EXHIBIT B

FRANCHISE AGREEMENT

PRONTOWASH USA, LLC a Florida Limited Liability Company

FRANCHISE AGREEMENT – TIER _____

This Franchise Agreement (this "Agreement") is made and entered into this day of
, 200, between ProntoWash USA, LLC, a Florida limited liability company whose
principal office is at 5481 NW 159th Street, Miami, Florida 33014 ("Franchisor") and
whose principal address is at
("Franchisee"), with reference to the following facts:

RECITALS

Franchisor is the licensee of a unique and proprietary system for providing car wash services at parking lots and other locations, using equipped mobile MDUs (the "ProntoWash System"). Franchisor continues to expend time, skill and money to improve this system. Franchisor is the owner or licensee of trademarks, such as "ProntoWash," used to identify ProntoWash services and facilities (the "ProntoWash Marks") and technology that Franchisor considers to be proprietary (the "Technology"). Franchisee wants to obtain a franchise to operate one ProntoWash Service Point of Service providing service at a specific location or in a defined geographic area using the ProntoWash System. Franchisor is willing to grant to Franchisee a franchise on the terms in this Agreement. Accordingly, the parties now agree as follows:

1. GRANT OF FRANCHISE

- ProntoWash Point of Service (the "Point of Service") using the ProntoWash System as it may be developed over time, to provide service at a location or in a geographic area defined in Exhibit A (the "Service Zone"). The franchise also includes a non-exclusive license for Franchisee to use and display the ProntoWash Marks and to use the Technology in operating the Point of Service in the Service Zone. Franchisee shall operate a minimum of _____ detail center hubs ("Detail Center- Hubs") at the Point of Service.
- 1.2. <u>Best Efforts</u>. Franchisee shall continuously use Franchisee's best efforts to operate, maintain and increase the volume of business at the Point of Service.
- 1.3. <u>Limited Exclusivity</u>. While Franchisee is in full compliance with this and all other agreements with Franchisor, Franchisor shall not establish or grant a franchise to anyone else to operate a Pronto Wash Service Point of Service in the location or defined geographic area comprising the Service Zone. However, Franchisor shall have the right to lease MDUs to corporate clients, even within Franchisee's exclusive territory, so long as such clients do not offer car washing services to the public and only use the MDUs for internal client purposes. The rights granted in this Agreement do not include marketing exclusivity; or exclusivity to portions of the parking lot or other area not within the Service Zone. Franchisor can operate or grant franchises or licenses to others to operate Pronto Wash service Point of

Services adjoining or anywhere else at the edge or outside of the Service Zone; and other ProntoWash service Point of Services may solicit and service customers and advertise regardless of geographic location. Franchisor can also arrange for manufacture of products whether or not identified by the ProntoWash Marks, and cause them to be sold through any distribution channels, all without geographic restriction.

2. TERM AND RENEWAL

2.1.	Term.	This Agreement	t's term is fiv	/e (5) years, st	arting on the date both
parties have signed	d. Howe	ver, this Agreer	ment shall te	rminate earlie	r on the soonest to occur
of (a) expiration, to	erminatio	on or other loss	of the right c	r loss of cons	ent from the landlord of
the Service Zone,	to operate	e there; or (b) th	ne date this A	greement is t	erminated as provided in
Sections 18.1 -18.	3. Francl	hisee acknowled	dges that the	current term of	of the lease for the
Service Zone is			·		

- 2.2. <u>Notice of Expiration</u>. If the law requires longer notice of expiration than Franchisor has given, then the term of this Agreement shall automatically be extended week-to-week until Franchisor has given the notice required and the required time has passed before the expiration becomes effective.
- 2.3. <u>Renewal</u>. If Franchisee has complied fully with all the conditions precedent to renewal in Sections 15.1(A) -15.1(E), then Franchisee shall have the right, but no obligation, on expiration of this Agreement to enter into a renewal Franchise Agreement (the "Renewal Agreement") for one consecutive five (5) year term (the "Renewal Term").

3. INITIAL FRANCHISE FEE

On signing this Agreement, Franchisee shall pay Franchisor an initial franchise fee of \$35,000 for a Tier A Property, \$25,000 for a Tier B Property or \$15,000 for a Tier C or D Property. This fee is deemed to be fully earned when paid, and is nonrefundable.

4. SELECTION OF LOCATION

- 4.1. <u>Location</u>. Franchisor may, but is not obligated to, secure for or propose to Franchisee a proposed Service Zone. If the Service Zone is not defined in Exhibit A when this Agreement is signed, then Franchisee shall find and propose for Franchisor's approval a Service Zone for the Point of Service. The proposed Service Zone must be in the geographic territory identified in Exhibit A. Franchisee must do this according to the requirements in Franchisor's Franchisee Book. Franchisee shall not sign a lease or other agreement ("Lease") with any landlord until after receiving Franchisor's written consent for both the proposed Service Zone and proposed Lease.
- 4.2. <u>Approval Conditions</u>. As a condition to approving a proposed Service Zone and proposed Lease, Franchisor may require Franchisee to submit information that Franchisor deems necessary to evaluate the proposed Service Zone and proposed Lease; and

\\As1\lhsmh\TG\9847-2\205230.doc

may specify terms, such as terms enabling Franchisor to control the location before termination due to breach, which Franchisor requires to appear in the Lease. Franchisor shall review Franchisee's proposed location and lease within 30 days of receipt of Franchisee's written request.

- 4.3. <u>Timing</u>. Franchisee shall obtain written approval of Franchisor for, and then sign the Lease all within 45 days after Franchisor signs this Agreement, or such longer period as consented to by Franchisor in writing.
- 4.4. <u>Lease and Sublease by Franchisor</u>. Franchisor may choose to lease and sublease to Franchisee a Service Zone whether selected by Franchisor or Franchisee.
- 4.5. <u>No Assurance</u>. Any assistance or lease/sublease involving Franchisor, and any approval or disapproval by Franchisor is not a warranty about viability, profitability or suitability for the Point of Service.
- 4.6. <u>Lease Performance</u>. Franchisee shall perform all obligations under the lease for the Service Zone. Franchisee shall not assign the lease or sublet any premises of the Service Zone or any portion of premises containing the Service Zone without Franchisor's prior written consent. If Franchisor makes any rent payments on Franchisee's behalf, Franchisee shall reimburse Franchisor for all such payments.
- 4.7. <u>Government Approval</u>. Franchisee shall be solely responsible to seek and obtain all licenses, consents and approvals of any government authority needed to lawfully operate the ProntoWash Service Point of Service in the Service Zone at Franchisee's sole cost and expense.
- 4.8. Relocation. Franchisee shall not relocate the Point of Service without Franchisor's prior written consent. Franchisor shall have the right to require any relocation to comply with this Article 4 and all other provisions of this Agreement. Any relocation occurring in compliance with this Agreement shall be deemed to be the Service Zone. In the event of loss of the right or consent to operate at the Service Zone, or the location owner's objection to Franchisee, without fault of Franchisee, Franchisor shall try to identify a new location for Franchisee, and shall consent to relocation of the Point of Service to an alternate location acceptable to Franchisor. This relocation shall be at Franchisee's sole expense. Franchisee acknowledges that relocation may not be possible before expiration of the term of this Agreement, or at all; and any relocation, could involve interruption in operations until a new location is secured and operations resume.

5. EQUIPPING THE POINT OF SERVICE

5.1. <u>Franchisee's Obligations</u>. Franchisee shall, at Franchisee's expense, install facilities and fixed equipment and obtain supplies at the Point of Service according to requirements in the Franchisee Book.

- 5.2. <u>Signs</u>. Franchisee shall cause all signs using the ProntoWash Marks to conform to all Franchisor's sign criteria and all laws and regulations regarding signage.
- Security Agreement. To induce Franchisor to provide Franchisee the 5.3. MDUs specified in Exhibit "B", and to assure Franchisee abides by the Repurchase Option of Section 18.6, and all other obligations to Franchisor, Franchisee shall (a) not remove or change the physical location of the MDUs from the Point of Service; (b) keep the MDUs in good repair, working order and condition, and make or cause to be made, all needed and proper replacements, repairs and improvements; (c) permit Franchisor at any time during or outside normal business hours, to visit and inspect in person the MDUs; (d) not modify the MDUs in any manner without Franchisor's prior written consent; (e) not create or permit any lien, encumbrance or security interest on any of the MDUs; (f) not sell the MDUs to any person or entity without Franchisor's prior written consent; and (g) continuously maintain insurance against risks of fire, theft and other loss of or damage to any of the MDUs in amounts and with insurers and on policy terms satisfactory to Franchisor, designating Franchisor as an additional insured; and furnish to Franchisor proof of this insurance satisfactory to Franchisor. Franchisee appoints Franchisor as attorney in fact to sign any statements necessary to effectuate the requirements in this Section 5.3.

6. CONFIDENTIAL OPERATING MANUAL

- 6.1. <u>Loan</u>. Franchisor shall lend to Franchisee one copy of each of Franchisor's Confidential Operating Manual (the "Franchisee Book").
- 6.2. <u>Compliance</u>. Franchisee shall operate the Point of Service in compliance with the standards, procedures, policies, methods, specifications and requirements as instructed during training and as provided for in the Franchisee Book.
- 6.3. <u>Revisions</u>. Franchisor can add to, delete from or otherwise modify the Franchisee Book from time to time. Revisions are part of the Franchisee Book and are binding on Franchisee on delivery. Franchisee must keep the loaned copy of the Franchisee Book up-to-date with all revisions being immediately inserted in the Franchisee Book. In any dispute as to contents, Franchisor's master copy controls.
- 6.4. Ownership. The copy of the Franchisee Book loaned to Franchisee is Franchisor's property. Franchisee shall implement procedures to maintain the confidentiality of the Franchisee Book and their information. Franchisee shall not copy any or all of the Franchisee Book and shall not make any of the Franchisee Book available to any unauthorized person. Franchisee shall assure that Franchisee's agents, independent contractors and employees do not copy any or all of the Franchisee Book.
- 6.5. <u>Return</u>. On expiration or termination, for any reason, of this Agreement, Franchisee shall return the Franchisee Book to Franchisor.

7. SERVICES FROM FRANCHISOR

- 7.1. <u>Start-Up Kit</u>. Franchisor shall provide Franchisee an operational start-up kit comprised of the items listed in Exhibit B to this Agreement. Franchisee shall pay Franchisor's published prices for these items and all shipping costs to transport these items to the POS destination.
- 7.2. Pre-Opening Planning. Prior to opening, Franchisor shall provide Franchisee a tour of an existing facility and consult with Franchisee on pre-opening matters including layout and set up of office facilities, placement of a detail center and hubs in the Service Zone, preparation for operations and grand opening planning. Before launching the POS, members of Franchisor's staff or other designees shall provide Franchisee on-site assistance with the launch of the POS, staffing and grand opening promotional efforts. These staff or designees shall remain on site for up to one week. Franchisor may also assist Franchisee with permit applications and/or permit processing. Such assistance may require Franchisor's staff or other designees to take several trips to Franchisee's location. Franchisee shall pay for all travel and living expenses incurred by Franchisor's staff or designees in providing the above services to Franchisee.
- 7.3. <u>Initial Training</u>. Franchisor shall provide and Franchisee's management and initial staff shall attend and successfully complete an initial training program ("Initial Training"). The Initial Training shall take place at Franchisor's headquarters or other location Franchisor designates. Franchisee shall not open the Point of Service before completing Initial Training. Franchisor may exempt Franchisee from some or all training if Franchisor determines that Franchisee is already experienced in these subjects. Franchisee shall pay for all travel and living expenses incurred while attending the training.
- 7.4. Scope of Training. At the time of signing this Agreement, Franchisor estimates the Initial Training will last about five (5) days, but it may be shorter or longer. Franchisor has the right to determine the duration, subjects, composition and mix and number of trainees who may participate in training programs.
- 7.5. Training Fee. Before starting initial training, Franchisee shall pay Franchisor a training fee of \$500 per person to be trained for a total of: \$______. If Franchisee asks and Franchisor agrees to provide additional training or assistance at the Point of Service, then Franchisee shall pay Franchisor's then standard rates for each day of additional training or assistance. At the time of signing this Agreement, Franchisor's standard rates are \$50 per hour per Franchisor staff member or other designee sent. For training away from Franchisor's offices, Franchisee shall also pay for all travel and living expenses incurred by Franchisor's staff or other designee in providing such training.
- 7.6. On-Going Training. Franchisor may conduct conferences, conventions or additional training programs. Franchisor shall have the right to determine their duration, content and location. Franchisee and any personnel of Franchisee, as designated by

Franchisor, shall attend and participate in any such conference, convention or training program.

- 7.7. <u>Training Expenses</u>. Franchisee shall pay all expenses for Franchisee and its personnel for training programs, conferences and conventions such as transportation, meals, lodging and other living expenses. Franchisor has no obligation to pay any compensation for services performed for or beneficial to Franchisor by any trainee or attendee at any training program, conference or convention.
- 7.8. Operating Methods and Reviews. Franchisor may furnish to Franchisee information, instructions, techniques, data, materials and forms pertaining to developments in services and goods offered under the ProntoWash System and may provide Franchisee assistance with sales, marketing and other matters, all as Franchisor deems appropriate. Franchisor may also from time to time, as it deems appropriate, provide Franchisee business reviews, certify new personnel, inspect the Point of Service and review mystery shopper feedback.
- 7.9. <u>Promotion and Advertising</u>. Franchisor may offer and sell, or arrange for others to offer and sell, promotional materials and forms to Franchisee. All prices for such items shall be subject to change at any time.
- 7.10. <u>Accounting</u>. Franchisor may specify accounting procedures, systems and formats to be used by Franchisee.
- 7.11. Pricing. Franchisee has sole discretion to decide all prices Franchisee charges with the exception that if (and only if) maximum and/or minimum pricing is allowed or not prohibited by law, Franchisor may establish maximum and/or minimum pricing and Franchisee shall comply with such lawful maximum and/or minimum pricing limits. Additionally, if Franchisor establishes a national or regional accounts program, then Franchisee shall participate in and adhere to all lawful policies regarding pricing and other terms that are established as part of that program. There is no representation that Franchisor's suggested or recommended (or, when permitted, maximum and/or minimum) prices will increase or maximize Franchisee's revenues or profit.

8. OTHER DUTIES OF FRANCHISEE

- 8.1. <u>Starting Operation</u>. Franchisee shall start operating the Point of Service within 90 days of the date of this Agreement and having obtained all necessary government permits.
- 8.2. <u>Manner of Operation</u>. Franchisee shall operate the Point of Service in compliance with the ProntoWash System, including all contents in the Franchisee Book. Franchisee shall offer and sell to the public all services and goods that are part of the ProntoWash System. Franchisee shall not provide any services or goods except by means of

sales from the Point of Service, without Franchisor's prior written consent. Franchisee's failure to operate the Point of Service in compliance with the ProntoWash System shall entitle Franchisor to asses a fee of One Hundred Dollars (\$100) against Franchisee per each violation regardless of whether the violation is the same as a prior violation for which the fee was paid, or similar or other act, conduct or omission. As a courtesy to Franchisee, Franchisor shall on one occasion only, waive the \$100 fee for this first violation under this Agreement. The \$100 fee is neither a penalty nor liquidated damages but a fee on account of Franchisor's efforts to secure compliance with this Agreement. Franchisor's assessment of any such fee shall not constitute a waiver of the violation or of Franchisor's other rights and remedies in this Agreement, all of which shall be reserved.

- 8.3. <u>Promotion Programs</u>. Franchisee shall participate in and comply with the terms of all promotion programs that Franchisor designates as mandatory.
- 8.4. <u>Inspection</u>. Franchisor shall have the right at any time, with or without notice, to inspect and examine the Service Zone, Point of Service and Franchisee's operation to ensure Franchisee's compliance with all obligations. Franchisee shall implement changes or corrections that Franchisor requests.
- 8.5. <u>Staffing</u>. Franchisee shall, hire, train and staff the Point of Service according to Franchisor's specifications. Franchisee shall require all personnel to maintain standards of appearance and demeanor that Franchisor establishes. If Franchisee elects to deliver services through independent contractors or other form of day workers or other intermittent workers, Franchisee shall do so pursuant to written agreements, which Franchisee shall not use before providing a copy of the proposed agreement to Franchisor and obtaining Franchisor's written consent to use such form.
- 8.6. <u>Computer/Software</u>. Franchisee shall buy and install the Pronto Wash PDA based POS software, computer hardware and software, dedicated phone and internet lines, modems, printers, and other utility services, accessories and peripheral equipment Franchisor specifies. Franchisor shall have the right to require Franchisee to upgrade the software, hardware, accessories and equipment from time to time at Franchisee's sole cost and expense. Franchisee shall purchase a monthly subscription service for the software at Franchisor's then current rates.
- 8.7. <u>Maintenance</u>. Franchisee shall maintain the Point of Service and its facilities, including all MDUs, other equipment, fixtures, signs and uniforms in a high degree of repair and cleanliness. Franchisee shall replace all of these that become obsolete, inoperable or unsightly. Replacements shall be the type and quality then required of new ProntoWash Points of Service and shall comply with Franchisor's then requirements and specifications.
- 8.8. <u>System Changes</u>. Changes may occur in competitive circumstances, needs of customers and through technological innovations. Franchisor shall have the right from time to time to change components of the ProntoWash System, such as, changing services, goods, methods, equipment, standards, forms, policies and procedures of the ProntoWash System;

adding to, deleting or modifying services and goods that the Point of Service is authorized or required to offer; and changing the ProntoWash Marks. Franchisee shall, at Franchisee's expense, implement all changes when required by Franchisor.

- 8.9. <u>Compliance with Law.</u> Franchisee shall operate the Point of Service in compliance with all laws, rules and regulations of all government authorities.
- 8.10. <u>Manager</u>. Franchisee shall designate a manager (the "Point of Service Manager") to perform day-to-day on-premises management of the Point of Service. Franchisee shall, at Franchisee's expense, require the Point of Service Manager to attend and successfully complete Franchisor's next scheduled Initial Training, and other training that Franchisor specifies.
- 8.11. Hours. Franchisee shall operate the Point of Service on days and during at least the minimum hours Franchisor specifies and inline with the location operating hours of the POS
- 8.12. <u>Recording Receipts</u>. Franchisee shall record all receipts of revenue at or in connection with operating the Point of Service on individual machine serial-numbered receipts by using the ProntoWash PDA based POS System.
- 8.13. <u>Coupons</u>. Franchisor may publish, issue and/or distribute any number of coupons and promotion offers, valid for discounts up to 25% on services to be provided by Franchisee. Franchisee shall accept and honor such coupons and offers. Franchisee shall not be entitled to reimbursement for the discounts granted.
- 8.14. <u>Indemnity</u>. Franchisee shall defend, indemnify and hold harmless Franchisor and its affiliates, and their respective members, managers, officers, employees, agents and representatives (collectively "Indemnitees") from all losses, costs and expenses incurred from any action, suit or other proceeding, based in any way on any aspect of the development or operation or act or omission of or relating to the Point of Service.
- 8.15. Notice of Claim. Franchisee shall give Franchisor written notice of any action, suit or other proceeding. Franchisor shall have the right, but no obligation, to assume the defense or settlement, or both, of any such action, suit or other proceeding provided that Franchisor shall seek advice and counsel of Franchisee, and keep Franchisee informed, regarding any contemplated settlement. Franchisee's obligations in this Section 8.15 shall not be diminished by any defense or settlement undertaken or conducted by Franchisor.
- 8.16. Records. If Franchisee or any assignee of Franchisee is a corporation, limited liability company, partnership or other form of entity, then Franchisee shall provide Franchisor a copy of its charter and governing documents (articles of incorporation, bylaws, shareholders, partnership or owners agreements and equivalents); list of owners and individuals in all director, manager and officer or equivalent positions, all amendments to these documents, and any other information about the organization and structure that

Franchisor requests from time to time. Franchisee shall promptly notify Franchisor in writing of any change in any information provided under this Section 8.16. All securities issued shall include the following legend conspicuously on their face:

The transfer of securities represented by this certificate is subject to the
terms and conditions of a Franchise Agreement with ProntoWash USA
LLC. dated, 200 Reference is made to the terms of the
Franchise Agreement and to the [name of charter and governing
documents] of this [type of entity].

8.17. Franchisee Purchases.

A. Sources.

Franchisor shall have the right to require Franchisee to buy from Franchisor or from sources Franchisor designates, certain equipment, products and services comprising part of the Pronto Wash System developed by, proprietary to and/or kept secret by Franchisor. Franchisee's purchase of non-approved equipment, products or services or failure to purchase equipment, products or services from Franchisor's approved suppliers shall entitle Franchisor to asses a fee of One Hundred Dollars (\$100) against Franchisee per each violation regardless of whether the violation is the same as a prior violation for which the fee was paid, or similar or other act, conduct or omission. As a courtesy to Franchisee, Franchisor shall on one occasion only, waive the \$100 fee for this first violation under this Agreement. The \$100 fee is neither a penalty nor liquidated damages but a fee on account of Franchisor's efforts to secure compliance with this Agreement. Franchisor's assessment of any such fee shall not constitute a waiver of the violation or of Franchisor's other rights and remedies in this Agreement, all of which shall be reserved.

B. Prices.

Franchisor shall have the right to offer and sell to Franchisee, or to arrange with Franchisor's affiliates to offer and sell to Franchisee, any goods and services at prices that Franchisor or the selling affiliate determines. Franchisee acknowledges that Franchisor or the selling affiliate may earn profits on such sales.

C. Approvals.

All non-proprietary equipment, goods and services required to operate the Point of Service shall be purchased by Franchisee only from suppliers designated or approved in writing by Franchisor or from sources that satisfy, and whose equipment, goods and services satisfy, all standards established from time to time by Franchisor. Franchisor shall use reasonable efforts to maintain a list of suggested sources of non-proprietary equipment, goods and services.

D. Approval Procedure/ Disapproval Procedure.

Franchisor will exercise its right to approve suppliers proposed by Franchisee according to the following procedure. Franchisee must submit a written request to Franchisor for approval of the supplier. The request must state the supplier's name, address, phone number, and all other information that Franchisee requests Franchisor to consider, and must identify the goods or services proposed to be supplied to Franchisee. The proposed supplier shall be required to demonstrate to Franchisor's satisfaction that it will supply the goods or services to Franchisee according to Franchisor's standards; that it is in good standing in the business community, has a good reputation generally, is financially solvent, and that there is no risk of these arrangements benefiting a competitor. Franchisor shall notify Franchisee within 60 days of its approval or disapproval of the requested supplier. Franchisor may revoke the use of a supplier by providing Franchisee 30 days written notice of its decision to do so. Franchisee shall not use a supplier after approval of the supplier has been revoked.

E. Testing.

Franchisor reserves the right from time to time to arrange for testing, analysis, inspection and/or sampling of goods or services of any supplier proposed or being used by Franchisee, regardless of whether the supplier is or has been approved as a supplier.

- 8.18. Quality. Franchisor shall have the right to require Franchisee to stop offering any service, using or selling any goods or engaging in any practice which, in Franchisor's opinion, conflicts with or causes the Point of Service not to conform to Franchisor's image, quality or other standards. Franchisee shall comply with all Franchisor's procedures and standards relating to the ProntoWash System, including but not limited to, uniforms, image, materials as well as all other operating procedures and standards.
- 8.19. <u>Accounting</u>. Franchisee shall comply with recordkeeping and accounting requirements established by Franchisor from time to time. Franchisee shall submit bookkeeping and accounting reports and other reports that Franchisor requests from time to time.
- 8.20. <u>Payments to Third Parties</u>. Franchisee shall maintain all trade accounts with suppliers in current status. Franchisee shall use Franchisee's best efforts to promptly resolve any disputes with suppliers.
- 8.21. <u>Complementary Services</u>. If and when requested in writing by Franchisor, Franchisee shall provide all complementary services required by Franchisor.

9. INSURANCE

9.1. Scope. Franchisee shall obtain and maintain the following insurance coverage through carriers satisfactory to Franchisor: (a) comprehensive general liability coverage including contractual liability and advertising injury coverage of at least \$2,000,000,

naming Franchisor and the Indemnitees (identified in Section 8.14) as additional insureds; (b) garage keeper; (c) fire and casualty insurance on the Point of Service and Franchisee's property; (d) business interruption insurance; and (e) worker's compensation, employer's liability, unemployment and state disability insurance as required by law. These policies shall provide that Franchisor is entitled to receive at least 30 days prior written notice of any intent to reduce coverage or policy limits, cancel or otherwise amend the policy. Franchisor shall have the right from time to time to revise coverages and coverage amounts Franchisee must obtain and maintain.

- 9.2. Proof. Franchisee shall provide Franchisor with certificates of insurance evidencing the coverages described in Section 9.1 before the Point of Service starts operating. Franchisee shall deliver to Franchisor a complete copy of each insurance policy within 21 days after delivery of the certificates of insurance, and of each new or renewal policy on receipt of the policy. Franchisor shall have the right at any time to require Franchisee to provide Franchisor full copies of any or all Franchisee's insurance policies and certificates of insurance. If Franchisee fails to purchase, maintain or provide proof of insurance and copies of policies, then Franchisor shall have the right, but no obligation, to obtain that insurance, or other insurance that Franchisor is able to obtain for this purpose. Franchisee shall, at Franchisor's election, pay all premiums for the insurance or reimburse premium payments made by Franchisor.
- 9.3. <u>Disclaimer</u>. Franchisor shall have no obligation to obtain or maintain any insurance for or on behalf of Franchisee. Nothing in this Agreement is an undertaking or representation that the insurance Franchisee is required to obtain and maintain will be a sufficient amount or scope of insurance for any purpose.
- 9.4. <u>Claims</u>. Franchisee shall notify Franchisor in writing of any and all claims or demands against Franchisee, the Point of Service, the Service Zone or Franchisor within three days after Franchisee receives actual notice of such claim or demand. Franchisee shall respond to all claims within the time required by law. Franchisee shall cooperate with Franchisor or Franchisor's designee in defending Franchisor and Franchisee against any and all claims.

10. ADVERTISING

10.1. Proposed Advertising/ Website Usage. Franchisee shall submit to Franchisor, before use, all proposed advertising, promotion materials, print ads, broadcast ads, direct mail, press releases, signs, posters, leaflets and other advertising and promotion ("Advertising"). Franchisee shall not use any Advertising unless it has been furnished by or approved in writing by Franchisor. Franchisee shall not establish a website or promote or advertise Franchisee's Point of Service on the web or internet without first obtaining Franchisor's prior written consent. Franchisee shall submit all proposed website content to Franchisor for approval prior to use. Franchisee shall make all requested changes to the content Franchisor requests.

- 10.2. <u>Use of Marks</u>. All Franchisee's Advertising using the ProntoWash Marks or referring to the Point of Service shall conform to all standards that Franchisor specifies from time to time. Franchisee shall discontinue using any advertising that Franchisor objects to.
- 10.3. <u>Materials</u>. Franchisor or its affiliates may develop advertising and sales promotions, campaigns and other materials. Franchisor or the affiliate shall have the right to charge Franchisee for such materials that Franchisee obtains from Franchisor or its affiliates.
- 10.4. <u>Local Advertising</u>. Franchisee shall spend at least \$250 per month for local advertising and promotion of the Point of Service. Not later than the 10th day of each month and such additional times as Franchisor requests, Franchisee shall provide Franchisor written accountings and copies of receipts and invoices for all Franchisee's expenditures for local advertising in the previous calendar month.

10.5. <u>National Advertising</u>.

A. Uses of Advertising Fund.

Franchisor shall establish a National Advertising Fund ("Advertising Fund") and use the Advertising Fund to pay for design, production, placement and administration of local, regional and national advertising, public relations or promotion programs intended to promote and enhance the quality image, identity and patronage of ProntoWash businesses, all in Franchisor's sole discretion. These may include, but are not limited to, print, broadcast and electronic ads, promotion materials, newsletters, public relations, and payment to Franchisor, its affiliates or advertising agencies for administrative expenses.

B. Direction of Advertising Fund.

Franchisor shall have the right to direct all advertising programs with sole discretion over the creative concepts, materials and media, placement and allocation. Franchisor has no obligation to make expenditures which are equivalent or proportionate to Franchisee's contributions, or to expend all contributions in the same time frame as when they are received, or to ensure that any particular franchisee benefits directly or pro rata from use of the Advertising Fund. Franchisee acknowledges and agrees that Franchisor's obligations regarding the Advertising Fund shall be those of an independent contractor and Franchisor does not undertake, and shall not be held to any fiduciary obligation regarding the Advertising Fund.

C. Separation of Funds.

Franchisor shall separately account for contributions to the Advertising Fund and may elect whether or not to keep the funds in accounts separate from Franchisor's other funds. Franchisor shall not use the Advertising Fund to defray Franchisor's general operating expenses, except for reasonable administrative costs and overhead not to exceed 15% of overall Advertising Fund expenditures, that Franchisor incurs in activities reasonably related to

administration or direction of the Advertising Fund or its programs. If Franchisor elects to hire personnel, establish a department, or establish a separate entity whose principal responsibilities are advertising and promotion, then Franchisor shall have the right to use any or all of the Advertising Fund to pay for that department, entity or personnel, and their activities.

D. Termination.

Franchisor maintains the right to terminate the Advertising Fund. The Advertising Fund shall not be terminated, however, until all money in the Advertising Fund has been expended.

E. Accounting.

An accounting of the expenditures of the Advertising Fund shall be prepared at least annually and made available to Franchisee on written request. Franchisor may from time to time, conduct audits of Advertising Fund expenditures, by an independent accountant selected by Franchisor and performed at the expense of the Advertising Fund.

F. Franchisor Contributions.

Any ProntoWash locations owned and operated by Franchisor shall make contributions to the Advertising Fund on a basis substantially equivalent to (but not necessarily exactly the same as) contributions required of franchisees.

10.6. <u>Sponsorship Advertising</u>. Franchisor shall have the right to sell advertising space to others at the POS. Franchisee shall comply with Franchisor's instructions to place advertising at the POS. Franchisor shall have the right to place any revenue derived from such advertising in the Advertising Fund or to retain and/or use such revenues for any other purposes as Franchisor deems appropriate.

10.7. <u>Advertising Cooperatives</u>.

A. Designation.

Franchisor shall have the right but no obligation from time to time to designate one or more local, regional or national geographic areas encompassing the Point of Service and at least one other Pronto Wash franchise as a cooperative advertising region to conduct advertising and promotion. The cooperative will operate according to governing documents that Franchisor prepares or consents to. Franchisee shall participate in and, contribute to such cooperative advertising region according to participation and contributions required of the other members, as determined from time to time by majority vote of members. Each member shall have one vote per operating Pronto Wash Point of Service owned by such member and located in the region. Franchisor controlled or affiliated outlets shall not participate as such, contribute to, or have voting power in any cooperatives. However, Franchisor shall have the right, but no obligation, to cast a vote to break a tie, and/or to veto or modify any decision of the cooperative advertising region. Franchisor shall prepare annual financial statements at the cooperative's expense and

shall make them available to Franchisee on request. Franchisor shall have the right to change, dissolve or merge cooperatives at Franchisor's discretion.

B. Contribution Limit.

Franchisee shall have no obligation to contribute to a cooperative advertising region more than \$200 a month per Point of Service operated by Franchisee in any three consecutive calendar months.

11. CONFIDENTIAL INFORMATION

- 11.1. <u>Restriction on Use</u>. Franchisee shall not divulge or use for the benefit of any other person or entity any confidential information or know-how which may be communicated to Franchisee. Franchisee shall protect the confidentiality of all confidential information.
- 11.2. <u>Scope</u>. Franchisee acknowledges that the following is confidential information and constitutes trade secrets of Franchisor (without limitation): all systems of operation, policies, standards and techniques that at any time are part of the ProntoWash System; the contents of the Franchisee Book; methods of advertising and promotion; training materials; unpublished promotion and public relations materials, and such other information as Franchisor designates as confidential.
- 11.3. <u>Duplication</u>. Franchisee shall not duplicate, record or otherwise reproduce any of the confidential information or material, in whole or part, or make any available to any person or entity except as authorized in this Agreement. On expiration or termination of this Agreement, Franchisee shall return to Franchisor all confidential information in Franchisee's possession or control.
- 11.4. <u>Disclosure</u>. Franchisee and the Point of Service Manager, shall divulge only that confidential information and only to those personnel who must have access to that information to do their jobs. Franchisee shall take all precautions necessary to assure that Franchisee's personnel retain such information in confidence.

12. PAYMENTS TO FRANCHISOR

12.1. <u>Royalty</u>. Franchisee shall pay to Franchisor a monthly Continuing Royalty. The monthly Continuing Royalty is the greater of 8% of Gross Sales derived at the Point of Service in the prior calendar month or the following per Detail Center – Hub operating at the Service Zone at any time in that month:

Tier A & B: First Hub - \$1,000, Second Hub - \$500, Third + Hub - \$250

Tier C & D: Each Hub - \$500.

- 12.2. <u>Advertising Fund</u>. Franchisee shall pay to Franchisor each month a contribution to the Advertising Fund. The monthly Advertising Fund contribution is the greater of 0.5% of Gross Sales derived at the Point of Service in the prior calendar month or \$150 per month.
- 12.3. Reporting and Payment. Franchisee shall deliver to Franchisor not later than the 5th day of each month, a statement signed by Franchisee, on a form prescribed by Franchisor, reporting the Gross Sales derived at the Point of service in the month just ended and number of Detail Center Hubs existing at the Service Zone at any time in the month. With the submission of each report, Franchisee shall pay Franchisor the full amount of the Continuing Royalty and Advertising Fund contribution due for that calendar month.
- 12.4. <u>Inflation Adjustment</u>. On written notice to Franchisee, as often as once per year, Franchisor shall have the right to increase the royalty and advertising payments due to Franchisor to adjust for inflation.
- the total of all sales made from the Point of Service, of every kind and nature, whether for car washing, detailing or other services, occasional or nonrecurring sales or any other activity. (This definition does not expand the scope of authorized activity of a Point of Service). Gross Sales also includes the fair market value of any transactions in which Franchisee barters or exchanges goods or services for goods or services provided by a vendor, supplier or customer. Gross Sales does not include, and Franchisee may deduct from Gross Sales (only to the extent they have been included): (i) the amount of sales tax receipts which by law are chargeable to clients, if those taxes are separately stated when the client is charged and were actually paid to the taxing authority; and (ii) documented refunds, chargebacks, credits and allowances given in good faith to customers by Franchisee.

13. RECORDKEEPING

- 13.1. <u>Financial Records</u>. Franchisee shall prepare and maintain for at least 7 years, complete records of all sales and revenues received by Franchisee, payroll records, copies of all tax returns, and supporting documentation, including but not limited to cash receipts, credit and charge records, cancelled checks and bank statements. Franchisee shall maintain additional records that Franchisor specifies from time to time.
- 13.2. Reporting. Franchisee shall provide to Franchisor within twenty (20) days after each calendar quarter and each calendar or fiscal year, in a form approved by Franchisor, a balance sheet and income statement as of the end of the quarter and end of the year. The financial statements shall be prepared according to generally accepted accounting principles, and, if requested by Franchisor, reviewed or audited by an independent CPA, at Franchisee's expense. Franchisee shall provide Franchisor with a copy of all Franchisee's federal and state income tax returns, amendments and other tax return filings at the same times as these are filed with the government tax authorities.

- 13.3. <u>Additional Reports</u>. Franchisee shall submit to Franchisor other reports, forms and records, in the manner, containing information and at times Franchisor specifies from time to time.
- 13.4. <u>Inspection and Audit</u>. Franchisee shall make available to Franchisor for inspection at times and in a manner that Franchisor requests from time to time, all original books and records that Franchisor designates. Franchisor or its designee shall have the right, at all reasonable times, to examine, copy, inspect and audit the books and records of Franchisee.
- 13.5. Results. If an inspection or audit reveals any underpayment or understatement to Franchisor, then Franchisee shall immediately pay the amount of the underpayment or understatement, plus interest from the date the amount was due until paid, at the rate stated in Section 20.17. If an inspection or audit discloses an underpayment or understatement of two percent (2%) or more in any period, then Franchisee shall also reimburse Franchisor's costs and expenses of the inspection or audit. The provisions in this Section do not excuse any breach reflected by the underpayment or understatement, and are additional to all Franchisor's other rights and remedies.

14. NON-COMPETITION

- 14.1. <u>In-Term.</u> While this Agreement is in effect, Franchisee shall not directly or indirectly engage, in any "Competitive Business" as defined below, either as an owner, investor, partner, shareholder, director, officer, employee, agent, advisor, consultant, or in any other capacity.
- 14.2. <u>Post-Term.</u> For a period of 2 years immediately following expiration or termination of this Agreement, Franchisee shall not directly or indirectly engage, within the territory identified in Exhibit A, or within the territory granted by Franchisor to any other franchisee under any agreement in effect as of the date of expiration or termination of this Agreement, in any "Competitive Business" as defined below, either as an owner, investor, partner, shareholder, director, officer, employee, agent, advisor, consultant, or in any other capacity.
- 14.3. <u>Hiring</u>. While this Agreement is in effect, and for 2 years after it expires or is terminated, Franchisee shall not hire or make any effort to hire for any purpose, any personnel of Franchisor or of any affiliate of Franchisor or of any other ProntoWash franchisee without the prior written consent of the Franchisor, affiliate or franchisee for whom the person is employed.
- 14.4. <u>Scope</u>. The parties acknowledge that Sections 14.1 through 14.3 are intended to prevent (and shall be deemed to also restrict) not only direct competition but also all forms of indirect competition, such as a spouse, partner or family member residing in the same household as Franchisee or Franchisee's officers, engaging in the conduct prohibited by Sections 14.1 through 14.3. However, Sections 14.1 through 14.3 shall not prevent Franchisee

from owning, only for passive investment purposes, up to an aggregate of 3% of the stock of a competitive business that is publicly held with that stock listed and traded on a national stock exchange, or through NASDAQ and provided Franchisee does not control the company, and shall not prevent Franchisee from owning any other ProntoWash franchise pursuant to a Franchise Agreement with Franchisor.

14.5.	Competitive Business. The phrase "Competitive Business" means any
business that offers	or sells any form of washing service for cars or other mobile vehicles
	from any one or more fixed or portable locations. This restriction shall not car wash business owned or operated by Franchisee at the following

14.6. <u>Confidentiality Agreements</u>. If Franchisee is a corporation, limited liability company, partnership or other form of entity, then Franchisee shall take all actions needed to cause Franchisee's members, owners, directors, managers, officers and management employees individually to comply with the restrictions in Sections 14.1 through 14.3 as if each was individually a party to this Agreement. Franchisee shall also cause each such person to sign a confidentiality agreement in a form satisfactory to Franchisor and shall deliver to Franchisor a copy of each such agreement.

15. RENEWAL

15.1. Conditions Precedent.

A. Conditions.

Franchisee's right to enter into a Renewal Agreement, in accordance Section 2.3 is subject to Franchisee's timely satisfaction of all the provisions in Sections 15.1(B) - 15.1(E), each of which is a condition precedent to renewal.

B. Performance.

At the time Franchisee exercises the right to enter into a Renewal Agreement, and when the Renewal Term starts, Franchisee shall have fully performed all provisions in this Agreement; shall be in full compliance with the Franchisee Book and with all other agreements then existing between Franchisee and Franchisor, and between Franchisee and any affiliate of Franchisor; and shall be current on all amounts owed to Franchisor and to any affiliate of Franchisor.

C. Refurbishment.

Before signing the Renewal Agreement Franchisee shall have arranged to refurbish, remodel and upgrade and redecorate, the Point of Service and its equipment, signs, and

\\As1\lhsmh\TG\9847-2\205230.doc

furnishings, as Franchisor specifies, to conform to Franchisor's then-current requirements for a franchised ProntoWash Service Point of Service.

D. Location.

Before signing the Renewal Agreement Franchisee shall demonstrate to Franchisor's satisfaction the ability to retain lawful possession of the Service Zone for the duration of the Renewal Term on terms acceptable to Franchisor.

E. Training.

Before the time of signing the Renewal Agreement Franchisee shall have satisfied or arranged to satisfy Franchisor's then-current qualification and training requirements for a renewing Pronto Wash franchisee. This may include, without limitation, attendance and successful completion by Franchisee and the Point of Service Manager of Franchisor's initial training program and other training programs specified by Franchisor, regardless of whether any such person previously completed these or other training programs.

- 15.2. Form of Renewal Agreement. The Renewal Agreement shall be Franchisor's then-current form of Franchise Agreement. Its terms may provide for different or additional fees, or both, and may otherwise materially differ from the provisions in this Agreement, except that the duration shall be the period of time provided in Section 2.3. Any provision in the Renewal Agreement for an initial franchise fee shall be modified to require Franchisee to pay Franchisor a sum equal to the average monthly Continuing Royalties that were payable to Franchisor (or should have been payable to Franchisor) in the 12 calendar months immediately preceding the renewal date with a minimum of \$1,000. (the "Renewal Fee").
- 15.3. <u>Procedure For Exercising Right to Renew.</u> Franchisee shall enter into a Renewal Agreement in the following manner:
- A. At least 120 days but not more than 150 days before the end of the term of this Agreement Franchisee shall in writing notify Franchisor of Franchisee's desire to renew and ask Franchisor for Franchisor's then current Uniform Franchise Offering Circular or equivalent disclosure document, the Renewal Agreement and applicable ancillary agreements and instruments.
- B. After receiving Franchisee's written request Franchisor shall deliver the applicable documents to Franchisee. Franchisee shall promptly acknowledge receipt of these items in the manner Franchisor requests.
- C. No sooner than 14 days and no later than 28 days after Franchisee receives the items in Section 15.3(B), Franchisee shall sign the Renewal Agreement and applicable ancillary agreements, and deliver these to Franchisor with payment of the Renewal Fee.

- D. Franchisee's failure to fully and timely perform any act required in Sections 15.3(A) (C) shall be deemed an election by Franchisee not to exercise the right to enter into a Renewal Agreement.
 - 15.4. <u>Franchisor's Agreement</u>. If Franchisee has exercised the right to enter into a Renewal Agreement as provided in this Agreement, and through and including the date this Agreement expires Franchisee has satisfied all conditions precedent in Section 15.3 then on (or as of) the date this Agreement expires Franchisor shall sign the Renewal Agreement previously signed and returned by Franchisee and shall provide Franchisee a copy of the signed Renewal Agreement.

16. ASSIGNMENT

16.1. <u>By Franchisor</u>. Franchisor shall have the right to assign this Agreement, and any of its rights in this Agreement, to any person, firm, corporation, limited liability company or other entity. On such assignment, Franchisor shall be released from any further obligations hereunder except for accrued liabilities, if any.

16.2. By Franchisee.

A. No Transfer.

Franchisee acknowledges that Franchisor entered into this Agreement in reliance on the personal skill and qualifications of Franchisee. Therefore, except as expressly stated in this Agreement, Franchisee shall have no right or power to, and shall not, assign, sell, transfer or sublicense, voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, any or all of this Agreement or any of Franchisee's rights or interest in this Agreement or in Franchisee, without Franchisor's prior written consent. Any purported assignment, sale, transfer or sublicense granted without such consent shall be void and of no effect.

B. Negative Pledge.

Franchisee shall have no right to and shall not pledge, encumber, hypothecate or otherwise grant any security interest in this Agreement, the Point of Service, or any aspect of the business being conducted pursuant to this Agreement without Franchisor's prior written consent. Any purported pledge, encumbrance, hypothecation or security interest made without such consent shall be void and of no effect.

C. Scope.

For this Agreement, "assignment" includes but is not limited to, any transfer or redemption in the aggregate of more than 49% of the capital stock, voting power, units of ownership, partnership interest or equivalent of a corporate, limited liability company, partnership or other entity franchisee, as originally constituted on the date of signing this Agreement, to any person or entity who is not (i) already a shareholder, general partner, member

or equivalent owner of the entity; (ii) the spouse of the person making the transfer, (iii) a trust controlled by the person or entity or whose only trustee is and remains such a person, or (iv) a corporation, limited liability company or partnership controlled and composed and continuing to be composed solely of the persons or entities making the transfer.

D. Additional Scope.

Nothing in Section 16.2(C) implies that a transaction involving less than 49% of the interest in Franchisee is not a transfer or assignment. Franchisee shall advise Franchisor in writing of all proposed transfers of ownership in Franchisee regardless of whether the amount transferred is less than 49%. Franchisor shall have the right, thereafter, to determine whether the proposed transaction constitutes a transaction subject to the provisions of this Section 16.2.

withhold consent to a written request by Franchisee to assign Franchisee's interest in this Agreement to a corporation, limited liability company or equivalent entity, provided that Franchisee satisfies all the following conditions precedent: (a) the entity is newly organized and its activities will be limited to acting as a ProntoWash franchisee; (ii) the entity's name shall not include the words "Pronto" or ProntoWash," " or any variant, or words confusingly similar thereto without Franchisor's prior written consent; (c) Franchisee shall be the sole owner of at least 51% of the ownership of the entity and any remaining ownership is owned only by Franchisee's spouse or children; (d) if Franchisee is two or more individuals, then each owns the same percentage of the entity as his or her interest in the business prior to the assignment; (e) the entity's articles of incorporation, articles of organization and bylaws state that the issuance and transfer of any interest in the entity are restricted by this Agreement; and (f) all the entity's ownership certificates conspicuously state:

The transfer of the securities represented by this certificate is subject to the terms and conditions of a Franchise Agreement dated [date of this Agreement] between ProntoWash USA LLC and [Name of Franchisee]. This certificate is not transferable and cannot be sold, assigned, pledged, mortgaged or encumbered by operation of law or otherwise, without prior written consent of ProntoWash USA LLC.

- 16.4. <u>No First Refusal</u>. An assignment made pursuant to Section 16.3 shall not be subject to Franchisor's rights of first refusal in Section 16.8 of this Agreement, and shall not require payment of a transfer fee.
- 16.5. <u>Franchisee's Sale To Third Party</u>. Franchisor's consent to a proposed assignment by Franchisee shall not be unreasonably withheld. It shall be deemed reasonable for Franchisor to impose, among other requirements, any or all the following as conditions precedent to consenting to a proposed assignment to a third party:
- A. Franchisee first complies with the right of first refusal provisions in Section 16.8.

- B. the proposed assignee applies to Franchisor to become a franchisee, complies with all requirements for a prospective new franchisee, successfully completes Franchisor's Initial Training and other training that Franchisor requires, all at the proposed assignee's expense; and the proposed assignee (or principals of a proposed assignee that is an entity) demonstrates skills, qualifications, ethics, moral values and economic resources necessary, in Franchisor's judgment to conduct the business contemplated by this Agreement, and to fulfill all obligations to the assignor.
- C. the proposed assignee signs Franchisor's then current form of Franchise Agreement, modified to reflect that it pertains to the Service Zone in this Agreement, to delete the initial franchise fee and to expire on the date of expiration of this Agreement. Royalties and applicable fees will be based on Franchisor's then current form of Franchise Agreement.
- D. the obligations undertaken by the proposed assignee, including but not limited to the sale price agreed to by the proposed assignee, not be so excessive, in Franchisor's judgment, as to jeopardize the proposed assignee's ability to operate the Point of Service.
- E. Franchisee pays to Franchisor a transfer fee equal to the Continuing Royalties paid by Franchisee (or that should have been paid by Franchisee) in the full 3 calendar months immediately preceding the proposed date of transfer and signs a general release.
- F. Franchisee provide Franchisor a copy of all proposed contracts relating to the proposed assignment, and thereafter provide copies of all contracts relating to the assignment.
- G. the assignee agree, at its expense, to upgrade the Service Zone to conform to the then-current standards and specifications of the ProntoWash System, within a time reasonably specified by Franchisor.
 - Franchisor and all Franchisor's affiliates, owners, shareholders, members, directors, managers, officers, employees and agents, from and against any and all losses, costs, expenses (including attorneys' and experts' fees), claims, demands, damages, liabilities, however caused (whether or not reduced to judgment) resulting directly or indirectly from or pertaining to any alleged statements, representations or warranties given by Franchisee to any proposed assignee.

16.7. Transfer On Death or Incapacity.

A. Opportunity of Heirs.

If Franchisee is an individual who dies, or becomes permanently incapacitated, then Franchisor shall allow the deceased's surviving spouse, heirs, or estate or the incapacitated person's legal representative, the opportunity to participate in ownership of Franchisee during 180 days after the death or incapacity, provided during that time the surviving spouse, heirs or estate or legal representative (i) maintains all standards of the franchise, performs all obligations

of Franchisee and satisfies all then current qualifications for a purchaser of a franchise or, (ii) in accordance with the requirements of Sections 16.5(A)-(G), sells such person's ownership interest in Franchisee or, if applicable, this Agreement and the Point of Service to a person who satisfies Franchisor's then current standards for new franchisees.

B. Entity.

If Franchisee is a corporation, limited liability company, partnership or other form of entity, then the death or incapacitation of a shareholder, member, partner, director manager or officer of Franchisee shall not constitute an assignment or transfer of this Agreement under Section 16.2. provided that during 180 days after the death or incapacitation the surviving spouse, heirs or estate or the incapacitated person's legal representative (i) maintains all standards of the franchise, performs all obligations of Franchisee and satisfies all then current qualifications for a purchaser of a franchise or, (ii) in accordance with the requirements of Sections 16.5(A) –(G), sells such person's ownership interest in Franchisee or, if applicable, this Agreement and the Point of Service to a person who satisfies Franchisor's then current standards for new franchisees.

C. Operation.

From the date of death or incapacity until satisfied that a qualified and trained Point of Service Manager has assumed full-time operational supervision of the Point of Service, Franchisor shall have the right, but no obligation, to enter and operate the Point of Service. Any decision by Franchisor to do so shall be deemed to be as an accommodation to assist Franchisee. Accordingly, Franchisor makes no representation or warranty with respect to its ability to operate the Point of Service profitably, and Franchisor shall not be responsible for the results of such operation. Franchisee shall reimburse all Franchisor's expenses incurred in operating the Point of Service pursuant to this Section 16.7(C), including but not limited to travel, lodging, meals, and personnel compensation; and shall pay Franchisor, in addition to all other amounts provided for in this Agreement, a management fee equal to \$200 per day for the period of such operation.

16.8. Right of First Refusal.

A. Franchisor's Right.

Franchisor shall have a right of first refusal itself to accept the terms of any sale, transfer or assignment of any interest in this Agreement or in Franchisee, offered by Franchisee or offered and accepted by Franchisee, whether voluntarily or by operation of law.

B. Additional Rights.

If Franchisor exercises the right of first refusal, then in addition, (i) Franchisor shall have the right to substitute cash for any form of payment proposed in the offer; (ii) Franchisor's credit-worthiness shall not be deemed to be less than that of any proposed purchaser; (iii) Franchisor shall have at least 60 days after notifying Franchisee of its election to exercise the right of first

refusal to prepare for closing; and (iv) Franchisor shall be entitled to receive written representations and warranties from Franchisee that Franchisee owns clear title to all assets being sold, transferred or assigned; that all tangible assets being sold, transferred or assigned are in good working condition; that there are no breaches of any contracts affecting the Point of Service; and that there are no liabilities of Franchisee that have not been disclosed to Franchisor in writing.

C. Notice.

To enable Franchisor to exercise the right of first refusal, Franchisee shall deliver to Franchisor a written notice stating all the terms of any proposed sale, transfer or assignment and shall provide any additional information Franchisor requests about the proposed transaction.

D. Consent.

Within 30 days after Franchisor receives the notice and all additional information requested by Franchisor, Franchisor shall, in writing, consent or withhold consent to the proposed sale, assignment or transfer or, in accordance with this Section 16.8, accept for itself or its nominee the sale, assignment or transfer on the terms specified in the notice.

E. Entire Interest.

If a transfer occurs by virtue of the assignment of a corporate, partnership or limited liability or other entity franchisee, to other than the original partners of Franchisee, as provided in Section 16.2(C), then Franchisor shall have the option to purchase not only the interests being transferred but also the remaining interests, so that after the transaction Franchisor will own 100% of the interest in Franchisee. Any purchase of such interests shall be valued on a basis proportionate to the price of the interests initially being offered.

F. Lease.

If Franchisor exercises its right of first refusal, then Franchisee shall take all action necessary to cause the lease for the Service Zone and any other agreements designated by Franchisor, to be assigned to Franchisor.

G. Completion.

If Franchisor elects not to exercise the right of first refusal and consents to the proposed sale, assignment or transfer, then Franchisee shall be authorized to complete the proposed transaction with the proposed assignee on the terms in the original notice to Franchisor. Any change to any such terms shall constitute a new proposal which shall again require compliance with the procedures in this Section 16.8.

H. Other Transactions.

An election by Franchisor not to exercise the right of first refusal for any proposed transaction shall not affect Franchisor's right of first refusal for any other proposed transaction. Franchisor's decision not to exercise the right of first refusal shall not constitute approval of the proposed transferee or assignee or of the transaction. Franchisee and any proposed transferee or assignee shall be required to comply with all provisions relating to transfer and assignment in Sections 16.5(A)-(G) of this Agreement.

17. PRONTOWASH MARKS AND TECHNOLOGY

- 17.1. Ownership. Franchisee shall have no right, title or interest in or to any of the ProntoWash Marks or the Technology except the limited right to use certain of them on the terms in this Agreement. Franchisee shall use only those ProntoWash Marks and Technology from time to time designated by Franchisor and not withdrawn by Franchisor from use by franchisees. Franchisee shall not represent that Franchisee has acquired any ownership rights in any of the ProntoWash Marks or Technology. Franchisee shall not, during or after the term of this Agreement, dispute or impugn the validity of or Franchisor's rights in the ProntoWash Marks or Technology.
- 17.2. <u>Registration</u>. Franchisee shall not apply for, attempt to obtain or accept any form of trademark, trade name, or other similar registration in any of the ProntoWash Marks.
- 17.3. <u>Goodwill</u>. As between Franchisee and Franchisor, all Franchisee's uses of and all goodwill associated with the ProntoWash Marks shall be for the benefit of and be the property of Franchiser. Franchisee shall not attribute any monetary value to goodwill associated with the ProntoWash Marks. Franchisee shall not assert any claim to own any goodwill or other interest in the ProntoWash Marks.
- 17.4. <u>Acts in Derogation</u>. Franchisee shall not do or permit any act or thing to be done in derogation of any of Franchisor's rights in the ProntoWash Marks or Technology during or after termination or expiration of this Agreement.
- 17.5. <u>Use.</u> Franchisee shall affix the ProntoWash Marks on MDUs, signs, stationery, advertising, sales and promotion materials and other objects, in size, color, style and format and at places that Franchisor may designate in writing. Franchisee shall display the ProntoWash Marks together with trademark and registration notices that may be designated by Franchisor.
- 17.6. Other Marks. Franchisee shall not co-brand or in any other way display in or on the Point of Service, or on any MDUs, stationery, advertising, sales or promotion materials or other objects any other trademark, logotype or symbol nor use any such other marks in operating the Point of Service without Franchisor's prior written consent.

17.7. <u>Franchisee's Trade Name</u>. Franchisee shall not use the words "Pronto," "ProntoWash," or any variant thereof or any of the ProntoWash Marks, or any words or symbols confusingly similar to any of the foregoing, in any corporate, limited liability company, partnership or other entity name without the prior written consent of Franchisor.

17.8. Defense By Franchisor.

A. Notice.

Franchisee shall immediately notify Franchisor in writing on learning or receiving notice of any claim, suit or demand alleging infringement by Franchisee. Subject to the condition that Franchisee has used the ProntoWash Marks and/or Technology in full compliance with this Agreement, Franchisor shall take action that Franchisor deems appropriate to defend and indemnify Franchisee against any such claim or suit by a third party. By way of illustration and not limitation, Franchisor shall have no obligation to defend or indemnify Franchisee if a demand, claim or suit arises from Franchisee's use of the ProntoWash Marks or Technology in violation of this Agreement.

B. Defense.

Franchisor shall have the right to defend and settle any claim or suit using counsel selected by Franchisor. Franchisee shall cooperate with Franchisor in the defense. Franchisee irrevocably appoints Franchisor as its attorney in fact to defend or settle all such claims or suits. Franchisee shall not purport to settle or compromise any such claim or suit without Franchisor's prior written consent.

C. Participation.

Franchisee shall have the right to participate at Franchisee's own expense in the defense or settlement of any such claim or suit, provided that Franchisor shall have the right to control the defense and any settlement.

- 17.9. Third Party Infringers. Franchisee shall notify Franchisor in writing immediately on learning that any third party is or may be using any mark or Technology the same as or confusingly similar to the ProntoWash Marks or to any ProntoWash Technology, whom Franchisee suspects or believes may not be authorized to use the ProntoWash Marks or that Technology. Franchisor shall have the sole right to determine which, if any, action to take with respect to such alleged use. Franchisee shall have no right to make any demand or prosecute any claim against any third party with respect to such use of the ProntoWash Marks or Technology.
- 17.10. <u>Stopping Use of ProntoWash Marks or Technology</u>. If it becomes advisable at any time, in Franchisor's discretion, to modify or stop use of any of the Proprietary Marks or to adopt or use one or more additional or substitute marks, or alternative

Technology, then Franchisee shall conform use of the ProntoWash Marks and Technology to use in the manner requested by Franchisor. Franchisor's sole obligation in any such event shall be to reimburse Franchisee for documented reasonable expenses of changing signs and stationery to comply with Franchisor's instructions. Franchisee waives any other claim arising from or relating to any such change in the ProntoWash Marks or change in Technology licensed for use by Franchisee. Except as expressly stated in this Section 17.10 Franchisor shall have no obligation for expenses, losses or damages sustained by Franchisee as a result of any such change in the ProntoWash Marks or Technology.

17.11. Use of Pronto Wash Marks and Technology.

A. Use.

Franchisee shall use all Pronto Wash Marks and Technology in compliance with rules that Franchisor prescribes. Franchisee shall not use any Proprietary Mark with any prefix, suffix, or other modifying words, terms, designs or symbols except as expressly authorized by Franchisor. Franchisee shall not use any Proprietary Mark in connection with selling any program, product or service not part of the Pronto Wash System or in any manner not expressly authorized in writing by Franchisor. Franchisee shall use the Pronto Wash Marks and Technology only for the operation of the Point of Service and only at the Service Zone, and advertising for the Point of Service.

B. Instructions.

Franchisee shall not use the ProntoWash Marks or Technology in any manner which may incur any obligation or debt on behalf of Franchisor. Franchisee shall comply with Franchisor's instructions, if any, for filing and maintaining fictitious business name registrations. Franchisee shall sign any documents as may be deemed necessary by Franchisor to obtain protection for the ProntoWash Marks or Technology or to maintain their continued validity and enforceability.

18. TERMINATION

18.1. Automatic Termination Without Notice. Franchisee shall be deemed to be in default and this Agreement shall automatically terminate on notice to Franchisee, immediately on or after occurrence of any of the following events: (a) Franchisee or the Point of Service is adjudicated bankrupt or insolvent; (b) all or a substantial part of the assets of Franchisee or of the Point of Service are assigned to or for the benefit of any creditor; (c) a petition in bankruptcy is filed by or against Franchisee or the Point of Service and is not immediately contested and dismissed within 60 days after filing; (d) a bill in equity or other proceeding for appointment of a receiver or other custodian of Franchisee or the Point of Service or any assets of Franchisee is filed and consented to by Franchisee; (e) a court appoints a receiver or other temporary or permanent custodian of all or part of Franchisee's assets; (f) proceedings for a composition or arrangement with creditors under any federal or state law are instituted by or against Franchisee; (g) Franchisee is dissolved; (h) execution is

levied against Franchisee or the Point of Service; or (i) any personal or real property of the Point of Service is sold after levy thereon by a government body or official.

- 18.2. <u>Termination On Notice Without Opportunity To Cure</u>. Franchisee shall be deemed to be in default and the Franchisor shall have the right to terminate this Agreement without allowing Franchisee any opportunity to cure the default, effective immediately on delivery to Franchisee of written notice of termination, on the occurrence of any of the following events:
- A. Franchisee stops operating the Point of Service or abandons the franchise by failing to operate the Point of Service for 5 consecutive days or any shorter period of time after which it is not unreasonable under the facts and circumstances for Franchisor to conclude that Franchisee does not intend to continue to operate the Point of Service, unless the failure is due to fire, flood, Act of God or other cause beyond Franchisee's control.
- B. The lessor of the property where the Service Zone is located, objects to the continued operation of the franchise by Franchisee.
- C. Franchisee (or, if Franchisee is a form of entity, any owner, member, shareholder, partner, director, manager or officer of Franchisee) is convicted of or pleads no contest to a felony, fraud, crime involving moral turpitude, or other crime or offense which Franchisor reasonably believes is related to Franchisee's operation of the Point of Service or is likely to have an adverse effect on the ProntoWash System, the ProntoWash Marks or the goodwill associated with the ProntoWash Marks or Technology.
- D. A threat or danger to public health or safety results from Franchisee's continued operation of the Point of Service.
- E. Franchisee (or, if Franchisee is a form of entity, any owner, member, shareholder, partner, director, manager or officer of Franchisee) purports to transfer any rights or obligations under this Agreement or any interest in Franchisee or the Point of Service, or any security interest, to any third party in violation of Article 16.
 - F. There occurs any breach of the covenants in Articles 11 or 14.
- G. Before starting to operate the Point of Service, Franchisor determines that Franchisee or the Point of Service Manager failed to attend or successfully complete Initial Training.
- H. Franchisee fails to start operations within 90 days after signing this Agreement and obtaining all necessary government permits.
- I. Franchisor discovers that Franchisee made any material false statement in any application or other information submitted to Franchisor; or maintained false books or records; or knowingly submitted a false report to Franchisor; intentionally concealed information or facts that are the basis for determining royalties or advertising fund contributions, attempted to

defraud Franchisor; misdirected or appropriated for Franchisee's own use any funds withheld or that should have been withheld from wages of employees; failed to properly withhold taxes, FICA, insurance or other benefits from employees' wages; taken or appropriated for Franchisee's own use any funds or other property of Franchisor.

J. Franchisee repeatedly fails to comply with one or more provisions of this Agreement, whether or not cured after notice; or fails to cure any default under this Agreement that materially impairs the goodwill associated with the ProntoWash Marks or Technology within 72 hours after delivery of written notice to cure.

18.3. Termination After Notice and Opportunity to Cure.

- A. Except as stated in Sections 18.1 and 18.2, Franchisee shall have 30 calendar days after delivery by Franchisor of written notice of default in which to cure a default under this Agreement, or if the default cannot reasonably be cured in that time, to take within that time, and continue, all available steps to cure the default, and to provide evidence of such steps to Franchisor. Failure to cure the default within this time, or within this time to take and continue all available steps to cure the default, shall result in termination of this Agreement, effective on expiration of the period allowed for cure as specified in the notice of default.
- B. A default under or breach by Franchisee of any other agreement between Franchisee and either (i) Franchisor, (ii) any affiliate of Franchisor; or (iii) any approved supplier or vendor of Franchisor, shall constitute a default under this Agreement. A default under or breach of this Agreement by Franchisee shall constitute a default under or breach of all other agreements between Franchisor and Franchisee.
 - 18.4. <u>Defaults</u>. Any of the following events, and any other breach of this Agreement, is a default by Franchisee:
- A. Franchisee's failure or refusal to pay when due any money owing to Franchisor or any affiliate or approved vendor of Franchisor, or to submit any report to Franchisor as and when due.
- B. Franchisee's failure to maintain any standard or to follow any procedure or other obligation required by this Agreement, the Franchisee Book or other written notice from Franchisor.
- C. Franchisee's failure to use the ProntoWash Marks or Technology as required under Article 17, or engaging in any other business marketing a service or product under any mark which, in Franchisor's opinion, is confusingly similar to the ProntoWash Marks.
- D. Franchisee's failure to pay employee taxes when due or to pay any obligation to any third party which may result in liability of Franchisor.

- E. Any act or omission of Franchisee that allows the Point of Service to operate in a manner violating any law, ordinance, rule or regulation of a government agency, except during the time that Franchisee diligently and in good faith disputes the application of the law through appropriate judicial or administrative proceedings.
- F. Any breach by Franchisee of any agreement with the landlord of the Service Zone, which is not cured within the time required in such lease or other agreement.
- G. Conduct by Franchisee that reflects materially and unfavorably on the operation or reputation of the Point of Service, Franchisor or the ProntoWash System.
- H. Franchisee's failure to maintain and operate the Point of Service according to Franchisor's standards of quality, cleanliness and maintenance or Franchisee's failure to use approved cleaning materials or purchase products from Franchisor's approved suppliers.
- I. Franchisee's failure to operate the Point of Service during the days and hours that Franchisor may specify.
- J. Failure to operate the Point of Service or to effect an approved assignment within the time required in Section 16.7(A) following a death or incapacity described in Section 16.7.
- K. Franchisee, without Franchisor's prior written consent, offers or sells at or from the Point of Service any goods or services that are not part of the ProntoWash System, or fails to offer and sell all goods and services that are part of the ProntoWash System.
 - 18.5. <u>Effects of Termination</u>. On termination or expiration of this Agreement without renewal Franchisee shall immediately:
- A. pay all sums due and owing to Franchisor and to any affiliate of Franchisor, and all sums due and owing to any third party relating to the operation of the Point of Service, including but not limited to Franchisee's lessor, employees and advertising agencies.
- B. stop using the Pronto Wash Marks and Technology, and refrain from doing business under any name or in any way that could tend to give the general public the impression that Franchisee is or previously was operating a Pronto Wash Service Point of Service; and refrain from using, in any manner, or for any purpose, any confidential information or trade secrets of Franchisor, including but not limited to the Franchisee Book, any information, materials or forms constituting part of the Pronto Wash System, and any phone number listed in any telephone directory under the name "Pronto Wash," or any similar designation or directory listing relating to the Point of Service.
- C. take all action needed to cancel any assumed name or equivalent registration containing any the phrase "ProntoWash" or any other Proprietary Mark or any name confusingly similar to any of these. If Franchisee fails or refuses to do so within 15 days after

termination or expiration of this Agreement, then Franchisor shall have the right, in Franchisee's name, on Franchisee's behalf and at Franchisee's expense, to sign any and all documents needed to discontinue Franchisee's use of such names and Franchisee hereby irrevocably appoints Franchisor as Franchisee's attorney-in-fact to do so.

- D. pay Franchisor all expenses incurred by Franchisor as a result of any default by Franchisee, including all damages, costs, reasonable attorneys' and experts' fees and other expenses. This obligation shall, until paid in full, be a lien in favor of Franchisor against any and all of furnishings, equipment, signs, fixtures, inventory and other personal property owned by Franchisee at the time of termination and against any monies of Franchisee held or otherwise in Franchisor's possession.
- E. return to or, as applicable, deliver to Franchisor the Franchisee Book, any training or other manuals furnished by Franchisor; all computer software used by Franchisee, all data storage discs or tapes used in operating the Point of Service, printouts, and all other information in Franchisee's possession or control pertaining to computer operations, codes, procedures and programming. Franchisee shall not destroy, damage, hide or take any steps to prevent Franchisor from obtaining any information stored by Franchisee in the computers of the Point of Service.
- F. within 15 days after the date of termination or expiration of this Agreement, arrange with Franchisor for Franchisor to conduct an inventory at Franchisor's cost, of all MDUs, other equipment, fixtures, supplies and other personal property of Franchisee, including, without limitation, any and all items bearing the ProntoWash Marks, relating to the operation of the Point of Service.
- G. sign any and all agreements and instruments reasonably requested by Franchisor to effectuate the termination or expiration.
 - Repurchase Option. On termination or expiration of this Agreement 18.6. Franchisor shall have the right to acquire all or any portion of any MDUs and/or other equipment of Franchisee. Franchisee shall cooperate in providing Franchisor detailed information and permitting Franchisor to inspect all such equipment to help Franchisor determine the appropriate price and to decide which items to purchase pursuant to this option. The purchase price shall be the book value of those items that Franchisor elects to purchase. Book value shall be determined based on initial price of those items, less depreciation, and further reduced for any excessive wear. Franchisor shall use the depreciation schedule attached as Exhibit "C" to determine the value of the MDUs. Franchisee acknowledges that after the depreciation schedule reaches zero (0), Franchisor shall have the right to reacquire the MDUs for no further consideration. Any value of the MDUs in excess of the depreciated value when reacquired by Franchisor shall be deemed not to be a forfeiture but to be part of the consideration to Franchisor for this Agreement and a partial offset of Franchisor's expenses in the termination or expiration. Within 7 days after receiving all information requested from Franchisee, Franchisor shall inform Franchisee which, if any, items Franchisor elects to purchase pursuant to this option. Franchisee shall cooperate with Franchisor in

arranging to complete the purchase according to a schedule reasonably convenient to Franchisor.

19. WARRANTY AND LIABILITY DISCLAIMERS

- after delivery, a Mobile Detailing Unit will meet the product specifications provided to Franchisee by Franchisor in all material respects provided the product is used and maintained in compliance with the product's instructions. Franchisor further warrants the Mobile Detailing Unit chasis for 12 months against manufacturer defects and moving parts, such as tires and wheels, for 6 months against manufacturer defects. Franchisor provides no warranty for any electrical parts, such as the pump, vacuum or battery. Franchisor does not warrant that any product will meet Franchisee's particular unique requirements for any use or purpose outside the normal activities of the Pronto Wash System. Franchisor makes no warranty of any kind other than as expressly stated herein. FRANCHISOR DISCLAIMS ANY OTHER EXPRESSED OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR USE OR PURPOSE. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION OF THE FACE HEREOF.
- 19.2. <u>Limit of Liability</u>. EXCEPT AS EXPRESSLY PROVIDED IN SECTION 19.1, FRANCHISOR SHALL NOT BE LIABLE TO FRANCHISEE OR TO ANY OTHER PERSON OR ENTITY FOR ANY COST, EXPENSE, LOST PROFIT, LOSS OF BUSINESS, INTERRUPTION OF BUSINESS, OR OTHER DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR ANY OTHER DAMAGE, COST, LOSS OR EXPENSE OF ANY KIND, WHETHER UNDER THIS AGREEMENT OR OTHERWISE, EVEN IF FRANCHISOR WAS ADVISED OF THE POSSIBILITY OF THAT DAMAGE, COST, LOSS OR EXPENSE.
- 19.3. <u>Invalidity</u>. If any of the foregoing limitations or disclaimers, or any part thereof, is or becomes invalid or unenforceable, then Franchisor's liability shall not exceed the amount of payments by Franchisee to Franchisor that are reasonably allocable to the applicable product for which the claim is made.

20. MISCELLANEOUS

- 20.1. <u>Waiver and Delay</u>. No waiver or delay in enforcing a party's rights after any breach of this Agreement shall be construed as a waiver of any earlier or later breach or of any other provision of this Agreement. Franchisor's acceptance of any payment from Franchisee shall not be nor be construed to be a waiver of any breach of this Agreement.
- 20.2. <u>Franchisor's Cure of Breach</u>. In addition to all Franchisor's other remedies, Franchisor shall have the right at any time after Franchisee breaches any provision of this Agreement, without waiving any claim for breach, and without notice to Franchisee, to cure the breach on behalf and at the expense of Franchisee. Franchisee shall reimburse Franchisor for all expenses incurred by Franchisor in doing so.

- 20.3. Exclusive Remedy for Lack of Consent. Franchisee shall have no right to, and shall not, make any claim, and Franchisee waives any claim, for money damages, set off, counterclaim or defense, based on any claim that Franchisor unreasonably withheld or delayed consent or approval to a proposed act by Franchisee. Franchisee's sole and exclusive remedy for any such claim shall be an action or proceeding to enforce the provision or for specific performance, or declaratory judgment.
- 20.4. <u>Injunction</u>. Among the purposes of Sections 11, 14 and 16 are to reduce the cost and complexity for Franchisor to protect its trade secrets. Franchisee therefore agrees that it may conclusively be presumed that any violation of Articles 11, 14 or 16 was accomplished by and through Franchisee's unlawful use of Franchisor's confidential information, know-how, methods and procedures and other trade secrets. Franchisee acknowledges that any non-compliance with Sections 11, 14 or 16 will cause irreparable damage to Franchisor for which no adequate remedy at law will be available. Accordingly Franchisor shall be entitled, in addition to all other remedies available at law or equity, to prohibitory and mandatory, temporary, preliminary and permanent injunctive relief, without bond, to prevent the breach by Franchisee of any such provision and, if necessary, mandatory action by Franchisee to prevent the violation and damage.
- 20.5. <u>Integration</u>. This Agreement, and all ancillary agreements signed concurrently with this Agreement, are the parties' entire agreement on the subject matter hereof, and supersede any and all prior negotiations, understandings, representations, disclosures and agreements.
- 20.6. <u>Amendment</u>. This Agreement may be amended only by a written instrument signed by both parties.
- 20.7. <u>Notices</u>. Any notice required or permitted under this Agreement shall be given in writing, in English, and shall be served on the other party personally or by certified mail, return receipt requested, postage prepaid; or by overnight mail or overnight delivery service; and, shall be effective on the date that delivery is documented to have been first attempted. Any notice shall be addressed to a party at their address in the introductory paragraph to this Agreement, or other address that a party has notified the other. Either party may, in writing, on 10 days notice, inform the other of a new or changed address to which notices should be sent.
- 20.8. Relationship. The parties desire, acknowledge and agree that they shall be independent contractors. Nothing in this Agreement shall be construed to create an employer-employee, partnership, joint venture, agency or any fiduciary or special relationship. Franchisee shall have no power to, and shall not purport to obligate Franchisor for any expense, liability or other obligation. Franchisor shall have no power to hire or fire Franchisee's employees and, except as expressly provided in this Agreement, shall have no power to control or have access to Franchisee's funds or the expenditure thereof, or in any other way exercise dominion or control over Franchisee's business.

- 20.9. <u>Identification</u>. Franchisee shall conspicuously identify Franchisee at the Point of Service, and in all dealings with others, as an independent franchisee of Franchisor. Franchisee shall place notices of independent ownership on forms, business cards, stationery, advertising, signs and other materials in the manner that Franchisor specifies.
- 20.10. <u>Law</u>. Except as precluded by applicable law, this Agreement shall be construed according to and governed by Florida law.
- 20.11. <u>Interpretation</u>. Section headings in this Agreement are for convenience and shall not affect the meaning or construction of any provisions in this Agreement. The words in this Agreement shall be construed simply according to their fair meanings, and not strictly for or against either party. If any provision in this Agreement is capable of two constructions, one of which would make the provision void and the other of which would make the provision valid, then the provision shall have the meaning that makes it valid. In this Agreement, the singular includes the plural, and the masculine includes the feminine and neuter, and vice versa. If the word "Franchisee" refers to more than one person, then the obligations of all persons constituting the "Franchisee" shall be joint and several.
- 20.12. Severability. In any conflict between this Agreement and any applicable law, the law shall prevail, but the provision of this Agreement affected shall be curtailed and limited only to the extent needed to be lawful. If any provision of this Agreement is held to be indefinite, overbroad, invalid or otherwise unenforceable, the remainder of this Agreement shall continue in effect. If a court of competent jurisdiction deems any provision of this Agreement (other than for payment of money) unreasonable, the court may declare a reasonable modification and this Agreement shall be valid and enforceable as so modified.
- 20.13. <u>Court Costs</u>. If there is any litigation between the parties, the prevailing party shall be entitled to recover its attorneys fees and court costs.
- 20.14. <u>Venue</u>. Except as precluded by applicable law, any litigation arising out of or related to this Agreement, or any breach, shall be brought in a court in Miami, Florida.
- 20.15. <u>Survival</u>. Any provision of this Agreement which imposes an obligation after termination or expiration hereof shall survive termination or expiration of this Agreement and shall continue to be binding on the parties.
- 20.16. <u>Benefit</u>. This Agreement shall benefit and bind the parties, their heirs, successors and assigns. This Section 20.16 does not purport to authorize any assignment.
- 20.17. <u>Interest</u>. Any amount owed to Franchisor and not paid when due shall bear interest at the lesser of 1½% per month or the highest rate allowed by applicable law.
- 20.18. <u>Acknowledgements</u>. Franchisee acknowledges, warrants and represents to Franchisor that:

\mathbf{F}	¥	h	il	hi	iŧ	R

- A. No representation was made by Franchisor or by any employee, agent or salesperson of Franchisor and relied on by Franchisee as to past or future income, expenses, sales volume or profitability, earnings or income of the Point of Service or any other ProntoWash Service Point of Service, other than information in Franchisor's Uniform Franchise Offering Circular.
- B. No representation or statement was made by Franchisor or by any personnel of Franchisor regarding anticipated income, earnings or growth of Franchisor or the ProntoWash System, or the business opportunity offered by Franchisor.
- C. Franchisee was advised to consult with his own advisors with respect to the legal, financial and other aspects of this Agreement, the business franchised hereby, and its prospects. Franchisee has either consulted with such advisors or deliberately declined to do so.

FRANCHISEE:	FRANCHISOR: PRONTOWASH USA, LLC, a Florida limited liability company.
Signature:	Signature
Printed Name	Printed Name
Title	Title

EXHIBIT A

SERVICE ZONE

The Service Zone is [complete as applicable, and delete remaining text]	
- at the parking lot located at	, and
includes the portion of the parking lot consisting of	
the parking structure located at	
- along residential streets in the geographic area comprised of	
TERRITORY	
If the Location has not been designated above when the Franchise Agreement is fin	st entered into,
then pursuant to Section 4.1 of the Franchise Agreement, Franchisee shall find and	propose a
Location, for Franchisor's approval. Any proposed Location shall be within the ge	ographic
territory consisting of	

EXHIBIT B

Start Up Kit

Description & April 2000 April 20	IN A REAL PLANS
Business Cards (1000)	Administrative *
Business Cards (2000)	Administrative
Business Cards (500)	Administrative
Credit card Phone and Software, Printer and PW POS Software	Administrative Administrative
Daily Report (100)	A LAW Administrative
Operations and service manual	Administrative ***
PDA Pocket PC	Administrative ***
Service Order (100)	Administrative
Weekly Report (52)	Administrative
5 Gallon ready to use product Containers	Equipment Equipment
Air Tire Compressor 12 volts	Equipment Equipment
Battery 12 volts	Equipment
Battery Charger	Equipmenti
	Equipment
Brooms Chairs	Equipment
Clip Boards	Equipment :
	Equipment
Dirty Towel container:	
Electric extension cord with multiple outlets (100 ft)	Equipment
First Aid Kit	. Equipment
Funnel	A Equipment in the second
Funnel Garbage Container	
Garbage Container	Equipment Equipment
internal Warehouse Posters (4)	Equipment 2
Label Maker Brother and supplies	Equipment 10 - 10
Lantern state of the state of t	Equipment (%)
Lockers for personnel	eq + At Equipment
Locks	The second secon
Measurement container for mixing Chemicals :	Equipment:
Mobile Detailing Unit	Equipment
Mop*	Equipment 2
Pens	Equipment
Proportioner.	Equipment
Shelves * Shelves	Equipment 1.4
Specialty Detailing Unit	Equipment 3
Spot Free Water Filter	Equipment
Spray Bottles (With PW Logo)	Equipment**
Squirt Bottle (Catsup Stile)	Equipment
Tool Box	Equipment Equipment
Trigger (Chemical)	Equipment
Trigger (cream)	Equipment
Two step Ladder Dark-Grey (Office Depot)	Equipment
Utility Kart : Account the control of the control o	*Equipment
Vacuum cleaner 1.10 Volts	Equipment
Vacuum cleaner 12 Volts	Equipment:
White board for storage	A Equipment (**)
Customer Feed Back Card (1001) (Free)	Marketing Material
Discount Cards 25% (500)	Marketing Material
Discount Cards 50% (500)	Marketing Malerial
Flyer PW (1000)	Marketing Meterial
Gift Certificate Deluxe (100)	Marketing Material
Gift Certificates Complete (100)	Marketing Material
Menu Price Lists	Marketing Material
Menu Price Lists Name Tags	Marketing Material
Name Tags Postcard Price List (100)	Merketing Material
Postcard Price List (100) Rain Check (100)	Marketine Malariel
Rain Check (100)	ivia: Restrict (viates all)
Rewards Card:10%((260)) Rewards Card:20% (250)	INALKATING WATERIAL
Daniel Carl 100 (100 D) White the Carl 100 D	Marketing Meterial Marketing Meterial

A Sign With Dacals Directionally	- com A	64.2 36.44 2	President POP Equip / Mat
A Sign with Decale Menu			ROR Equip / Mat
Been awita Develo	加展3433. 4		ROP Equip / Mat.
Grilling States			ROP Equip // Mat Annual
Goldman Water			POP Equip / Mat ***
Life Size Standee		2 TO 18	POP Equip / Mat
Menu Board	TAKE GASTERS		POP Equip / Mat »
Parking Posts with Yellow Sign or			POP Equip / Mat
Pole Banner	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		POP/Equip / Mat.
Stand Up Banner	A SAN TO SERVICE OF THE	2009.75	** *POP Equip / Mat.
Totem Tower.	organism og 200	- Care	POP Equip / Mat w
Wali Banner		- 1540 M W	POP Equip / Met 1
Black Rubber Trim		100	Spare Parts
Front Wheel	10.00		Spare Parts
Hose 25f.			Spare Parts
Rear Wheel			Spare Parts
Side Stickers Fiber Glass (2)	c in a conduction during	1063	Spare Parts
Side Stickers Polyurethane (2)	t the	Spare Parts
Spray Head	A Section of the Sect		Spare Parts
Water Pump	Audio Subsect of the	2 2 3 3	L TEM: Spare Parts
Caps Blue (Manager)	and the second	war sie sie staat saar ja	Uniforms II
Caps Yellow (Detailer)			A Strait Unitorms
Detailer Blue Polo with logo			的 A Self a Uniforms 第
Manager Yellow Polo with loc	io i i i i i i i i i i i i i i i i i i		Uniforms (1)
Master Franchisee White Ox	ford L. Sleeve		Uniforms - Common - C
Master Franchisee White Ox	ford S. Sleeve	e care	Uniforms Uniforms
Name tag	CONTRACT OF		Uniforms
Short Detailer		***************************************	Uniforms'
Short Trainee (detailer)	CONTRACTOR OF		W # Uniforms
T-shirt Yellow	a apagement of the best		Uniforms * * **
Carpet brush			Washing Material
Carpet Detailing Brush			Washing Material Section 1
Dashboard Detailing Brush			www.Washing Material
Fender brush			Washing Material 4
Leather applicator			Washing Material
Microfiber cloths			Washing Material
Miracle Air Freshener Baby			Washing Material
Miracle Air Freshener Leathe	er (Carana) da de la companya da de la		Washing Material
Miracle Air Freshener New C	ar	ali ta bakkali	™ Washing Material
Miracle Carpet Shampoo	encounting of a spanning	- in include A	Washing Material
Miracle.Clay.Bar.Fine	Zali Sali 81 A	a di la Pagada da	Washing Material
Miracle Clay Bar Medium	and competed as	Maria da de Maria	Washing Material
#Miracle Degreaser***	in it i patice di en d	A SLAN	Make Washing Material
Miracle Fender Dressing			Washing Material
Miracle Leather and Vinyl Co	nditioner	The Control of	Material Material
Miracle Lotion			Washing Material
Miracle Scratch Out			Washing Material ₩
Miracle Sprey Wax	er mangaphan di Ping.		Washing Material
Miracle Tire Dressing			Washing Material
Miracle Wax			Washing Material Washing
Miracle window cleaner		The state of the s	* Washing Material ***
Mosquito Sponge		·	** ** ** ** ** ** ** ** ** ** ** ** **
Paper Mats (500)	7.74	7-12-1 4-1	Washing Material
Razors			Washing Material
Soft wax towel			Washing Material
Tire Dressing Applicator.	and the second of		Washing Material

PROMOTIONAL MATERIAL

Customer/Feed/Back/Card (100) (Free)	Marketing Material	ALC: COL	ng gung ng n
Discount Cards 25% (500)	Marketing Material	Incorpidency from expressive year	40
Discount Cards 50% (500)	Marketing Metenel	0.00	
Flyer, P.W.(1000)	Marketing Material	200	2.2
Flyer PW/iPDR (4000)	Marketing Material		
Gift Certificate Deluxe (100)	Marketing Materiel	part St.	7.2
Gift Certificates Complete (100)	Marketing Material	32.2	AND STREET
Menu Price Lists	Marketing Material	毛术学	75 A 20 (1)
Name Tags	Marketing Material	Mark Control	stati Sheriki ida
Postcard Price List (100)	Marketing Material		190110
VIP Card (250)	Marketing Material		
Rain Check (100)	Marketing Material		
Rewards Card 10% (250) 200-200-200-200-200-200-200-200-200-200	Marketing Material	1987 48. 2	
Rewards Card 20% (250) 10 10 10 10 10 10 10 10 10 10 10 10 10	Marketing Material &	SECTION .	BAUDA IA
POP MATERIAL			
A Sign With Decals Directionally	POP Equip / Mat.	00000000	** WEST
A Sign with Decals Menu	POP Equip / Mat.		that are
Decals Only hand car wash Aframe	POP Equip / Mat	1	J. Sec.
Decais Only directions Aframe	POP Equip / Mat	0.77	2.2
A Sign with Decals Menu Argentina Shall the light	POP Equip // Mat	AME AND	100
A Sign with PDR Info (Argentine) with the collection	POP Equip / Mai Mad	Contract of	Alberto P
Booth with Decais	POP Equip / Mat 40		
Decals for Booth	POP Equip / Mat		
Ceiling Signs	POP Equip / Mat		
Column Wrap	POP Equip / Mat 🗷	100	
Column Wraps Argentina	POP Equip / Mat	74.5	78 57 55 55
Life Size Standee	POP Equip / Mat	W 51 74	
Menu Board	POP Equip / Mat		A 4
Menu board with PDR	POP Equip / Metris	1000	ALCO DE LA CONTRACTOR DE
Parking Posts with Yellow Sign on Top	POP Equip / Mat	3414.1412	er Albert
Sign for yellow posts	POP Equip / Mat. PM	40 Magazin	WARREST.
Pole Banner	POP Equip / Mat Sta	12.0	The State of
Pole Benner Argentina	POP Equip / Mat 4	2777	76102660
Stand Up Banner	POP Equip / Mat.	4.1	100
Stand Up Banner Argentina	POP Equip / Met. 5.	4.00	1.244
Totem Tower	POP Equip / Mat	10.00	SERVER CO.
Totem Tower Argentina	POP Equip / Mat		10.4
Wall Banner Street Mill His Control of the Control	POP Equip / Mat 🖺	Si se con se	in the state of
Wall Banner Argentina	POP Equip / Mat 400	31 1 320	elunida65.05.
72 by 32 inch sign styrene	POP Equip / Mat	4 7 7	A
adhesive for booth	POP Equip / Mat	497 - 3	MACHINE CONTRACTOR

FRANCHISE AGREEMENT - EXHIBIT C

MIDO VALUE AT THME OF DELIVERY.	AT TIME OF DELIVE	ERY:
---------------------------------	-------------------	------

\$2,000.00

TIRAE	Value
TIME	<u>Value</u> \$1,945.00
month 1 month 2	\$1,890.00
month 3	\$1,835.00
month 4	\$1,780.00
	\$1,725.00
month 5 month 6	\$1,670.00
	\$1,615.00
month 7 month 8	\$1,560.00
month 9	\$1,505.00
month 10	\$1,450.00
month 11	\$1,395.00
month 12	\$1,340.00
month 13	\$1,285.00
month 14	\$1,230.00
month 15	\$1,175.00
month 16	\$1,120.00
month 17	\$1,065.00
month 18	\$1,010.00
month 19	\$955.00
month 20	\$900.00
month 21	\$845.00
month 22	\$790.00
month 23	\$735.00
month 24	\$680.00
month 25	\$661.11
month 26	\$642.22
month 27	\$623.33
month 28	\$604.44
month 29	\$585.56
month 30	\$566.67
month 31	\$547.78
month 32	\$528.89
month 33	\$510.00
month 34	\$491.11
month 35	\$472.22
month 36	\$453.33
month 37	\$434.44
month 38	\$415.56
month 39	\$396.67
month 40	\$377.78
month 41	\$358.89
month 42	\$340.00

	Exhibit B
month 43	\$321.11
month 44	\$302.22
month 45	\$283.33
month 46	\$264.44
month 47	\$245.56
month 48	\$226.67
month 49	\$207.78
month 50	\$188.89
month 51	\$170.00
month 52	\$151.11
month 53	\$132.22
month 54	\$113.33
month 55	\$94.44
month 56	\$75.56
month 57	\$56.67
month 58	\$37.78
month 59	\$18.89
month 60	(\$0.00)