provided and paid by Assignee (receipt of which is hereby acknowledged), agrees:

1. That Assignor does hereby, upon termination or expiration of the Franchise Agreement, assign to assignee all telephone numbers, facsimile numbers, listings, domain names, Social and Digital Media that is associated with Assignor's Franchised Business.

2. That Assignor shall provide Assignee with all relevant account information and log-in information for all Social and Digital Media accounts including, but not limited to, Google My Business and other similar online business directories collecting ratings.

3. The foregoing shall not be construed and/or interpreted as Assignee's acknowledgment and/or agreement that Assignor owns and/or possesses any ownership interests in the foregoing telephone numbers, accounts and/or Social and Digital Media. Any and all rights of Assignor in and to same exist subject to a limited license pursuant to the Franchise Agreement which shall take precedence and govern. This Assignment is intended by Assignor and Assignee to be an instrument that may be relied upon by all third parties to authorize and permit the assignments and transfers set forth in this Assignment and to facilitate the transfer of accounts and media to within the control of Assignee. Nothing contained in this Assignment shall be used to construe nor imply that Assignor possesses any ownership interests or rights in the phone numbers utilized in the Franchised Business or Social and Digital Media and in the event of any inconsistency or conflict between this Assignment and the Franchise Agreement, the Franchise Agreement shall take precedence and govern.

4. This Assignment will become effective automatically upon the termination or expiration of the Franchise Agreement for any reason. As to all third parties' proof of the expiration or termination of the Franchise Agreement shall exist exclusively upon the written declaration of Assignee and Assignee's declaration shall be dispositive and not subject to challenge. Assignor agrees that all third parties may rely on this Assignment for the purpose of taking any and all actions to ensure that access to and control of the Media is maintained by Assignee.

UTILIZATION OF THIS ASSIGNMENT SHALL EXIST AT THE SOLE DISCRETION OF ASSIGNEE AND FOR THE SOLE BENEFIT OF ASSIGNEE.

ASSIGNEE/FRANCHISOR: **THE LAUNDRY SPOT FRANCHISE LLC**	**ASSIGNOR/FRANCHISEE:** **FRANCHISEE:**
Signature:_____	Signature: _____
Print Name:_____	Print Name: _____
Title: _____	Title:_____
Date: _____	Date: _____

SCHEDULE 9 TO THE FRANCHISE AGREEMENT
ACH PAYMENT AGREEMENT

FRANCHISEE NAME: _____

AUTHORIZATION AGREEMENT FOR ACH Payments

(I/we) do hereby authorize The Laundry Spot Franchise LLC hereinafter named the "Franchisor", to initiate (debit or credit) entries to (my/our) (Checking Account / Savings Account) as indicated and named below as the depository financial institution, hereafter named FINANCIAL INSTITUTION pursuant to the terms of the Franchise Agreement by and between us and the Franchisor.

(I/we) acknowledge that the origination of ACH transactions to my (my/our) account must comply with the provisions of U.S. law. Furthermore, if any such debit(s) should be returned as insufficient, (I/we) authorize the Franchisor to collect such debit(s) by electronic debit and subsequently collect a returned debit insufficient funds fee of $250.00 per occurrence by electronic debit from my account identified below. In the event all funds and interests are not received by Franchisor within five days from presentment and intended withdrawal from our account by Franchisor, then we will be deemed in default of the Franchise Agreement. (I/we) further agree to pay all reasonable costs of collection including but not limited to reasonable attorney's fees and court costs incurred by the Franchisor. I am a duly authorized check signer on the financial institution account identified below and authorize all of the above as evidenced by my signature below.

CHECK (ACH) INFORMATION ROUTING NUMBER: _____
ACCOUNT NUMBER: _____
DEPOSITORY NAME: _____
BRANCH: _____
CITY: _____ STATE: _____ZIP: _____

COMPANY NAME: _____
FIRST NAME/LAST NAME: _____
BILLING ADDRESS: _____
CITY:_____STATE_____ZIP_____
PHONE NUMBER: _____
SIGNATURE ON FILE: _____
PHONE OR EMAIL APPROVAL AUTHORIZATION NUMBER: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date: _____

SCHEDULE 10 TO THE FRANCHISE AGREEMENT
GENERAL RELEASE

[THIS EXHIBIT IS NOT SIGNED AT CLOSING AND SERVES AS A SAMPLE FORM OF GENERAL RELEASE TO BE EXECUTED BY FRANCHISEE AND NON-PARTIES UNDER CIRCUMSTANCES ADDRESSED IN THE FRANCHISE AGREEMENT]

THIS GENERAL RELEASE is made and given on this _____ day of _____, 20____ by _____, ("**RELEASOR**") an individual/corporation/ limited liability company/partnership with a principal address of _____, in consideration of:

_____ the execution by The Laundry Spot Franchise LLC, an Ohio limited liability company ("**RELEASEE**"), of a successor Franchise Agreement or other renewal documents renewing the franchise (the "**Franchise**") granted to RELEASOR by RELEASEE pursuant to that certain Franchise Agreement (the "**Franchise Agreement**") between RELEASOR and RELEASEE; or

_____ RELEASEE'S consent to RELEASOR'S assignment of its rights and duties under the Franchise Agreement; or

_____ RELEASEE'S consent to RELEASOR'S assumption of rights and duties under the Franchise Agreement;

and other good and valuable consideration, the adequacy of which is hereby acknowledged, and accordingly RELEASOR hereby releases and discharges RELEASEE, RELEASEE's officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), and RELEASEE's successors and assigns, from any and all causes of action, suits, debts, damages, judgments, executions, claims and demands whatsoever, in law or in equity, that RELEASOR and RELEASOR's heirs, executors, administrators, successors and assigns had, now have or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date of this RELEASE arising out of or related to the Franchise or the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. This General Release shall not be amended or modified unless such amendment or modification is in writing and is signed by RELEASOR and RELEASEE.

IN WITNESS WHEREOF, RELEASOR has executed this General Release as of the date first above written.

RELEASOR: _____
(type/print name)

By: _____

Name: _____

Title: _____

(or, if an individual)

Signed: _____

Name printed: _____

SCHEDULE 11 TO THE FRANCHISE AGREEMENT
STATE ADDENDA TO THE FRANCHISE AGREEMENT

CALIFORNIA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

Section 16.2 is deleted and in its place are substituted the following:

16.2.1 Termination by Us Without Right to Cure. We may terminate this Agreement without notice and the opportunity to cure for any of the following reasons:

(a) The franchisee or the business to which the franchise relates has been judicially determined to be insolvent, all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or the franchisee admits his or her inability to pay his or her debts as they come due;

(b) The franchisee abandons the franchise by failing to operate the business for five consecutive days during which the franchisee is required to operate the business under the terms of the franchise, or any shorter period after which it is not unreasonable under the facts and circumstances for the franchisor to conclude that the franchisee does not intend to continue to operate the franchise, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond the franchisee's control;

(c) The franchisor and franchisee agree in writing to terminate the franchise;

(d) The franchisee makes any material misrepresentations relating to the acquisition of the franchise business or the franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the franchise business or system;

(e) The franchisee fails, for a period of 10 days after notification of noncompliance, to comply with any federal, state, or local law or regulation, including, but not limited to, all health, safety, building, and labor laws or regulations applicable to the operation of the franchise;

(f) The franchisee, after curing any failure in accordance with Section 16.3 engages in the same noncompliance whether or not such noncompliance is corrected after notice;

(g) The franchisee breaches the franchise agreement three or more times in a 12-month period, whether or not corrected after notice;

(h) The franchised business or business premises of the franchise are seized, taken over, or foreclosed by a government official in the exercise of his or her duties, or seized, taken over, or foreclosed by a creditor, lienholder, or lessor, provided that a final judgment against the franchisee remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); or a levy

of execution has been made upon the license granted by the franchise agreement or upon any property used in the franchised business, and it is not discharged within five days of such levy;

(i) The franchisee is convicted of a felony or any other criminal misconduct which is relevant to the operation of the franchise;

(j) The franchisee fails to pay any franchise fees or other amounts due to the franchisor or its affiliate within five days after receiving written notice that such fees are overdue; or

(k) The franchisor makes a reasonable determination that continued operation of the franchise by the franchisee will result in an imminent danger to public health or safety.

16.3 Termination by Us with Opportunity to Cure. We may terminate this Agreement, after sending you notice and a 60-day opportunity to cure, for any other breach of this Agreement.

No statement, questionnaire, or acknowledgement signed or agreed to by 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.

FRANCHISEE:	**THE LAUNDRY SPOT FRANCHISE LLC**
By: _____	By: _____
Date: _____	Date: _____

ILLINOIS ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Franchise Agreement.

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. Franchisee 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FRANCHISEE:	**THE LAUNDRY SPOT FRANCHISE LLC**
By: _____	By: _____
Date: _____	Date: _____

MARYLAND ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

2. A general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

4. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

5. Termination upon bankruptcy of the franchisee may not be enforceable under 11 U.S.C. Section 101 *et. seq*.

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 in connection with the franchise.

FRANCHISEE:	**THE LAUNDRY SPOT FRANCHISE LLC**
By: _____	By: _____
Date: _____	Date: _____

MINNESOTA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

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

- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14 Subds. 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 and that consent to the transfer of the franchise will not be unreasonably withheld.

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

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

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

- NSF checks are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges.

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may <u>seek</u> injunctive relief. See Minn. Rules 2860.4400J.

  Also, a court will determine if a bond is required.

Any Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 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 with the franchise.

FRANCHISEE:

By: _____

Date: _____

THE LAUNDRY SPOT FRANCHISE LLC

By: _____

Date: _____

NORTH DAKOTA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. You are not required to sign a general release upon renewal of the franchise agreement.

2. The franchise agreement is amended to also provide as follows:

   "Covenants not to compete are generally considered unenforceable in the State of North Dakota."

3. The provisions concerning choice of law, jurisdiction and venue, jury waiver, and waiver of punitive damages are hereby deleted and in their place is substituted the following language:

   "You agree to bring any claim against us, including our present and former employees, agents, and affiliates, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association."

4. North Dakota law governs any cause of action arising out of the franchise agreement.

5. Any requirement in the Franchise Agreement that requires you to pay all costs and expenses incurred by us in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

6. Section 16 of the Franchise Agreement is modified and deletes the obligation of franchisees to consent to termination or liquidated damages.

7. Section 18 of the Franchise Agreement is modified and amended to provide that all arbitration or mediation required under the Franchise Agreement shall be at a location agreeable to all parties and may not be remote from the franchisee's Franchised Business.

8. Section 18 of the Franchise Agreement shall be modified to state that the statute of limitations under North Dakota law shall apply.

FRANCHISEE:	**THE LAUNDRY SPOT FRANCHISE LLC**
By: _____	By: _____
Date: _____	Date: _____

RHODE ISLAND ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. If the franchise agreement contains any provisions that conflict with the Rhode Island Franchise Investment Act, the provisions of this Addendum shall prevail to the extent of such conflict.

2. Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside of Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

3. Any provision in the franchise agreement requiring the application of the laws of a state other than Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

4. The Rhode Island Franchise Investment Act stipulates that you cannot release or waive any rights granted under this Act. Any provision of this franchise agreement, which constitutes a waiver of rights granted under the Act, is superseded.

5. You agree to bring any claim against us, including our present and former employees and agents, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association.

FRANCHISEE:

By: _____

Date: _____

THE LAUNDRY SPOT FRANCHISE LLC

By: _____

Date: _____

SOUTH DAKOTA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. The Franchise Agreement is clarified to also indicate that 50% of the initial franchise fee and 50% of royalties are deemed paid for the use of our Marks and 50% are deemed paid for our training, support, and franchise system.

FRANCHISEE:	**THE LAUNDRY SPOT FRANCHISE LLC**
By: _____	By: _____
Date: _____	Date: _____

VIRGINIA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

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.

FRANCHISEE:	**THE LAUNDRY SPOT FRANCHISE LLC**
By: _____	By: _____
Date: _____	Date: _____

WASHINGTON ADDENDUM
TO THE FRANCHISE AGREEMENT

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

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

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise

agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** 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.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

FRANCHISEE:	**THE LAUNDRY SPOT FRANCHISE LLC**
By: _____	By: _____
Date: _____	Date: _____

WISCONSIN ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. If the Franchise Agreement contains any provision that conflicts with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.

2. The Franchise Agreement is amended to also include the following language:

   With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days' prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

FRANCHISEE:	**THE LAUNDRY SPOT FRANCHISE LLC**
By: _____	By: _____
Date: _____	Date: _____

EXHIBIT C TO THE FRANCHISE DISCLOSURE DOCUMENT

THE LAUNDRY SPOT FRANCHISE LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

MULTI-UNIT DEVELOPMENT AGREEMENT

This Multi-Unit Development Agreement (this "**Agreement**" or "**MUDA**") made and entered on _____ (the "**Effective Date**") by and between:

- The Laundry Spot Franchise LLC, an Ohio limited liability company, having its principal place of business at 1875 S. Erie Blvd., Hamilton, Ohio 45011 ("**Franchisor**," "**we**," "**us**," or "**our**"); and

- _____, an individual/partnership/corporation/limited liability company established in the State of _____ and whose principal address is _____ ("**Developer**," "**you**," or "**your**").

Franchisor and Developer agree as follows:

1. GRANT OF DEVELOPMENT RIGHTS

1.1. We hereby grant to you, pursuant to the terms and conditions of this Agreement, certain development rights ("**Development Rights**") to establish and operate a specific number of Laundry Spot franchises (each, a "**Unit**") at approved locations to be awarded through separate franchise agreements executed as provided in Section 3.1 hereof, and pursuant to the development schedule established in Attachment A of this Agreement (hereinafter "**Development Schedule**"). Each Franchised Business developed hereunder shall be located in the area described in Attachment B of this Agreement (hereinafter "**Development Area**").

1.2. This Agreement is not a franchise agreement and does not grant to you any right to use the Marks. You shall have no right under this Agreement to sub-franchise, sub-license, or sell Franchised Businesses to third parties.

2. DEVELOPMENT FEE

2.1. In consideration of the Development Rights granted herein, you must pay the full upfront fee (the "**Development Fee**") based on the number of Units you agree to develop. The Development Fee is as detailed in the chart below:

Number of Units	Per Unit Fee	Total Development Fee
2	$55,000	$110,000
3	$45,000	$135,000
4	$45,000	$180,000
5	$45,000	$225,000
6	$40,000	$240,000
7	$40,000	$280,000
8	$40,000	$320,000
9	$40,000	$360,000
10+	$35,000	$350,000

The Development Fee is due in full upon execution of the Development Agreement and is non-refundable under any circumstances.

2.2. You must sign the then-current franchise agreement for each Unit to be developed under this Agreement, which may have materially different terms than the existing Franchise Agreement on the Effective Date of this Disclosure Document. Each franchise agreement must be signed at the earlier of the time you sign a lease or nine months before the date each Unit is required to be developed under the Development Schedule.

2.3. You acknowledge and agree that the Development Fee is fully earned by us upon execution of this MUDA, is not refundable, and will not be credited against any other fees you may pay to us pursuant to this MUDA or any Franchise Agreement.

3. SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

3.1. You shall assume all responsibility and expense for locating potential sites for your Units and shall submit to us for our evaluation and approval, information and documentation we request, which shall include, at minimum, a description of the site, the terms of the lease or purchase, and such other information and materials as we may reasonably require. We will make reasonable efforts to notify you within 30 days after receipt of such information and materials from you to accept or decline the site in our sole discretion. We shall have no obligation to approve sites which do not meet our criteria for you to meet the Development Schedule.

3.2. Recognizing that time is of the essence, you agree to exercise the Development Rights granted hereunder in the manner specified herein, and in accordance with the Development Schedule. Your failure to adhere to the Development Schedule shall constitute a default under this Agreement as provided in Section 9.1. Under no circumstances may you or an affiliate (defined herein as a separate corporate entity commonly owned by you) open a Unit for business unless and until there is a fully executed Franchise Agreement in place for each such Unit, and we have been paid all amounts due and owing to us upon execution of such Franchise Agreement.

3.3. You shall exercise your Development Rights granted herein only by executing a Franchise Agreement for each Unit at a site approved by us in the Development Area as hereinafter provided within ten days after receipt of said Franchise Agreement from us for the approved site and return same to us for our execution. The Franchise Agreement for the first Unit shall be executed contemporaneously with this Agreement by you or your affiliate. In the event we do not receive the properly executed Franchise Agreement within ten days from delivery to you, our approval of the approved site may be voided, at our option.

3.4. You acknowledge that neither our acceptance of the premises nor any information communicated to you regarding our standard site selection criteria, nor the specific location of your Unit will constitute a warranty or representation of any kind, express or implied, as to the suitability of the site for your Unit. Our acceptance of the proposed site merely signifies that we are willing to grant a franchise at the approved site.

3.5. You shall be required to execute each franchise agreement and own a minimum of 51% of the issued and outstanding stock or membership interests for each Unit to be opened pursuant to said franchise agreement. In no event shall you relinquish control over any entity operating each Unit without our express, written approval which may be withheld for any reason in our discretion.

4. DEVELOPMENT RIGHTS AND OBLIGATIONS

4.1. Subject to the provisions of this Agreement, we grant to you the Development Rights, as described in Section 1.1. Notwithstanding any other provision of this MUDA, Development Rights under this Agreement shall not include the right to develop Units at "**Non-Traditional Sites**". Non-Traditional Sites include without limitation military bases, hotels, college campuses, airports, train stations, travel plazas, casinos, and sports or entertainment venues or stadiums. If a Non-Traditional Site becomes available within the Development Area during the term of this Agreement, we may, in our sole discretion, offer you the opportunity to develop a Unit at the Non-Traditional Site. You will have 10 days after we notify you that the site is available to accept this right of first refusal. If you accept the development of the Non-Traditional Site, it will be included in your Development Schedule.

4.2. Provided you are in full compliance with all the terms and conditions of this Agreement, including, without limitation, your development obligations described in Section 3.2., and you are in full compliance with all of your obligations under all Franchise Agreements executed pursuant to this Agreement, then during the term of the MUDA, neither we nor any of our affiliates will develop or operate or grant franchises for the development or operation of Laundry Spot franchises within the Development Area except as otherwise expressly provided in this Agreement. We have the right to terminate this exclusivity if you are not in full compliance with all of the terms and conditions of the MUDA and all of the Franchise Agreements signed under it.

4.3. Upon the termination or expiration of this Agreement, we and our affiliates shall have the right to develop and operate, and to grant to others development rights and franchises to develop and operate, Laundry Spot franchises within the terminated or expired Development Area subject only to the territorial rights granted to you with respect to each Unit operated by you pursuant to the Franchise Agreements signed under this MUDA.

4.4. We and our affiliates retain all rights with respect to each Unit, the System, the Marks and the sale of any Laundry Spot products, anywhere in the world, including, without limitation, the right:

4.4.1. to produce, offer and sell and to grant others the right to produce, offer and sell any of the products offered at Laundry Spot laundromats and any other goods displaying the Marks or other trade and service marks through alternative channels of distribution, such as the Internet, both within and outside your Development Area, and under any terms and conditions we deem appropriate;

4.4.2. to operate and to grant others the right to operate Laundry Spot laundromats located outside the Development Area under any terms and conditions we deem appropriate and regardless of proximity to your Development Area and Units thereunder;

4.4.3. to operate and to grant others the right to operate Laundry Spot laundromats at Non-Traditional Sites within and outside the Development Area under any terms and conditions we deem appropriate; and

4.4.4. the right to acquire and operate a business operating one or more competing businesses located or operating in your Development Area.

4.5. To maintain your rights under the MUDA, you must have open and maintain in operation the cumulative number of Units stated on the Development Schedule by the dates agreed upon. Failure to do so will be grounds for either a loss of territorial exclusivity or a termination of this Agreement and your development rights.

5. RENEWAL

This MUDA shall not be subject to renewal. However, if you wish to purchase a new Development Area and continue to develop Units, we will, in good faith, negotiate a new MUDA with you subject to availability in our discretion and on terms commensurate with our then-current MUDA and Development Fee schedules.

6. TERM

Unless sooner terminated in accordance with the terms of this MUDA, the term of this MUDA and all Development Rights granted hereunder shall expire on the date the last Unit is opened pursuant to the Development Schedule established in Attachment A.

7. YOUR OBLIGATIONS

7.1. You acknowledge and agree that:

7.1.1. Except as otherwise provided herein, this Agreement includes only the right to select sites for the establishment of Units and to submit the same to us for our approval in accordance with the terms of this Agreement. This Agreement does not include the grant of a license by us to you of any rights to use the Marks, the System, or to open or operate any Laundry Spot laundromats within the Development Area. You shall obtain the license to use such additional rights at each Unit upon the execution of each Franchise Agreement by both you and us and only in accordance with the terms of each Franchise Agreement.

7.1.2. The Development Rights granted hereunder are personal to you and cannot be sold, assigned, transferred or encumbered, in whole or in part, except as stated in Section 11 hereof.

7.1.3. Except as provided in Sections 6.1. and 6.2., the Development Rights granted hereunder are non-exclusive, and we retain the right, in our sole discretion:

7.1.3.1. to continue to construct and operate other Laundry Spot laundromats and businesses and to use the System and the Marks at any location outside the Development Area, and to license others to do so.

7.1.3.2. to develop, use and franchise the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, insignia, or copyrights not designated by us as Marks for use with different franchise systems for the sale of the different products not in connection with the System at any location, on such terms and conditions as we may deem advisable and without granting you any rights therein.

7.1.3.3. to develop, merchandise, sell and license others to sell any of our products, proprietary or otherwise, presently existing or to be developed in the future, to the public through alternative channels of distribution outside or inside of the Development Area and to use the Marks in connection therewith.

7.1.4. You have sole responsibility for the performance of all obligations arising out of the operation of your development business pursuant to this Agreement, including, but not limited to, the payment when due of any and all taxes levied or assessed by reason of such operation.

7.1.5. In all public records, in your relationship with other persons, and in any documents, you shall indicate clearly the independent ownership of your development business and that the operations of said business are separate and distinct from the operation of a Unit.

7.1.6. You shall, at all times, preserve in confidence any and all materials and information furnished or disclosed to you by us, and you shall disclose such information or materials only to such of your employees or agents who must have access to it in connection with their employment. You shall not at any time, without our prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person.

7.1.7. You shall comply with all requirements of federal, state and local laws, rules and regulations.

7.1.8. You shall at no time have the right to sub-franchise any of your Development Rights hereunder.

7.1.9. In no event shall any Unit be opened for business unless and until a Franchise Agreement for such Unit has been fully executed and any additional initial fees due to us or our affiliates have been paid.

8. OUR SERVICES

8.1. We will review the information regarding potential sites for your Units that you provide to us to determine whether the sites meet our then-current standards and criteria, and if the site meets our criteria, accept the site.

8.2. We will assist you in determining the layout and configuration of each Unit once the location has been approved. After you and we have determined the layout and configuration of each Unit, you must arrange for site plan and build-out plans and specifications to be prepared and submitted to us for our review.

8.3. We will review your site plan and final build-out plans and specifications for conformity to our standards and specifications.

8.4. We may provide other resources and assistance that may be developed and offered to our developers in our discretion and as we deem appropriate.

9. DEFAULT AND TERMINATION

9.1 The occurrence of any of the following events of default shall constitute good cause for us, at our option and without prejudice to any other rights or remedies provided for hereunder or by law or equity, to terminate this Agreement upon notice to you without opportunity to cure the default, except where prohibited by any applicable state or federal law, whereupon this Agreement shall be terminated in accordance with the provisions of any such law:

9.1.1. If you shall, in any respect, fail to meet the Development Schedule.

9.1.2. If you purport to affect any assignment other than in accordance with Section 11 hereof.

9.1.3. Except as provided in Section 11 hereof, if you attempt to sell, assign, transfer or encumber this Agreement prior to the time that at least 50% of the Units to be constructed and opened for business in accordance with the Development Schedule are, in fact, open or under construction.

9.1.4. If you make, or have made, any material misrepresentation to us in connection with obtaining this Agreement, any site approval hereunder, or any Franchise Agreement signed under this Agreement.

9.1.5. If you default in the performance of any obligation under any Franchise Agreement with us, provided such default results in the termination of the Franchise Agreement.

9.1.6. If you suffer a violation of any law, ordinance, rule or regulation of a governmental agency in connection with the operation of any Unit under this Agreement and permit the same to go uncorrected after notification thereof, unless there is a bona fide dispute as to the violation or legality of such law, ordinance, rule or regulation, and you promptly resort to courts or forums of appropriate jurisdiction to contest such violation or legality.

9.1.7. If you or an owner of yours owning a 25% or more interest in the Developer entity is convicted in a court of competent jurisdiction of an indictable offense punishable by a term of imprisonment in excess of one year.

9.1.8. If you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or

insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for 30 days or longer (unless a *supersedeas* bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within 30 days; or if the real or personal property of the business shall be sold after levy thereupon by any sheriff, marshal, or constable.

9.1.9. If you, or any shareholder or principal, if you are corporate entity, or any of your affiliates cease to operate all of the Units developed pursuant to the terms of this Agreement.

9.2 Upon occurrence of any of the events stated in this Section 9.2, we may, without prejudice to any other rights or remedies contained in this Agreement or provided by law or equity, terminate this Agreement. Such termination shall be effective 30 days after written notice (or such other notice as may be required by applicable state law) is given by us to you of any of such events, if such defaults are not cured within such period:

9.2.1. If you shall use the System or Marks, or any other names, marks, systems, insignia, symbols or rights which are our property, except pursuant to, and in accordance with, a valid and effective Franchise Agreement.

9.2.2. If you, or persons controlling, controlled by or under common control with you, shall have any interest, direct or indirect, in the ownership or operation of any business engaged in the sale of products similar to those permitted to be sold by you within the Development Area or in any business which looks like, copies or imitates a Laundry Spot laundromat or operates in a manner tending to have such effect other than pursuant to a valid and effective Franchise Agreement with us.

9.2.3. If you fail to remit to us any payments pursuant to Section 2 when same are due. Any amounts paid by you toward the Development Fee upon termination shall be non-refundable.

9.2.4. If you begin work upon any Unit at any site unless all the conditions stated in Section 3 hereof have been met.

9.2.5. If you fail to obtain our prior written approval or consent, including but not limited to site approval or site plan approval, as expressly required by this Agreement.

9.2.6. If you default in the performance of any other obligation under this Agreement.

9.2.7. If you open any Unit for business before a Franchise Agreement for such Unit has been fully executed by you and us and all initial fees due to us have been paid.

10. OBLIGATIONS FOLLOWING TERMINATION

10.1. Upon termination of this Agreement becoming effective for any reason, or upon expiration of the term hereof, you agree as follows:

10.1.1. to cease immediately any attempts to select sites on which to establish Units.

10.1.2. to cease immediately to hold yourself out in any way as a Developer of ours or to do anything which would indicate a relationship between you and us.

10.1.3. to immediately and permanently cease to use the Marks and distinctive forms, slogans, signs, and symbols associated with the Developer program and the System.

10.1.4. You shall comply with the covenants contained in Section 12 of this Agreement.

10.2. No right or remedy herein conferred upon or reserved for us is exclusive of any other right or remedy provided or permitted by law or in equity.

11. TRANSFER OF INTEREST

11.1. This Agreement is personal to you, and you shall neither sell, assign, transfer nor encumber this Agreement, the Development Rights, or any other interest hereunder, nor suffer or permit any such assignment, transfer or encumbrance to occur directly, indirectly or contingently by agreement or by operation of law without our prior written consent. You understand that this Agreement may not be pledged, mortgaged, hypothecated, given as security for an obligation or in any manner encumbered. The assignment or transfer of any interest, except in accordance with this Section 11 shall constitute a material breach of this Agreement.

11.2. In the event that you are a corporation or desire to conduct business in a corporate capacity, said corporate entity or assignment to a corporate entity (which may include a corporation, limited liability company or partnership) must receive our prior written approval and you agree to comply with the provisions hereinafter specified, including without limitation, personal guarantees by the equity owners of all of the obligations of said corporate entity or assignee corporate entity to us and other parties designated by us. The corporate entity or assignee corporate entity shall not engage in any business activities other than those directly related to the operation of the Units pursuant to the terms and conditions of the Franchise Agreements with us, and all assets related to the operation of the Units shall be held by the corporate entity or assignee corporate entity. There shall be no transfer fee charged by us for a one-time assignment to a corporate entity.

11.3. If you are a corporation or if your rights hereunder are assigned to a corporate entity, you or those individuals disclosed on Attachment C attached hereto shall be the legal and beneficial owner of not less than 51% of the outstanding equity of said entity and shall act as such entity's principal officer. The assignment to a corporate entity will not relieve you of personal liability to us for performance of any of the obligations under this Agreement. Any subsequent transfer of voting rights of the equity of the entity or assignee entity, and any transfer or issuance of equity of the entity or assignee entity shall be subject to our prior written approval. We agree that we will not unreasonably

restrict the issuance or transfer of equity, provided that you comply with the provisions of this Section 11, and provided that in no event shall any equity of such corporate entity or assignee corporate entity be sold, transferred or assigned to a business competitor of ours. The articles of organization and governing documents (including by-laws, operating agreement or partnership agreement) of the entity or assignee entity shall reflect that the issuance and transfer of equity is restricted, and all certificates shall bear the following legend, which shall be printed legibly and conspicuously on each certificate:

> **"The transfer of this certificate is subject to the terms and conditions of a Multi-Unit Development Agreement with The Laundry Spot Franchise LLC, dated _____. Reference is made to said Multi-Unit Development Agreement and related franchise agreements and to restrictive provisions of the governing documents of this entity."**

11.4. The entity or assignee entity's records shall indicate that a stop transfer order shall be in effect against the transfer of any equity, except for transfers permitted by this Section 11. In addition to the foregoing, the equity of such entity or assignee entity shall not be publicly sold or traded. You are strictly prohibited from offering your securities through a public offering or private placement.

11.5. In the event of your death, disability or permanent incapacity, we shall consent to the transfer of all of the interest of you to your spouse, heirs or relatives, by blood or marriage, or if this Agreement was originally executed by more than one party, then to the remaining party(ies) who originally executed this Agreement, whether such transfer is made by your Last Will and Testament or by operation of law, provided that the requirements of Section 11 hereof have been met. In the event that your heirs do not obtain our consent as prescribed herein, your personal representative shall have a reasonable time to dispose of your interest hereunder, which disposition shall be subject to all the terms and conditions for transfers under this Agreement.

11.6. You have represented to us that you are entering into this Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of the Development Rights hereunder. Therefore, you agree that any attempt to assign this MUDA, prior to the time that at least 50% of the Units to be constructed hereunder are opened or under construction, except pursuant to Sections 11.2 and 11.3 hereof, shall be deemed to be an event of default.

11.7. Except as provided in Section 11.6, if you receive from an unaffiliated third party and desire to accept a bona fide written offer to purchase your business, Development Rights and interests, we shall have the option, exercisable within 30 days after receipt of written notice setting forth the name and address of the prospective purchaser, the price and terms of such offer, and a copy of such offer and the other information stated in this Section 11.7, to purchase such business, Development Rights and interests, including your right to develop sites within the Development Area, on the same terms and conditions as offered by said third party. In order that we may have information sufficient to enable us to determine whether to exercise this option, we may require you to deliver to us certified financial statements as of the end of your most recent fiscal year and such other information about your business and operations as we may request. If we decline or do not accept the offer in writing within 30 days, you may, within 30 days from the expiration of the option period, sell, assign and

transfer your business, Development Rights and interest to said third party, provided we have consented to such transfer as required by this Section 11. Any material changes in the terms of the offer prior to closing of the sale to such third party shall constitute a new offer, subject to the same rights of first refusal by us or our nominee, as in the case of an initial offer. Our failure to exercise the option afforded by this Section 11.7 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 11.7 with respect to the proposed transfer.

11.8. You acknowledge and agree that the restrictions on transfer imposed herein are reasonable and are necessary to protect the Development Rights, the System and the Marks, as well as our reputation and image, and are for the protection of us, you and other multi-unit developers and franchisees. Any assignment or transfer permitted by this Section 11.7 shall not be effective until we receive a completely executed copy of all transfer documents, and we consent in writing thereto.

11.9. Except as provided in Section 11.6. hereof, we agree not to unreasonably withhold our consent to a sale, assignment or transfer by you hereunder. Consent to such transfer otherwise permitted or permissible as reasonable may be refused unless:

11.9.1. All of your obligations created by this Agreement, all other franchise documents, including all Franchise Agreements, and the relationship created hereunder are assumed by the transferee.

11.9.2. All ascertained or liquidated debts of you to us or our affiliates are paid.

11.9.3. You are not in default hereunder.

11.9.4. We are reasonably satisfied that the transferee meets all of our requirements for new multi-unit developers, including but not limited to, good reputation and character, business acumen, operational ability, management skills, financial strength and other business considerations.

11.9.5. Transferee executes or, in appropriate circumstances, causes all necessary parties to execute our standard form of MUDA, Franchise Agreements for all Units open or under construction hereunder, and such other then-current ancillary agreements being required by us of new multi-unit developers on the date of transfer.

11.9.6. You execute a general release, in a form satisfactory to us, of any and all claims against us, our officers, directors, employees and principal stockholders of any and all claims and causes of action that you may have against us or any subsidiary or affiliated corporations in any way relating to this Agreement or the performance or non-performance thereof by us.

11.9.7. You or transferee will pay us our then-current transfer fee and cover our reasonable costs in affecting the transfer and in providing training and other initial assistance to transferee.

11.10. Upon the death or mental incapacity of any person with an interest of more than 50% in this Agreement or in you, the executor, administrator or personal representative of such person shall transfer his interest to a third party approved by us within 12 months. Such transfers, including,

without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any *inter vivos* transfer. However, in the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions stated in Section 11.1 hereof, the personal representative of the deceased shall have a reasonable time, not to exceed 12 months from the date said personal representative is appointed, to dispose of the deceased's interest in you or in the Development Rights, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. It is understood and agreed, however, that notwithstanding the foregoing, the Development Schedule shall be complied with as though no such death or mental incapacity had occurred. In the event the interest described above is not disposed of within such time, we shall have the right to terminate this Agreement, provided such termination had not previously occurred for failure to perform pursuant to the Development Schedule, upon 90 days' notice to your representative, or we shall have the right to re-purchase same at the same price being sought by your representative.

11.11. Our consent to a transfer of any interest in you or in the Development Rights pursuant to this Section shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferee.

11.12. We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (a) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations; and (b) the assignee shall expressly assume and agree to perform such obligations. You expressly affirm and agree that we may sell our assets, our rights to the Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Marks (or any variation thereof) and/or the loss of association with or identification of "The Laundry Spot Franchise LLC" as Franchisor. Nothing contained in this Agreement shall require us to remain in our current industry or to offer the same products, whether or not bearing the Marks, in the event that we exercise our right to assign our rights in this Agreement.

12. COVENANTS

12.1. You covenant that during the term of this Agreement, except as otherwise approved in writing by us, you (or if Developer is a corporation or partnership, the Operating Principal) or your manager shall devote full time, energy, and best efforts to the management and operation of the Developer's business governed by this Agreement.

12.2. You specifically acknowledge that, pursuant to this Agreement, you will receive confidential information, including without limitation, marketing methods and techniques of us and the System. You covenant that, during the term of this Agreement, you and persons controlling, controlled by or under common control with you shall not, either directly or indirectly, for

yourself/himself, or through, on behalf of or in conjunction with any person, persons or legal entity:

12.2.1. Divert or attempt to divert any business or customer of any Laundry Spot laundromat operated under the System to any competitor or do any other act injurious or prejudicial to the goodwill associated with the System.

12.2.2. Employ or seek to employ any person who is at that time employed by us or any of our franchisees or developers, or directly or indirectly induce such person to leave their employ.

12.2.3. Own, maintain, operate, affiliate with, or have an interest in any business (whether directly operating such a business or as a franchisee, area representative, developer, or otherwise) that is competitive with a Laundry Spot laundromat.

12.3. You and your owners covenant that, except as otherwise approved in writing by us, you shall not, for a continuous uninterrupted period of two years from the date of: (a) a transfer permitted under Section 11; (b) expiration or termination of this Agreement (regardless of the cause for termination); or (c) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to the enforcement of this Section 12.3, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any persons or entity, own, maintain, operate, engage in, develop or acquire any interest in any business that is competitive with a Unit and, and which business is, or is intended to be, located (a) within the Development Area; (b) within a 50 mile radius of the Development Area; or (c) within a 25 mile radius of any Laundry Spot laundromat operating under the System at the time of transfer, expiration or termination.

12.4. Sections 12.2 and 12.3 above shall not apply to ownership by Developer of an interest in any business operated under the System under a franchise granted by us or of less than 5% beneficial interest in the outstanding equity securities of any publicly held entity.

12.5. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 12.

12.6. You understand and acknowledge that we shall have the right, in our sole discretion, to reduce the scope of any covenant set forth in Sections 12.2 and 12.3 of this Agreement, or any portion thereof, without your consent, effective immediately upon receipt of written notice thereof; and you agree that you shall comply forthwith with any covenant as so modified, which shall be fully enforceable.

12.7. You expressly agree that the existence of any claims you may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by us of the covenants in this Section 12. You agree to pay all costs and expenses (including reasonable attorneys' fees and expenses) we incur in connection with the enforcement of this Section 12.

12.8. You shall require and obtain execution of covenants, in a form reasonably acceptable to us, of confidentiality and non-competition similar to those set forth elsewhere in this Agreement (including covenants applicable upon the termination of a person's relationship with you) from any or all of the following persons: (a) all managers of Developer; (b) all officers, directors, and holders of a beneficial interest of 5% or more of the securities of Developer, and of any entity directly or indirectly controlling Developer, if Developer is an entity; and (c) the general partners and any limited partners if Developer is a partnership. The covenants required by this Section 12 shall be in a form specified by us, including, without limitation, specific identification of us as a third-party beneficiary of such covenants with the independent right to enforce them.

12.9. You and your owners agree to comply with and/or to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, you and your owners certify, represent, and warrant that none of your respective property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that neither you nor any of your owners are otherwise in violation of any of the Anti-Terrorism Laws. For the purposes of this Section 12.9, the following terms have the following meanings: (a) "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States ("Executive Order 13224"), the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any other requirements of any governmental authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control, and any other government agency with jurisdiction over the parties to this Agreement and/or their actions) addressing or in any way relating to terrorist acts and/or acts of war; (b) "Owner" means any person, partner, member, or shareholder who owns any direct or indirect interest in Developer. You and your owners certify that none of you, your respective employees, or anyone associated with any of them is listed in the Annex to Executive Order 13224 (the "Annex"). You agree not to knowingly hire any individual who is listed in the Annex (or, if he or she is already employed, retain the employment of that individual). You also agree not to knowingly: (a) establish a new relationship with a person as an employee, owner, banker, or otherwise who is listed in the Annex (whether or not we have consented to a Transfer involving such new owner); and (b) maintain a business relationship (whether with an employee, an owner, banker, or otherwise) with a person who is added to the Annex. You certify that you have no knowledge or information that, if generally known, would result in you or your owners, your employees, or anyone else associated with you to be listed in the Annex to Executive Order 13224. You understand that you are solely responsible for ascertaining what actions you must take to comply with the Anti-Terrorism Laws, and you specifically acknowledge and agree that your indemnification responsibilities set forth in this Agreement also apply to your obligations under this Section 12.9. Any misrepresentation by you under this Section or any violation of the Anti-Terrorism Laws by you, your owners, your employees, and/or their respective affiliates shall constitute grounds for immediate termination of this Agreement and any other agreement you have entered into with us or one of our affiliates.

13. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by certified or registered mail, return receipt requested, to the respective parties at the addresses listed in the opening paragraph unless and until a different address has been designated by written notice to the other party. Any notice by certified or registered mail shall be deemed to have been given at the date and time of mailing.

14. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

14.1. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, and that nothing in this MUDA is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. Each party to this Agreement is an independent contractor, and neither shall be responsible for the debts or liabilities incurred by the other.

14.2. You shall hold yourself out to the public to be an independent contractor operating pursuant to this Agreement. You agree to take such actions as shall be necessary to that end.

14.3. You understand and agree that nothing in this Agreement authorizes you to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and that we assume no liability for, nor shall be deemed liable by reason of, any act or omission of yours or any claim or judgment arising therefrom. You shall indemnify and hold us and our officers, directors, and employees harmless against any and all such claims arising directly or indirectly from, as a result of, or in connection with your activities hereunder, as well as the cost, including reasonable attorneys' fees, of defending against them, except that the foregoing shall not apply to infringement actions regarding the Marks which are caused solely by our actions or actions caused by the negligent acts of us or our agents.

15. APPROVALS

15.1. Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us for such approval or consent, and, except as otherwise provided herein, any approval or consent granted shall be in writing.

15.2. We make no warranties or guarantees upon which you may rely and assume no liability or obligation to you or any third party to which we would not otherwise be subject, by providing any waiver, approval, advise, consent to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

16. NON-WAIVER

No failure of ours to exercise any power reserved to us under this Agreement or to insist upon compliance by you with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of our rights to demand exact compliance with the terms of this Agreement. Our waiver of any particular default shall not affect or impair our right with respect to any subsequent default of the same or of a different nature; nor shall

any delay, forbearance or omission of ours to exercise any power or right arising out of any breach or default by you of any of the terms, provisions or covenants of this Agreement affect or impair our rights, nor shall such constitute a waiver by us of any rights hereunder or rights to declare any subsequent breach or default.

17. SEVERABILITY AND CONSTRUCTION

17.1. Each covenant and provision of this Agreement shall be construed as independent of any other covenant or provision of this Agreement. The provisions of this Agreement shall be deemed severable.

17.2. If all or any portion of a covenant or provision of this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a decision to which we are a party, you expressly agree to be bound by any lesser covenant or provision imposing the maximum duty permitted by law which is subsumed within the terms of such covenant or provision, as if that lesser covenant or provision were separately stated in and made a part of this Agreement.

17.3. Nothing in this Agreement shall confer upon any person or legal entity other than us or you, and such of our respective successors and assigns as may be contemplated by Section 11 hereof, any rights or remedies under or by reason of this Agreement.

17.4. All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

17.5. All references herein to gender and number shall be construed to include such other gender and number as the context may require, and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by you shall be deemed jointly and severally undertaken by all those executing this Agreement on your behalf.

17.6. This Agreement may be executed in multiple copies, each of which shall be deemed an original.

18. ENTIRE AGREEMENT; APPLICABLE LAW

18.1. This Agreement, the documents referred to herein and the Attachments attached hereto constitute the entire, full and complete agreement between us and you concerning the subject matter hereof and supersede any and all prior agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. No amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

18.2. This Agreement takes effect upon its acceptance and execution by us. Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 and the sections following it) or other federal law, this Agreement and the relationship created hereby are governed by Ohio law, excluding any law regulating the sale of franchises or governing the relationship between a franchisor and franchisee, unless the

jurisdictional requirements of such laws are met independently without reference to this Section. References to any law or regulation also refer to any successor laws or regulations and any implementing regulations for any statute, as in effect at the relevant time. References to a governmental agency also refer to any successor regulatory body that succeeds in the function of such agency.

18.3. Subject to the Arbitration provision below, you and we each consent and irrevocably submit to the exclusive jurisdiction and venue of the state and federal courts of competent jurisdiction in New Albany, Ohio, and waive any objection to the jurisdiction and venue of such courts. This exclusive choice of jurisdiction and venue provision does not restrict the ability of the parties to confirm or enforce judgments or awards in any appropriate jurisdiction.

19. DISPUTE RESOLUTION

19.1 WITH THE EXCEPTION OF ANY CONTROVERSY OR CLAIM RELATING TO (A) THE OWNERSHIP OR IMPROPER USE OF OUR PROPRIETARY MARKS OR CONFIDENTIAL INFORMATION, (B) EQUITABLE CLAIMS, AND (C) AMOUNTS DUE FROM YOU TO US, THE PARTIES AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE BETWEEN OR INVOLVING US OR ANY OF OUR AFFILIATES (AND OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) AND YOU (AND YOUR AGENTS, REPRESENTATIVES AND/OR EMPLOYEES, AS APPLICABLE) ARISING OUT OF OR RELATED TO: (A) THIS MUDA OR ANY OTHER AGREEMENT BETWEEN US AND YOU OR OUR AND YOUR RESPECTIVE AFFILIATES; (B) OUR RELATIONSHIP WITH YOU; (C) THE VALIDITY OF THIS MUDA OR ANY OTHER AGREEMENT BETWEEN YOU AND US OR OUR AND YOUR RESPECTIVE AFFILIATES; OR (D) ANY SYSTEM STANDARD, TO NON-BINDING MEDIATION AT A PLACE THAT WE DESIGNATE WITHIN 25 MILES OF WHERE OUR PRINCIPAL OFFICES ARE LOCATED AT THE TIME THE DEMAND FOR MEDIATION IS FILED. (IF YOU AND WE CANNOT AGREE ON A LOCATION, THE MEDIATION WILL BE CONDUCTED AT OUR HEADQUARTERS). THE MEDIATION SHALL BE CONDUCTED BY EITHER A MUTUALLY AGREED-UPON MEDIATOR OR, FAILING SUCH AGREEMENT WITHIN A REASONABLE PERIOD OF TIME (NOT TO EXCEED 15 DAYS) AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION, BY THE AMERICAN ARBITRATION ASSOCIATION IN ACCORDANCE WITH ITS COMMERCIAL MEDIATION PROCEDURES. ABSENT AGREEMENT TO THE CONTRARY, THE MEDIATOR SHALL BE EXPERIENCED IN THE MEDIATION OF FRANCHISE DISPUTES. YOU AND WE AGREE THAT ANY STATEMENTS MADE BY EITHER YOU OR US IN ANY SUCH MEDIATION PROCEEDING WILL NOT BE ADMISSIBLE IN ANY SUBSEQUENT ARBITRATION OR LEGAL PROCEEDING. EACH PARTY WILL BEAR ITS OWN COSTS AND EXPENSES OF CONDUCTING THE MEDIATION AND SHARE EQUALLY THE COSTS OF ANY THIRD PARTIES WHO ARE REQUIRED TO PARTICIPATE. NEVERTHELESS, BOTH YOU AND WE HAVE THE RIGHT IN A PROPER CASE TO OBTAIN TEMPORARY RESTRAINING ORDERS AND TEMPORARY OR PRELIMINARY INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION. HOWEVER, THE PARTIES MUST IMMEDIATELY AND CONTEMPORANEOUSLY SUBMIT THE

DISPUTE FOR NON-BINDING MEDIATION. IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN 90 DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN, UNLESS SUCH TIME PERIOD IS EXTENDED BY THE WRITTEN AGREEMENT OF THE PARTIES, EITHER PARTY MAY BRING A LEGAL PROCEEDING UNDER THIS SECTION. THE MEDIATION PROVISIONS OF THIS MUDA ARE INTENDED TO BENEFIT AND BIND CERTAIN THIRD-PARTY NON-SIGNATORIES, AND ALL OF YOUR AND OUR OWNERS AND AFFILIATES.

19.2. WITH THE EXCEPTION OF ANY CONTROVERSY OR CLAIM RELATING TO (A) THE OWNERSHIP OR IMPROPER USE OF OUR PROPRIETARY MARKS OR CONFIDENTIAL INFORMATION, (B) EQUITABLE CLAIMS, AND (C) AMOUNTS DUE FROM YOU TO US, ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS MUDA, IF NOT RESOLVED BY THE NEGOTIATION AND MEDIATION PROCEDURES DESCRIBED ABOVE, MUST BE DETERMINED WITHIN 50 MILES OF WHERE OUR PRINCIPAL OFFICES ARE LOCATED AT THE TIME THE DEMAND FOR ARBITRATION IS FILED BY THE AMERICAN ARBITRATION ASSOCIATION ("AAA") (IF YOU AND WE CANNOT AGREE ON A LOCATION, THE ARBITRATION WILL BE CONDUCTED AT OUR HEADQUARTERS). THIS ARBITRATION CLAUSE WILL NOT DEPRIVE US OF ANY RIGHT WE MAY OTHERWISE HAVE TO SEEK PROVISIONAL INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION. THE ARBITRATOR MUST HAVE SUBSTANTIAL EXPERIENCE IN FRANCHISE LAW AND WITH COMMERCIAL DISPUTES. THE PARTIES ASK THAT THE ARBITRATOR LIMIT DISCOVERY TO THE GREATEST EXTENT POSSIBLE CONSISTENT WITH BASIC FAIRNESS IN ORDER TO MINIMIZE THE TIME AND EXPENSE OF ARBITRATION. IF PROPER NOTICE OF ANY HEARING HAS BEEN GIVEN, THE ARBITRATOR WILL HAVE FULL POWER TO PROCEED TO TAKE EVIDENCE OR TO PERFORM ANY OTHER ACTS NECESSARY TO ARBITRATE THE MATTER IN THE ABSENCE OF ANY PARTY WHO FAILS TO APPEAR. BOTH PARTIES WAIVE ANY RIGHTS THEY MAY HAVE TO DEMAND TRIAL BY JURY OR TO SEEK PUNITIVE DAMAGES FROM ONE ANOTHER. THE ARBITRATOR WILL HAVE NO POWER TO: (A) STAY THE EFFECTIVENESS OF ANY PENDING TERMINATION OF FRANCHISE; (B) ASSESS PUNITIVE DAMAGES AGAINST EITHER PARTY; OR (C) MAKE ANY AWARD THAT MODIFIES OR SUSPENDS ANY LAWFUL PROVISION OF THIS MUDA. THE PARTY AGAINST WHOM THE ARBITRATOR RENDERS A DECISION MUST PAY ALL EXPENSES OF ARBITRATION. ANY COURT OF COMPETENT JURISDICTION MAY ENTER JUDGMENT UPON ANY AWARD.

19.3. As a mandatory condition precedent prior to your taking any legal or other action against us, whether for damages, injunctive, equitable or other relief (including, but not limited to, rescission), based upon any alleged act or omission of ours, you shall first give us 90 days prior written notice and opportunity to cure such alleged act or omission, or to resolve such matter.

19.4. Nothing in this Agreement shall bar our right to obtain specific performance of the provisions of this Agreement and injunctive relief against threatened conduct that will cause us loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and

your sole remedy, in the event of the entry of such injunction, shall be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived).

19.5. No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

19.6. YOU AND WE HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION ARISING OUT OF OR IN CONNECTION WITH THIS MUDA, THE RELATIONSHIP CREATED BY THIS AGREEMENT, OR ANY OTHER AGREEMENTS BETWEEN YOU AND US AND/OR YOUR AND OUR RESPECTIVE AFFILIATES.

19.7. FOR YOUR OBLIGATIONS TO US AND CLAIMS FOR UNAUTHORIZED USE OF THE MARKS OR CONFIDENTIAL INFORMATION, YOU WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO, OR CLAIM FOR, ANY CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES AGAINST US. YOU ALSO AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN YOU AND US, THE PARTY MAKING THE CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND RECOVERY OF ANY ACTUAL DAMAGES YOU SUSTAIN.

19.8. ANY AND ALL CLAIMS ARISING OUT OF OR IN CONNECTION WITH THIS MUDA OR THE RELATIONSHIP BETWEEN YOU AND US MUST BE MADE BY WRITTEN NOTICE TO THE OTHER PARTY WITHIN ONE YEAR FROM THE OCCURRENCE OF THE ACT OR EVENT GIVING RISE TO SUCH CLAIM OR ONE YEAR FROM THE DATE ON WHICH YOU OR WE KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST, EXCEPT FOR CLAIMS FOR: (A) INDEMNIFICATION; OR (B) UNAUTHORIZED USE OF THE CONFIDENTIAL INFORMATION OR PROPRIETARY MARKS. HOWEVER, THIS PROVISION DOES NOT LIMIT OUR RIGHT TO TERMINATE THIS AGREEMENT IN ANY WAY.

19.9. You shall pay to us all damages, costs and expenses (including without limitation reasonable attorneys' fees) that we incur subsequent to the termination or expiration of the license granted under this Agreement in: (a) obtaining injunctive or other relief for the enforcement of any provisions of this Agreement; (b) successfully defending a claim that we defrauded you into signing this Agreement, that the provisions of this Agreement are not fair, were not properly entered into, and/or that the terms of this Agreement do not govern the parties' relationship; and/or (c) enforcing any term in this Agreement.

20. TIMELY PERFORMANCE

You hereby acknowledge that your timely development of the Units in the Development Area in accordance with the Development Schedule is of material importance to us and you. You agree, as a condition of the continuance of the rights granted hereunder, to develop and open Units within the

Development Area in accordance with the Development Schedule, to operate such Unit pursuant to the terms of the Franchise Agreements and to maintain all such Units in operation continuously. We agree to diligently act upon any request of or approval from you and any material delay in your ability to meet the Development Schedule which is directly caused by our failure to act diligently upon a request for approval shall not constitute a default hereunder. Further, a failure or delay in performance by any party to this Agreement shall not be a default hereunder if such failure or delay arises out of or results from a "Force Majeure", which for purposes of this Agreement shall be defined as fire, flood, acts of God, global pandemic, government shutdown, earthquake or other natural disasters, or acts of a public enemy, war, act of terrorism, rebellion or sabotage. Force Majeure shall not include your lack of financing.

21. ACKNOWLEDGMENTS

21.1. You acknowledge and agree that we shall have the right to operate the System as we determine is appropriate, including but not limited to making decisions of whether to enter into an agreement of any sort with any party (such as a prospective franchisee), determining the terms of any agreement that we will enter into with any party (such as the provisions of a Franchise Agreement), determining whether and how to enforce its agreements (such as whether and when to bring actions to require payment in full by all parties, including franchisees), and all other matters whatsoever pertaining to the System. You understand that you shall not have any right whatsoever to enforce or to require us to do business with any particular party, enter into any particular agreement, or to enforce the terms of any particular Franchise Agreement.

21.2. You acknowledge that you have conducted an independent investigation of this opportunity and recognize that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability of you as an independent businessperson or business. We expressly disclaim the making of, and you acknowledge that you have not received, any warranty or guarantee, express or implied, orally or in writing, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

21.3. You acknowledge that you have read and understood this Agreement, the documents referred to in this Agreement and agreements relating thereto, if any; and that we have accorded you ample time and opportunity to consult with advisors and/or attorneys of your own choosing about the potential benefits and risks of entering into this Agreement.

21.4. You acknowledge and agree that we have in the past, and may in the future, modify the offer of its licenses to other multi-unit developers in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that differ from the terms, conditions, and obligations in this Agreement.

21.5. You acknowledge that you received the Disclosure Document required by the Federal Trade Commission Franchise Rule at least 14 calendar days prior to the date on which this Agreement was executed or any consideration was paid to us.

21.6. Each party represents and warrants to the others that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict such party

from: (a) negotiating and entering into this Agreement; (b) exercising its rights under this Agreement; and/or (c) fulfilling its responsibilities under this Agreement.

21.7. You acknowledge that the success of the business venture contemplated under this Agreement is speculative and depends, to a large extent, upon your ability as an independent businessperson, his/her active participation in the daily affairs of the business, market conditions, area competition, availability of product provided as well as other factors. We do not make any representation or warranty express or implied as to the potential success of the business venture contemplated hereby.

21.8. We expressly disclaim the making of, and you acknowledge that you have not received nor relied upon, any warranty or guaranty, express or implied, as to the revenues, profits or success of the business venture contemplated by this Agreement.

21.9. All terms that are undefined herein shall have the meaning set forth in the Franchise Agreement signed in conjunction herewith.

21.10. Developer and its Owners shall execute the Certification and Guaranty set forth in Attachment C and Attachment D hereto.

22. EFFECTIVE DATE

22.1 This Agreement shall be effective as of the date it is executed by us.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Agreement on the day and year first above written.

THE LAUNDRY SPOT FRANCHISE LLC	**DEVELOPER:**
By:_____	By: _____
Name: _____	Name: _____
Title:_____	Title: _____
Date:_____	Date: _____

MULTI-UNIT DEVELOPMENT AGREEMENT
ATTACHMENT A

DEVELOPMENT SCHEDULE

The Agreement authorizes and obliges Developer to establish and operate the number of Units in the chart below pursuant to a then-current franchise agreement for each Unit. The following is Developer's Development Schedule (the chart below may expand based on the number of Units purchased):

Unit #	Deadline for Opening	Total # of Units to be Open and Operating on Deadline	Amount Due
			$_____
			$_____
			$_____
			$_____
			$_____
		Total Development Fee:	
		Initial Franchise Fee:	
		Total Due at Signing:	

As set forth in the Multi-Unit Development Agreement, this Development Schedule shall be deemed completed, and this Agreement shall expire upon the opening of the final Unit being developed pursuant to this Agreement.

IN WITNESS WHEREOF the parties hereto, intending to be legally bound hereby have duly executed this Development Schedule.

THE LAUNDRY SPOT FRANCHISE LLC

By:_____

Name: _____

Title:_____

Date:_____

DEVELOPER:

By: _____

Name: _____

Title: _____

Date: _____

MULTI-UNIT DEVELOPMENT AGREEMENT
ATTACHMENT B

DEVELOPMENT AREA

The following describes the Development Area within which Developer may locate Units under the Multi-Unit Development Agreement:

_____

___ Check if Map attached

IN WITNESS WHEREOF the parties hereto, intending to be legally bound hereby have duly executed this Development Area.

THE LAUNDRY SPOT FRANCHISE LLC	**DEVELOPER:**
By:_____	By: _____
Name: _____	Name: _____
Title:_____	Title: _____
Date:_____	Date: _____

MULTI-UNIT DEVELOPMENT AGREEMENT
ATTACHMENT C

CERTIFICATION BY DEVELOPER

The undersigned, _____, personally, ("**Developer**") do/does hereby certify that they have conducted an independent investigation of the business contemplated by this Multi-Unit Development Agreement and The Laundry Spot Franchise LLC Franchise Agreement, and that the decision to execute the Multi-Unit Development Agreement was based entirely upon the independent investigation by the undersigned; and the undersigned further certifies that he has not relied upon, in any way, any claims regarding potential sales, income, or earnings to be derived from the business contemplated by the Franchise Agreement and Multi-Unit Development Agreement, and has not relied upon any claims regarding past or current sales, income or earnings of Franchisor-operated Units, except as may be included in the Laundry Spot Franchise Disclosure Document heretofore provided to Developer. The undersigned further certifies that he/she understands the risks involved in this investment and The Laundry Spot Franchise LLC makes no representation or guaranty, explicit or implied, that the Developer will be successful or will recoup his/her investment.

Each of the undersigned owns a 5% or greater beneficial interest in Developer, each has read this Multi-Unit Development Agreement, and each agrees to be individually bound by all obligations of Developer hereunder.

IN WITNESS WHEREOF, this Certification has been signed the day and year below.

DEVELOPER'S MEMBERS/STOCKHOLDERS:

_____	_____
Personally and Individually (Printed Name)	Personally and Individually (Printed Name)
_____	_____
Personally and Individually (Signature)	Personally and Individually (Signature)
_____	_____
Date Signed	Date Signed

MULTI-UNIT DEVELOPMENT AGREEMENT
ATTACHMENT D

GUARANTY

In consideration of the execution by The Laundry Spot Franchise LLC of the annexed Multi-Unit Development Agreement, and acknowledging that undersigned will benefit directly or indirectly from the execution thereof, the undersigned, _____, agree(s) to be jointly and severally bound by and agree to guaranty the performance of all of the terms and conditions of the Multi-Unit Development Agreement and any amendments thereto or renewals thereof, and do hereby execute this Multi-Unit Development Agreement for the purpose of binding and obligating themselves to the terms and conditions of the aforesaid Multi-Unit Development Agreement and any amendments thereto or renewals thereof.

The guarantors hereby waive notice of termination or default under the Multi-Unit Development Agreement.

Each of the undersigned owns a 5% or greater beneficial interest in Developer, each has read this Multi-Unit Development Agreement, and each agrees to be individually bound by all obligations of Developer hereunder.

IN WITNESS WHEREOF, this Guaranty has been signed the day and year below.

GUARANTORS:

_____	_____
Personally and Individually (Printed Name)	Personally and Individually (Printed Name)
_____	_____
Personally and Individually (Signature)	Personally and Individually (Signature)
_____	_____
Date Signed	Date Signed

MULTI-UNIT DEVELOPMENT AGREEMENT
ATTACHMENT E

STATE ADDENDA TO THE MULTI-UNIT DEVELOPMENT AGREEMENT

CALIFORNIA ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT

If any of the terms of the Multi-Unit Development Agreement are inconsistent with the terms below, the terms below control.

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.

DEVELOPER:	**THE LAUNDRY SPOT FRANCHISE LLC**
By: _____	By: _____
Date:_____	Date:_____

ILLINOIS ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT

If any of the terms of the Multi-Unit Development Agreement are inconsistent with the terms below, the terms below control.

1. Capitalized terms used but not defined in this Addendum have the meanings given in the Agreement. The "Illinois Act" means the Illinois Franchise Disclosure Act of 1987.

2. The Multi-Unit Development Agreement is governed by Illinois law.

3. In conformance with Section 4 of the Illinois Act, any provision in the Multi-Unit Development Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a Multi-Unit Development Agreement may provide for arbitration to take place outside of Illinois.

4. Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Act.

5. In conformance with Section 41 of the Illinois Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Act or any other law of Illinois is void.

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. This Addendum is effective as of the Effective Date.

DEVELOPER:	**THE LAUNDRY SPOT FRANCHISE LLC**
By: _____	By: _____
Date:_____	Date:_____

MARYLAND ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT

If any of the terms of the Multi-Unit Development Agreement are inconsistent with the terms below, the terms below control.

1. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Maryland Franchise Law" means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland.

2. Notwithstanding any provision of the Agreement to the contrary, as a condition of the sale of a franchise, Franchisor shall not require a prospective franchisee to agree to a release, assignment, novation, waiver, or estoppel that would relieve Franchisor or any other person from liability under the Maryland Franchise Law.

3. Pursuant to COMAR 02-02-08-16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and DisclosureLaw.

4. Any provision of the Agreement which provides for a period of limitations for causes of action shall not apply to causes of action under the Maryland Franchise Law, Business Regulation Article, §14-227, Annotated Code of Maryland. Franchisee must bring an action under such law within three years after the grant of the franchise.

5. Notwithstanding any provision of the Agreement to the contrary, Franchisee does not waive its right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

6. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

7. 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.

DEVELOPER:	**THE LAUNDRY SPOT FRANCHISE LLC**
By: _____	By: _____
Date:_____	Date:_____

MINNESOTA ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT

If any of the terms of the Multi-Unit Development Agreement are inconsistent with the terms below, the terms below control.

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Minnesota Act" means Minnesota Statutes, Sections 80C.01 to 80C.22.

2. **Amendments.** The Agreement is amended to comply with the following:

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

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

- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statues, Section 80C.12, Subd. 1(g).

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

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, and therefore the applicable provision of the Agreement is amended to state "No action may be commenced pursuant to Minnesota Statutes, Section 80C.17 more than three years after the cause of action accrues."

3. **Effective Date.** This Rider is effective as of the Effective Date.

4. 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.

DEVELOPER:	**THE LAUNDRY SPOT FRANCHISE LLC**
By: _____	By: _____
Date:_____	Date:_____

WASHINGTON ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

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

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise

agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** 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.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

DEVELOPER:	**THE LAUNDRY SPOT FRANCHISE LLC**
By: _____	By: _____
Date:_____	Date:_____

EXHIBIT D TO THE DISCLOSURE DOCUMENT

THE LAUNDRY SPOT FRANCHISE LLC
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1 The Laundry Spot Story (Page 1) **3 pages**

- 1.1 Concept Overview
- 1.2 Our Brand
- 1.3 Guest Experience Standards

2 Operating the Franchise (Page 4) **5 pages**

- 2.1 The Franchisee/Franchisor Relationship
- 2.2 Key Elements of Success
- 2.3 Franchise Reporting Requirements

3 Personnel (Page 9) **35 pages**

- 3.2 Introduction
- 3.3 Labor Law Compliance
- 3.4 Management, Employee Roles & Responsibilities
- 3.5 Making the Best Hiring Decision
- 3.6 Orientation & Training
- 3.7 Managing Employee Performance
- 3.8 Rewarding Employees for Guest Service
- 3.9 Analyzing & Improving Employee Retention
- 3.10 Maintaining Business Employment Forms

4 Daily Operations (Page 44) **28 pages**

- 4.1 Our Guests & Their Expectations
- 4.2 Guest Service Philosophy
- 4.3 Guest Experience Standards
- 4.4 Guest Policies
- 4.5 Responding to Guest Complaints
- 4.6 Rewarding & Empowering Employees for Guest Service
- 4.7 Hours of Operation and Holidays
- 4.8 Cleanliness & Sanitation
- 4.9 Computer System & POS System Requirements

5 Business Management (Page 72) **12 pages**

- 5.1 Overview
- 5.2 Financial Management
- 5.3 Managing Costs
- 5.4 Banking
- 5.5 Reporting Requirements

6 Marketing (Page 84) **14 pages**

- 6.1 The Brand
- 6.2 Marketing Planning & Expenditure
- 6.3 Digital Presence
- 6.4 Promotions
- 6.5 Other Advertising Options

6.6 Public Relations & Publicity
7 Facility Maintenance & Safety (Page 198) **16 pages**
7.1 Prevention – Accident Control Program
7.2 Emergency Preparedness
7.3 Standard Emergency Guidelines
7.4 What to Do When Severe Weather or a Natural Disaster Strikes
7.5 Power Failure
7.6 Security
7.7 Losses

113 Pages Total

EXHIBIT E TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

THE LAUNDRY SPOT FRANCHISE, LLC

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

DECEMBER 31, 2025

(*With Independent Auditors' Report Thereon)*

Divine Blalock Martin Sellari LLC
Est. in 1932

THE LAUNDRY SPOT FRANCHISE, LLC
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Divine Blalock Martin Sellari LLC
Est. in 1932

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WILBUR F. DIVINE, IV, CPA (1925-1989)
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G. MICHAEL MARTIN, CPA (1945-2014)

*REGULATED BY THE STATE OF FL
**REGULATED BY THE STATE OF FL
AND THE STATE OF NY
****REGULATED BY THE STATE OF FL
AND THE STATE OF NJ
****REGULATED BY THE STATE OF NY

INDEPENDENT AUDITORS' REPORT

To the Member of
The Laundry Spot Franchise, LLC
1875 S Erie Blvd
Hamilton, Ohio 45011

Opinion

We have audited the accompanying financial statements of The Laundry Spot Franchise, LLC (an Ohio limited liability company), which comprise the balance sheet as of December 31, 2025, and the related statements of income, changes in members' equity, and cash flows for the period from inception (October 28, 2025) to December 31, 2025, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Laundry Spot Franchise, LLC as of December 31, 2025, and the results of its operations and its cash flows from inception (October 28, 2025) to December 31, 2025 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Laundry Spot Franchise, LLC 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Laundry Spot Franchise, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 Laundry Spot Franchise, LLC'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 Laundry Spot Franchise, LLC'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.

Divine, Blalock, Martin & Sellari, LLC

West Palm Beach, FL
February 21, 2026

THE LAUNDRY SPOT FRANCHISE, LLC
BALANCE SHEET
AS OF DECEMBER 31, 2025

Assets		
Current Assets		
Cash and cash equivalents	$	20,000
Total Current Assets		20,000
Total Assets	$	20,000
Liabilities and Members' Equity		
Current Liabilities		
Accounts payable	$	-
Total Current Liabilities		-
Total Liabilities		-
Members' Equity		
Members' equity		20,000
Total Members' Equity		20,000
Total Liabilities and Members' Equity	$	20,000

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

THE LAUNDRY SPOT FRANCHISE, LLC
STATEMENT OF INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2025

Revenue		
Initial franchise fees	$	-
Franchise royalty fees		-
License fees		-
Total Revenue		-
Operating Expenses		
Legal/professional fees		-
Miscellaneous		-
Total Operating Expenses		-
Net Loss	$	-

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

THE LAUNDRY SPOT FRANCHISE, LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2025

Members' equity @ October 28, 2025	$	-
Member contributions		20,000
Net (Loss)		-
Members' equity @ January 31, 2026	$	20,000

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

THE LAUNDRY SPOT FRANCHISE, LLC
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2025

Cash flows from operating activities		
Net (Loss)	$	-
Adjustments to reconcile Net income to net cash used by operating activities:		
(Increase) Decrease in Operating Assets		
Increase (Decrease) in Operating Liabilities		
Deferred revenue		-
Total adjustments		-
Net Cash (Used in) Operating Activities		-
Cash flows from financing activities		
Member contributions		20,000
Net Cash Provided by Financing Activities		20,000
Net increase in cash and cash equivalents		20,000
Cash and cash equivalents, beginning of year		-
Cash and cash equivalents, ending of year	$	20,000

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

THE LAUNDRY SPOT FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2025

NOTE 1 – BUSINESS ACTIVITY

The Laundry Spot Franchise, LLC is an Ohio limited liability company established in October 28, 2025. The Company is engaged in offering franchises for the operation of laundromat businesses under the Laundry Spot brand. Unless otherwise specified, the terms "we," "us," "our," and "Company" refer to The Laundry Spot Franchise, LLC. The Company is in the initial start-up phase and is actively engaged in recruiting franchisees across various states to develop the brand and expand its market presence.

Affiliate

Oreo Team LLC, an Ohio limited liability company formed on May 9, 2018, owns and operates two Laundry Spot laundromats in Ohio and operates businesses substantially similar to the franchised business being offered. We and Oreo Team LLC are independent entities, and Oreo Team LLC does not assume any of our legal or other obligations, nor do we assume any of theirs. Oreo Team LLC does not offer franchises and does not provide products or services to franchisees.

Miami Valley Private Capital, LLC, owns and operates two Laundry Spot laundromats in Ohio and operates businesses substantially similar to the franchised business being offered. We and Miami Valley Private Capital LLC are independent entities, and Miami Valley Private Capital LLC does not assume any of our legal or other obligations, nor do we assume any of theirs. Miami Valley Private Capital LLC does not offer franchises and does not provide products or services to franchisees.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Company's policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when received, and expenses are recognized when the obligation is incurred rather than when cash is disbursed.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Concentrations of Credit Risk

The Company maintains cash in bank and deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Advertising and Marketing

Advertising and Marketing costs are expensed as incurred. Advertising and Marketing expense amounted to $ 0 for the period ended December 31, 2025.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are non-interest-bearing obligations due under normal trade terms carried out at the amount management expects to collect. Account balances are delinquent if payments have not been received by the Company for 90 days. Included in accounts receivable are initial franchise fees, monthly royalties and related fees due from franchisees. At December 31, 2025, the amount due was $0.

Management evaluates the collectability of receivables at each reporting date, considering factors such as historical collection patterns, the aging of accounts, and known economic or operational risks. For the period ended December 31, 2025, no allowance for credit losses was recorded.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are generally provided using the straight-line method over the estimated useful lives of the related assets which ranges between 5 to 40 years. At December 31, 2025, the Company did not own any fixed assets.

Long-Lived Assets

The Company reviews long-lived assets to be held and used by an entity for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be recoverable. As there are no owned assets for the period ended December 31, 2025, no impairment of the carrying values of its long-lived assets existed at December 31, 2025. There can be no assurance, however, that demands for the Company's products or market conditions will not change which could result in impairment losses in the future.

Income Taxes

Certain transactions of the Company may be subject to accounting methods for income tax purposes that differ significantly from the accounting methods used in preparing the financial statements in accordance with generally accepted accounting principles. Accordingly, the taxable income of the Company reported for federal and state income tax purposes may differ from net income in these financial statements. As a limited liability company, income or loss of the Company is allocated to the members. No provision for federal or state income taxes is necessary because any income or loss is includable in the tax returns of the individual members. Local income taxes, if any, are paid by the Company. The Company was not subject to any local income taxes for the period ended December 31, 2025.

The Company follows the generally accepted accounting guidance for uncertainty in income taxes, which prescribes when to recognize and how to measure the financial statement effects, if any, of income tax positions taken or expected to be taken on its income tax returns. The guidance requires management to evaluate the likelihood that, upon examination by relevant taxing authorities, those income tax positions would be sustained.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

Based on that evaluation, if it were more than 50% likely that a material amount of income tax would be imposed at the Company level upon examination by the relevant taxing authorities, a liability would be recognized in the accompanying balance sheet along with any interest and penalties that would result from the assessment. Should any such penalties and interest be incurred, the Company's policy would be to recognize them as operating expenses.

Based on management's evaluation at December 31, 2025, the Company had no such liabilities resulting from uncertain tax positions.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates made by the Company's management include, but are not limited to, allowances for doubtful accounts and contracts receivable, the allowance for losses on contracts in process and the percentage of completion on uncompleted contracts. Actual results could materially differ from those estimates.

Revenue Recognition

The Company's revenue recognition policies are in compliance with accounting standards ASC Topic 606, Revenue from Contracts with Customers. The new guidance includes the following five-step revenue recognition model:

- Identify the contract with the customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to performance obligations.
- Recognize revenue when (or as) each performance obligation is satisfied.

In 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU), Franchisors-Revenue from Contracts with Customers (Subtopic 952-606) Practical Expedient. This new practical expedient will allow franchisors that are not public business-entities to account for pre-opening services provided to a franchise as a single performance obligation in the services are in line with the services listed within the guidance, and they meet certain other conditions.

The Company recognizes franchise royalty and brand marketing fund fees on a weekly basis, which are generally based upon a percentage of sales made by the Company's franchises, and local marketing and technology fees on a monthly basis, generally a fixed amount, when they are earned and deemed collectible.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

The following services are provided by the Company prior to the opening of a franchised location:

- Grant of franchise rights for an approved location
- Approval of operating territory
- Access to the Operations Manual
- Approved suppliers, vendors, and equipment specifications
- Website listing and authorized digital media presence
- Initial training program for franchisee and management
- Required technology, POS, and system setup
- Pre-opening guidance, requirements, and opening support

Fair Value of Financial Assets and Liabilities

We measure and disclose certain financial assets and liabilities at fair value. ASC Topic 820, Fair Value Measurements and Disclosures, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

We utilize the active market approach to measure fair value for our financial assets and liabilities. We report separately each class of assets and liabilities measured at fair value on a recurring basis and include assets and liabilities that are disclosed but not recorded at fair value in the fair value hierarchy.

Recently Issued and Adopted Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Measurement of Credit Losses on Financial Instruments which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued and Adopted Accounting Pronouncements, continued

Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to the guidance in FASB ASC 326 were trade accounts receivable. The Company adopted the standard effective October 28, 2025. The impact of the adoption was not considered material to the financial statements and primarily resulted in new disclosures.

The Company's management has evaluated recently issued accounting pronouncements through the date of this report and concluded that they will not have a material effect on the financial statements as of December 31, 2025.

NOTE 3 – DEFERRED REVENUE

Deferred revenue represents an allocated amount of the initial franchise fee for the license portion, which is amortized over the term of the agreement, and the unearned portion of the initial franchise fee for the contractual obligations of the Company that have not yet been performed. At December 31, 2025, the Company recognized $ 0.

NOTE 4 – COMMITMENTS AND CONTINGENCIES

The Company may be party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

NOTE 5 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through February 21, 2026, the date which the financial statements were available to be issued and nothing has occurred that would require disclosure.

EXHIBIT F TO THE FRANCHISE DISCLOSURE DOCUMENT

THE LAUNDRY SPOT FRANCHISE LLC
LIST OF CURRENT AND FORMER FRANCHISEES

The following is a list of the names of all current franchisees and the address and telephone number of each of their outlets as of December 31, 2025:

(a) **Operational Franchisees.** The following are the names, addresses and telephone numbers of all Laundry Spot franchisees as of December 31, 2025, who are operational:

Franchisees as of December 31, 2025			
State	Business Location	Franchisee	Contact Information
None			

(b) **Franchise Agreements Executed But Not Yet Operational.** The following are the names, addresses and telephone numbers of all Laundry Spot franchisees as of December 31, 2025, who are not yet operational but have signed a Franchise Agreement:

Franchisees as of December 31, 2025			
State	Business Location	Franchisee	Contact Information
None			

(c) **Former Franchisees.** The following are the names, last known home addresses and home telephone numbers of all Franchisees that have been terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Laundry Spot Franchise Agreement during the most recently completed fiscal year (January 1, 2025 to December 31, 2025) or who have not communicated with us within 10 weeks of the date of issuance of this Disclosure Document:

Franchisees that have Left the System as of December 31, 2025			
State	Business Location	Franchisee	Contact Information
None			

EXHIBIT G TO THE FRANCHISE DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE QUESTIONNAIRE

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know, The Laundry Spot Franchise LLC and you are preparing to enter into a Franchise Agreement for the operation of a Laundry Spot franchised business. In this Franchisee Disclosure Questionnaire, The Laundry Spot Franchise LLC will be referred to as "Franchisor," "we", "our" or "us." The undersigned and/or the undersigned's Corporate Entity, will be referred to as "Franchisee," "you" and "your." The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we did not authorize and that may be untrue, inaccurate, or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed the Franchisor's Franchise Agreement and each exhibit, addendum, and schedule attached to it?

   Yes _____ No _____

2. Have you received and personally reviewed the Franchisor's Franchise Disclosure Document (the "FDD") we provided to you?

   Yes _____ No _____

3. Do you understand that the success or failure of your business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms, and other economic and business factors?

   Yes _____ No _____

4. Do you agree that no employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits, or operating costs of a Laundry Spot laundromat that we or our franchisees operate, which is not otherwise in the FDD issued to you?

   Yes _____ No _____

5. Do you agree that no employee or other person speaking on our behalf made any statement or promise concerning a Laundry Spot laundromat that is contrary to, or different from, the information contained in the FDD?

   Yes _____ No _____

6. Do you agree that no employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Laundry Spot franchised laundromat?

   Yes _____ No _____

7. Do you agree that no employee or other person speaking on our behalf made any statement, promise, or agreement concerning the advertising, marketing, training, support service, or assistance that we will furnish to you that is contrary to, or different from, the information contained in the FDD?

   Yes _____ No _____

8. If you have answered "Yes" to any of questions 4 through 7, please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to each of these questions, please leave the following lines blank.

   _____

   _____

9. Do you understand that in all dealings with you, our officers, directors, employees, and agents act only in a representative capacity and not in an individual capacity and these dealings are solely between Franchisor and Franchisee?

   Yes _____ No _____

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.

By signing this Franchisee Disclosure Questionnaire, you are representing that you have responded truthfully to the above questions as if you were signing them under oath.

_____	_____
Signature	Signature
_____	_____
Name of Franchisee/Applicant	Name of Franchisee/Applicant
_____	_____
Date	Date

EXHIBIT H TO THE FRANCHISE DISCLOSURE DOCUMENT

THE LAUNDRY SPOT FRANCHISE LLC
STATE ADDENDA TO THE FRANCHISE DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

As to franchises governed by the California Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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

Item 3 of the Disclosure Document is amended by adding the following paragraph:

Neither we nor any person or franchise broker in Item 2 of this Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in this association or exchange.

Item 17 of the Disclosure Document is amended by adding the following paragraphs:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

Item 17.g. of the Disclosure Document is modified to state that, in addition to the grounds for immediate termination specified in Item 17.h., the franchisor can terminate upon written notice and a 60-day opportunity to cure for a breach of the Franchise Agreement.

Item 17.h. of the Disclosure Document is modified to state that the franchisor can terminate immediately for insolvency, abandonment, mutual agreement to terminate, material misrepresentation, legal violation persisting 10 days after notice, repeated breaches, judgment, criminal conviction, monies owed to the franchisor more than 5 days past due, and imminent danger to public health or safety.

Item 19 of the Disclosure Document: The earnings claims figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expense you will incur in operating your Franchised Business. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

The franchise agreement requires application of the laws of Ohio. This provision may not be enforceable under California law.

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The franchise agreement requires binding arbitration. The arbitration will occur in Hamilton, Ohio, with the costs being borne according to the Rules for Commercial Arbitration of the American Arbitration Association. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

California's Franchise Investment Law (Corporations Code section 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

YOU MUST SIGN A GENERAL RELEASE OF CLAIM IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE §31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CODE §§31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE §20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§20000 THROUGH 20043).

Our website is located at www.laundryspot.com

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

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

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.

HAWAII ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

As to franchises governed by the Hawaii Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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 COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS 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 SUBFRANCHSIOR, 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 DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT 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.

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.

Registered agent in the state authorized to receive service of process:

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, HI 96813

ILLINOIS ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

As to franchises governed by the Illinois Franchise Disclosure Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17.w. is modified to provide that Illinois law applies.

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. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision of the Franchise Agreement purporting to bind you to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.

4. The conditions under which your Franchise Agreement can be terminated and your rights upon nonrenewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MARYLAND ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

As to franchises governed by the Maryland Franchise Registration and Disclosure Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17.b. is modified to also provide, "The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17.u. is modified to also provide, "A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable."

3. Item 17.v. is modified to also provide, "Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise."

4. The Franchise Agreement provides for termination upon bankruptcy of the franchisee. This provision may not be enforceable under federal bankruptcy law.

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.

MINNESOTA ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

As to franchises governed by the Minnesota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the Franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce (1) any of the Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14 Subds. 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 and that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the Franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
- Minnesota considers it unfair to not protect the Franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a Franchisee to assent to a general release.
- NSF checks are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges.
- The Franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

Also, a court will determine if a bond is required.

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

NEW YORK ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

As to franchises governed by the New York franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. The following information is added to the cover page of the Franchise Disclosure Document:

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

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade

regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer**":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**":

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**," and Item 17(w), titled "**Choice of law**":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements—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 om 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.

7. Receipts—Any sale made must be in compliance with §683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. §680 *et. seq.*), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

As to franchises governed by the North Dakota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Restrictive Covenants: To the extent that covenants not to compete apply to periods after the term of the franchise agreement, they are generally unenforceable under North Dakota law.

General Release: Any requirement that the franchisee sign a general release upon renewal of the franchise agreement does not apply to franchise agreements covered under North Dakota law.

Enforcement of Agreement: Any requirement in the Franchise Agreement that requires the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

Item 17(i) of the Disclosure Document is modified and deletes the obligation of franchisees to consent to termination or liquidated damages.

Item 17(u) of the Disclosure Document is modified and amended to provide that all arbitration or mediation required under the Franchise Agreement shall be at a location agreeable to all parties and may not be remote from the franchisee's Franchised Business.

Item 17(v) of the Disclosure Document is modified and amended to provide that franchisees are not required to consent to the jurisdiction of courts outside of North Dakota.

Item 17(w) of the Disclosure Document is modified and amended to provide that North Dakota law governs any cause of action arising out of the Franchise Agreement.

Provisions concerning choice of law, jurisdiction and venue, jury waiver, and waiver of punitive damages are hereby deleted and in their place is substituted the following language: "You agree to bring any claim against us, including our present and former employees, agents, and affiliates, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association."

The statute of limitations under North Dakota law shall apply.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the 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.

RHODE ISLAND ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

As to franchises governed by the Rhode Island Franchise Investment Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Item 17.m. of the Disclosure Document is revised to provide:

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act prohibits a franchisee to be restricted in choice of jurisdiction or venue. To the extent any such restriction is purported to be required by us, it is void with respect to all franchisees governed under the laws of Rhode Island.

Item 17.w. of the Disclosure Document is revised to provide:

> Rhode Island law applies.

VIRGINIA ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

As to franchises governed by the Virginia Retail Franchising Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document is 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 ground 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.

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.

WASHINGTON ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

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

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that

will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** 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.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

OHIO ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT

As to franchises governed by the Ohio Fair Dealership Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17 is modified to also provide,

   If the franchise agreement contains any provisions that conflict with the Ohio Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.

   With respect to franchises governed by Ohio law, the Ohio Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days' prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

EXHIBIT I TO THE FRANCHISE DISCLOSURE DOCUMENT

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 Ohio.

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	
Hawaii	
Illinois	
Indiana	February 26, 2026
Maryland	
Michigan	January 15, 2026
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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 J TO THE FRANCHISE DISCLOSURE DOCUMENT

RECEIPTS

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all the agreements carefully.

If The Laundry Spot Franchise LLC offers you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate of ours in connection with the proposed franchise sale, or sooner if required by applicable law.

Applicable state laws in New York and Rhode Island require that we give you this document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this Disclosure Document at least 10 business days before the signing of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If The Laundry Spot Franchise LLC does not deliver this Disclosure Document on time of if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state administrator identified Exhibit A of this Disclosure Document. We authorize the respective state agencies identified in Exhibit A of this Disclosure Document to receive service of process for us in the particular state.

The Issuance Date of this Disclosure Document is February 23, 2026.

The franchise sellers for this offering are:

Name	Principal Business Address	Telephone Number
Tyler Purcell	1875 S. Erie Blvd., Hamilton, Ohio 45011	(513) 202-4250
Dan Reese	1875 S. Erie Blvd., Hamilton, Ohio 45011	(513) 202-4250
Alex Forbes	1875 S. Erie Blvd., Hamilton, Ohio 45011	(513) 202-4250

I received a Disclosure Document issued on February 23, 2026, that included the following exhibits:

A. List of State Administrators/Agents for Service of Process	F. List of Current and Former Franchisees
B. Franchise Agreement	G. Franchisee Disclosure Questionnaire
C. Multi-Unit Development Agreement	H. State Specific Addenda
D. Operations Manual Table of Contents	I. State Effective Dates
E. Financial Statements	J. Receipts

Date	Print Name	Signature
Date	Print Name	Signature

Please keep this copy for your records.

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all the agreements carefully.

If The Laundry Spot Franchise LLC offers you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate of ours in connection with the proposed franchise sale, or sooner if required by applicable law.

Applicable state laws in New York and Rhode Island require that we give you this document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this Disclosure Document at least 10 business days before the signing of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If The Laundry Spot Franchise LLC does not deliver this Disclosure Document on time of if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state administrator identified Exhibit A of this Disclosure Document. We authorize the respective state agencies identified in Exhibit A of this Disclosure Document to receive service of process for us in the particular state.

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D. Operations Manual Table of Contents	I. State Effective Dates
E. Financial Statements	J. Receipts

Date	Print Name	Signature
Date	Print Name	Signature

Please sign this copy of the receipt, date your signature, and return it to The Laundry Spot Franchise LLC, Attn: Dan Reese, Chief Executive Officer, 1875 S. Erie Blvd., Hamilton, Ohio 45011, danreese@laundryspot.com.