

FRANCHISE DISCLOSURE DOCUMENT

TOMMY'S EXPRESS LLC
a Michigan limited liability company
240 East 8th Street
Holland, Michigan 49423
Telephone: (616) 834-0544
www.tommys-express.com
info@tommys-express.com



This franchise is for the operation of an ultra-modern car wash, doing business under the name and marks "Tommy's Express". A Tommy's Express Car Wash features a distinctive acrylic roof with innovative systems, designs and equipment, such as a modular control station and a flight deck control center to reduce labor.

The total investment necessary to begin operation of a Tommy's Express Car Wash franchise is \$4,176,272 to \$5,973,349. This includes from \$2,225,613 to \$2,566,933 which must be paid to the franchisor or its affiliate.

The total investment necessary to begin the operation of a Tommy's Express Car Wash multi-unit development business is \$4,208,372 to \$6,015,449, for a required minimum of three Tommy's Express Car Wash outlets to be developed. This includes from \$2,255,613 to \$2,606,933 which must be paid to the franchisor or its affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Eric O'Connor at 240 East 8th Street, Holland, Michigan, 49423, and (616)834-0544.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC, 20580. You can also visit the FTC's home page at

www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 13, 2020

How to Use this Franchise Disclosure Document

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

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

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement and multi-unit development agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Michigan. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Michigan than in your own state.
2. The franchisee or multi-unit developer will be required to make an estimated initial investment ranging from \$4,176,272 to \$5,973,349. This amount exceeds the franchisor's Stockholders Equity as of December 31, 2019, which is \$293,930.
3. The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
4. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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

TABLE OF CONTENTS

ITEM 1	3
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES	3
ITEM 2	5
BUSINESS EXPERIENCE	5
ITEM 3	6
LITIGATION	6
ITEM 4	6
BANKRUPTCY	6
ITEM 5	6
INITIAL FEES	6
ITEM 6	8
OTHER FEES	8
ITEM 7	14
ESTIMATED INITIAL INVESTMENT	14
ITEM 8	18
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	18
ITEM 9	21
FRANCHISEE’S OBLIGATIONS	21
ITEM 10	23
FINANCING	23
ITEM 11	23
FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING	23
ITEM 12	31
TERRITORY	31
ITEM 13	34
TRADEMARKS	34
ITEM 14	35
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	35
ITEM 15	36
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	36
ITEM 16	37
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	37
ITEM 17	38
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	38
ITEM 18	43

PUBLIC FIGURES	43
ITEM 19	43
FINANCIAL PERFORMANCE REPRESENTATIONS	43
ITEM 20	46
OUTLETS AND FRANCHISEE INFORMATION.....	46
ITEM 21	51
FINANCIAL STATEMENTS.....	51
ITEM 22	51
CONTRACTS	51
ITEM 23	51
RECEIPTS	51

Exhibits:

- A – State Agencies/Agents for Service of Process
- B – Multi-State Addenda
- C – Franchise Agreement
- D – Multi-Unit Development Agreement
- E – List of Franchisees
- F – Franchisees Who Have Left the System
- G – Table of Contents of Operations Manual
- H– Financial Statements
- I – Form of General Release

RECEIPT

Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

Tommy's Express LLC ("we", "us", "TOMMY's" or "our") is a Michigan limited liability company that was formed on September 16, 2015 and has its principal place of business at 240 East 8th Street, Holland, Michigan, 49423. We do business under our corporate name and under the name "Tommy's Express Car Wash". We will refer to the person or owner, corporation, partnership or other entity who buys this franchise as "you" throughout this Disclosure Document.

We are offering franchises for the operation of Tommy's Express Car Wash businesses (the "Business" or "Franchised Business"). We do not own or operate any businesses of the type being franchised. We have not offered franchises in any other line of business and we do not engage in any other business activity. We have been offering franchises since September 2016.

Our agents for service of process are listed in Exhibit A.

Our Parents, Predecessors and Affiliates

We have no parent or predecessor.

We have six affiliates. Our affiliates are:

- LE Partners, LLC d/b/a QCW Enterprises, LLC ("QCW"), a Michigan limited liability company, was formed on May 15, 2002, and is located at 661 E Lakewood Blvd, Holland, MI 49424. QCW is not an approved supplier of any product or service that you must purchase or lease.
- VQ, Inc. ("VQ") d/b/a Tommy Car Wash Systems, Inc., a Michigan corporation, formed on August 27, 1997, with its office located at our headquarters. VQ owns the "Tommy Car Wash Systems" trademark. VQ is the supplier of all equipment and car wash related products.
- Essenburg Car Wash of Holland, Inc. ("ECWH") d/b/a Quality Car Wash, a Michigan corporation, is located at 240 East 8th Street, Holland, Michigan, 49423. ECWH owned three car wash Businesses in 2019 as follows: (1) Grandville, Michigan, which opened in 2016; (2) Jenison, Michigan, which opened in 2018, and (3) Hudsonville, Michigan, which opened in 2019. ECWH also owns five gas station/car wash combo units located in Holland and Muskegon, Michigan, that are businesses not of the type being franchised. ECWH is not an approved supplier of any product or service that you must purchase or lease.
- Roe Partners LLC ("Roe"), a Kansas corporation, with its office at 10600 Roe Avenue, Overland Park, Kansas, 66211, is a distributor of equipment and car wash related products. Roe owns a car wash Business located in Overland Park, Kansas, which opened in 2016.
- TX Real Estate, Inc. ("TXRE") a Michigan corporation, with its office at 240 E. 8th St Holland, MI 49423, is a real estate holdings company. TXRE is a landlord for some Tommy's Express franchise locations.
- Tommy's Express Operations, LLC ("TX Ops") a Michigan corporation, with its office at 240 E. 8th Street Holland, MI 49423. TX Ops provides car wash management services for corporate owned locations and provides fee-based management service.

None of our affiliates has offered franchises in this or any other line of business.

The System

Tommy's Businesses offer their customers car cleaning, waxing, polishing and detailing services using our innovative systems and proprietary products. Our system includes proprietary washing technology, cleaning formulas and other items required to wash cars; specific equipment, materials and supplies; methods, uniform standards, specifications and procedures for operations; procedures for management control; training and assistance; and merchandising, advertising and promotional programs, all of which may be changed, improved and further developed by TOMMY's (the "System"). The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including the word mark "Tommy's", as are now designated and may in the future be designated by us in writing for use with the System (the "Proprietary Marks").

A Tommy's Business features a distinctive acrylic roof and equipment arches; innovative systems, equipment and designs, such as a patented modular control station that changes the format and design of a car wash bay by collapsing components into a single unit that saves space and improves operations, and; an optimized layout that includes a flight deck control center to reduce labor.

The Franchise Offered

Franchise Agreement

We offer you a franchise agreement (the "Franchise Agreement"), attached as Exhibit C to this Disclosure Document, which gives you the right to establish and operate one Franchised Business at a location selected by you and accepted by TOMMY's (the "Location"). The Franchise Agreement gives you the right to use the Proprietary Marks and the System solely with the operation of the Franchised Business, and solely at the Location.

There are three configurations of Tommy's Businesses, which are determined based on the length size of the wash tunnel of the facility where the Franchised Business will operate. A standard Tommy's Express car wash has a wash tunnel that ranges from 90 to 130 feet in length, but we anticipate that typical franchise units will operate with a tunnel with a length of 130 feet.

Multi-Unit Development Agreement

In certain circumstances, we will offer to qualified entities or persons (the "Developer") the right to sign a multi-unit development agreement (the "Multi-Unit Development Agreement") in the form attached as Exhibit D to this Disclosure Document, to open multiple Tommy's Express Car Wash businesses to be located within a specifically described geographic area (the "Development Area"). Under the Multi-Unit Development Agreement, you must establish at least three Tommy's Express Car Wash businesses within the Development Area according to a minimum performance schedule, and you must sign a separate Franchise Agreement for each business established under the Multi-Unit Development Agreement. The Franchise Agreement for the first Tommy's Express Car Wash business opened under the Multi-Unit Development Agreement will be in the form attached as Exhibit C to this Disclosure Document and will be signed at the same time you sign the Multi-Unit Development Agreement. For each additional business developed under the Multi-Unit Development Agreement, you will be required to sign the then-current form of Franchise Agreement, which may differ from the Franchise Agreement included with this Franchise Disclosure Document. A Tommy's Express Car Wash business may not begin operating until a Franchise Agreement has been fully executed for that business and all initial fees have been paid to us.

Market and Competition

The market for our products and services includes anyone who owns, manages, or uses an automobile. Car washing and detailing is a growing segment of the automobile care industry. You will compete with other businesses offering car wash services, some of which may be franchise systems, as well as local, regional and chain car wash businesses. Your competitors may include businesses with a fixed site and businesses offering mobile car wash and detailing services.

Depending on where your Business is located, you may experience some seasonal effect to the Business. Businesses in northern U.S. climates may wash more cars in the winter while southern U.S. climates may often wash more cars in the summer. Businesses in Northern climates can expect larger variance in peak days in winter months, usually requiring longer tunnels to maximize production on peak days.

Industry Specific Laws

At all times during the operation of your Franchised Business, you must comply with environmental and hazardous waste regulations related to disposal of used cleaners and wastewater.

You must comply with all local, state and federal laws and regulations that apply to the operation of your Franchised Business, including, among others, business operations, insurance, discrimination, employment, health, sanitation and workplace safety laws. Your advertising of the Franchised Business is regulated by the Federal Trade Commission. There may be federal, state and local laws which affect your Franchised Business in addition to those listed here.

You should investigate whether there are any state or local regulations or requirements that may apply in the geographic area in which you intend to conduct business. You should consider both their effect on your business and the cost of compliance. You are responsible for obtaining all licenses and permits which may be required for your business.

Item 2 **BUSINESS EXPERIENCE**

Founder and Chairman—Tom Essenburg

Tom Essenburg has been our Founder and Chairman since April 2020. From our inception in September 2015 to April 2020, he was the CEO of Tommy's Express LLC, in Holland, Michigan. He has been CEO of our affiliate, Essenburg Car Wash of Holland, Inc. which is located in Holland, Michigan, since its formation in 1981.

President—Ryan Essenburg

Ryan Essenburg has been the President of Tommy's Express LLC, in Holland, Michigan, since its inception in September 2015. He has also been President of our affiliate, VQ, Inc., located in Holland, Michigan since July 2002.

CEO —Alex Lemmen

Alex Lemmen has been our CEO since April 2020. He was the Chief Operating Officer of Tommy's Express LLC, in Holland, Michigan, since August 2018. He has been Chief Operating Officer of our affiliate, Tommy Car Wash Systems, located in Holland, Michigan, since August 2018. From May 2013 to

April 2018, Alex was a management consultant for The Boston Consulting Group (BCG) – one of the world’s leading advisors to public and private institutions on their most pressing strategic and operational issues.

Franchise Sales and Development Director—Eric O’Connor

Eric O’Connor has been Franchise Sales and Development Director of Tommy’s Express LLC, in Holland, Michigan, since June 2016. From May 2010 to June 2016, Eric was the founder and principal of FranSanity, LLC, a franchise consulting company located in Ada, Michigan.

Director—Mandi Brower

Mandi Brower has been the Director of Tommy’s Express LLC, in Holland, Michigan, since its inception in September 2015. She has also been President of our affiliate, Essenburg Car Wash of Holland, Inc., since March 2006. Essenburg Car Wash of Holland, Inc., is located in Holland, Michigan.

Tommy University Head Trainer and Director of Wash Operations—Mike Lemmen

Mike Lemmen has been the Tommy University Head Trainer of Tommy’s Express LLC, since its inception in September 2015. He has also been Director of Operations of our affiliate, Essenburg Car Wash of Holland, Inc., since 2011. Essenburg Car Wash of Holland, Inc., is located in Holland, Michigan.

Director of Retail Marketing - Jami Winstrom

Jami has been the Director of Retail Marketing since July of 2019, and formerly Director of Digital Marketing from January of 2017. She has extensive knowledge and experience in the digital landscape, copywriting, and print media in both the B2B and B2C environments, including food service, agency work, logistics, and publishing.

Item 3
LITIGATION

No litigation is required to be disclosed in this Item.

Item 4
BANKRUPTCY

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

Item 5
INITIAL FEES

In the State of Minnesota, we will defer the payment of the initial franchise fee and any other initial payment until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

In the State of Illinois, we will defer the payment of the initial franchise fee, development fee and any other initial payment until all of our material pre-opening obligations have been satisfied

and until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

In the state of California, payment of all initial fees is postponed until after all of franchisor's initial obligations are complete and franchisee is open for business. The payment of the initial fee, development fee and all other fees under the Multi-Unit Development Agreement is postponed until the franchisor has completed its obligations under the agreement and developer opens its first outlet.

Based upon our financial condition, the Maryland Securities Commissioner requires that we defer the payment of the initial franchise fee and all other initial payments until all of our material pre-opening obligations have been satisfied and until you open your business and it is operating. However, you must sign the Franchise Agreement before beginning training.

In the State of Washington, we will defer the payment of the initial franchise fee, development fee and any other initial payment until all of our pre-opening obligations have been satisfied and until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training. If you are a Multi-Unit Developer, the development fee will be released proportionally with respect to each Franchised Business. Thus if you choose to open three (3) outlets, then the Franchisor may not collect the \$90,000 Development Fee (\$50,000 for the first Franchised Business and \$20,000 each for the next two Franchised Businesses) at the time the franchisee signs the Franchise Agreement for each Franchised Business. Because the Franchisor credits these payments to the initial franchise fee for each Franchised Business, the Division will permit the Franchisor to collect the initial \$50,000 (plus any additional initial fees) upon the opening of each subsequent outlet.

In the State of South Dakota, we will defer the payment of the initial franchise fee, development fee and any other initial payment until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

Initial Franchise Fee

You must pay to us an initial franchise fee of \$50,000. The initial franchise fee is payable in a lump sum when you sign the Franchise Agreement. The initial franchise fee is imposed uniformly on franchisees and is not refundable under any circumstances.

From time to time, we may offer special incentive programs as part of our franchise development activities. We reserve the right to offer, modify or withdraw any incentive program without notice to you. We currently offer honorably discharged veterans of the U.S. Armed Forces a 20% reduction to the initial franchise fee for the first Franchised Business purchased.

Multi-Unit Development Fee

If you qualify to develop and operate multiple Tommy's Express Car Wash Businesses, then you will pay to us a development fee equal to 100% of the initial franchise fee for the first Business to be developed, plus a deposit of 50% of the reduced initial franchise fee for each additional Business to be developed under the Multi-Unit Development Agreement. The initial franchise fee for the first Business under the Multi-Unit Development Agreement will be the same as for a single-unit franchise or \$50,000. For each additional Business after the first, the initial franchise fee will be reduced to 80% of the initial franchise fee or \$40,000. If you commit to develop the minimum of three Franchised Businesses under a Multi-Unit Development Agreement, the development fee is calculated as $\$50,000 + (2 \times \$20,000 =$

\$40,000) = \$90,000. The development fee is imposed uniformly on all Developers, is fully earned by us when received and is not refundable or credited against any other fees you must pay to us.

When you sign the Franchise Agreement for the first Franchised Business to be developed, which we expect will be signed at the same time the Multi-Unit Development Agreement is signed, we will apply a portion of the development fee to pay the initial franchise fee for the first Business in full. For each additional Business you will develop under the Multi-Unit Development Agreement, we will apply a pro rata portion of the development fee toward the initial franchise fee and the balance of the initial franchise fee (\$20,000) is payable in a lump sum when you sign the Franchise Agreement for that Business.

Initial Purchases

You must purchase from our affiliate, VQ, Inc., our complete equipment package, our design and specification package, including our construction management services, your initial inventory of detergents, chemicals, solutions, uniforms, signage, certain items for retail sale, parts and equipment, and certain hardware and software as specified in the chart in Item 7. The total cost of these items ranges from \$2,175,613 to \$2,516,933 depending on the size of your Franchised Business, and is due and payable as follows: approximately \$55,000 for architectural drawings when you secure an approved site for your Franchised Business, 25% of the total cost when your construction permits are issued, 25% of the total cost when building materials are delivered (approximately 12 weeks later), 25% of the total cost when equipment is delivered (approximately 10 weeks later), and the remaining balance prior to your opening. Amounts paid to our affiliate are non-refundable.

Item 6 **OTHER FEES**

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Royalty (Note 1)	4% of Gross Sales	Tuesday of each week (or the next business day if any Tuesday is not a business day)	Royalty Fees are calculated based on Gross Sales for the previous week ending Saturday. Amounts due will be withdrawn by EFT from your designated bank account
Brand Development Fee	1% of Gross Sales	Payable with the Royalty Fee	The Brand Development Fund is described in Item 11
Local Marketing	2% of Gross Sales	We recommend you spend at least this amount each month	You will spend this money directly with your local marketing vendors. All marketing materials must be approved by TOMMY's before you use them
Technology Fee	\$80 - \$150 per week	Payable with Royalty	Payable to us, our affiliate or a designated third party

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Transfer Fee (Franchise Agreement)	50% of the then-current initial franchise fee if the transfer is to a new franchisee for the System 25% of the then-current initial franchise fee if the transfer is to an existing franchisee	Upon transfer	No fee is imposed for a one-time transfer to a corporate entity formed by you for the convenience of ownership. The transfer fee is calculated based on the then-current initial franchise fee charged for a new franchise.
Transfer Fee (Multi-Unit Development Agreement)	\$20,000	Upon transfer	We have the right to require you to transfer all of your Tommy's Businesses to the same transferee
Renewal Fee	\$2,500	Upon renewal of the Franchise Agreement	
Initial Training (For New or Replacement Employees)	Our then-current per diem training fee, plus expenses Current training fee = \$200 per day	Before training	Training for the first three people is included in the initial franchise fee. If you request that we provide our initial training program to any additional employees, or to new or replacement employees during the term of your Franchise Agreement, you must pay our training fee as well as the trainees' expenses, including travel, lodging, meals and wages
Additional On-Site Training	Our then-current per diem rate per trainer, plus expenses Current per diem rate = \$500	When billed	If you request that we provide additional training at your Franchised Business, or if we believe you need additional training, you must pay our daily fee for each trainer we send to your Franchised Business, and you must reimburse each trainer's expenses, including travel, lodging and meals

Column 1	Column 2	Column 3	Column 4
Type of Fee	Amount	Due Date	Remarks
Insufficient Funds Fee	\$100	If incurred	If any EFT transaction or other payment to us or our affiliate is denied by your bank. If you incur three insufficient funds fees in any 12-month period, we may terminate your Franchise Agreement
Interest on Late Payments	1.5% per month or the highest rate allowed by applicable law, whichever is less	On demand	Payable on all overdue amounts. Interest accrues from the original due date until payment is received in full
Audit	Cost of audit	When billed	Payable only if we find, after an audit, that you have understated any amount you owe to us or Gross Sales by 2% or more. You must also pay the understated amount plus interest
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	If you default under your agreement, you must reimburse us for the expenses we incur (such as attorneys' fees) in enforcing or terminating your agreement
Indemnification	Will vary under circumstances	As incurred	You must reimburse us for the costs we incur if we are sued or held liable for claims that arise from your operation of the Franchised Business or for costs associated with defending claims that you used the Proprietary Marks in an unauthorized manner
Liquidated Damages (Note 2)	Will vary under circumstances	15 days after termination	
Evaluation of New Products or Suppliers	Reimbursement of our costs, but not more than \$5,000 per request	On demand	If you request that we evaluate new products or suppliers for the System

Column 1	Column 2	Column 3	Column 4
Type of Fee	Amount	Due Date	Remarks
Management Fee	20% of Gross Sales, plus expenses	If incurred	We have the right to step in and operate your Franchised Business in certain circumstances. If we do this, you must pay our then-current management fee and reimburse our related expenses, including travel, lodging and meals for our representative(s)
Insurance	Reimbursement of our costs plus a 10% administrative fee	On demand	If you do not purchase the required insurance coverages we may, but are not required to, purchase insurance coverage on your behalf
Prohibited Product or Service Fine	\$250 per day of use of unauthorized products or services	On demand, if incurred	In addition to other remedies available to us. This may not be enforceable under California law
Repairs and Maintenance; Equipment Replacement; Remodeling/ Redecorating	Will vary under circumstances	As incurred	Payable to us, our affiliates and approved suppliers. You must regularly clean and maintain your Tommy's Business and replace its equipment as needed to operate in accordance with our requirements. We may require you to remodel or redecorate your Business to meet our then-current image for all Tommy's Businesses. We will not require you to remodel or redecorate your Business more frequently than every five years
Proprietary Software	If we establish additional proprietary software for the System, you may have to pay an initial license fee anticipated to be up to \$2,500 and annual license fees anticipated to be up to \$1,800 per year	When billed annually	We reserve the right to develop additional proprietary software including mobile apps, for all Tommy's Franchised Businesses to use, or we may have additional proprietary software developed for us.

Column 1	Column 2	Column 3	Column 4
Type of Fee	Amount	Due Date	Remarks
Point of Sale Software Licensing and Support	Varies; then current charges		You will be required to sign a license agreement with our point of sale provider and pay support fees directly to the point of sale provider or to us if we are providing point of sale support.
Mystery Shopper Fee	Then current charges		You shall participate in any independent evaluation service designated by us to conduct a “mystery shopper” quality control and evaluation program with respect to us or affiliate-owned and/or franchised Tommy’s Businesses.

All fees are uniformly imposed by and payable to TOMMY’s, except as otherwise noted in the chart above, and are non-refundable. We have the right, and you agree, that we may debit your designated EFT account for payments that are 60 days past due to TOMMY’s, our affiliates or approved suppliers.

1. “Gross Sales” is defined in the Franchise Agreement as all revenue, less any returns or credits, from the sale of all products and services and all other income of every kind and nature at or from the Franchised Business or otherwise related to the Franchised Business, including any proceeds from business interruption insurance, whether for cash or credit, and regardless of collection in the case of credit. “Gross Sales” does not include gasoline sales, any sales taxes or other taxes collected from customers by you and paid directly to the appropriate taxing authority, or any customer refunds or adjustments. You must provide TOMMY’s each week with a report of Gross Sales on Monday of each week for the previous week’s sales.

If you do not report Gross Sales when required, we may debit your account for the amount of the last Royalty and Brand Development Fees that we debited. If the Royalty and Brand Development Fees we debit are less than the Royalty and Brand Development Fees you actually owe TOMMY’s, once we have been able to determine your true and correct Gross Sales, we will debit your account for the balance on a day we specify. If the Royalty and Brand Development Fees we debit are greater than the Royalty and Brand Development Fees you actually owe TOMMY’s, we will credit the excess against the amount we otherwise would debit from your account during the following week. We will also debit your account for any purchase balances payable to our affiliates, that become more than 60 days past due.

If any state imposes a sales or other tax on the Royalty Fees, then we have the right to collect this tax from you.

2. If we terminate your Franchise Agreement for cause, you agree to pay TOMMY’s within 15 days after the effective date of termination, liquidated damages, which will vary based on the timing of the termination of the Franchise Agreement. If the Franchise Agreement is terminated before the Franchised Business opens for business, you must pay TOMMY’s \$48,000 as liquidated damages for each unit Franchise Agreement that was terminated. If the Tommy’s Business was in operation

before the effective date of termination, liquidated damages are equal to the average monthly royalty fees paid or owed to Tommy's Express LLC during the 12 months of operation preceding the effective date of termination multiplied by either 120 months, or \$500,000, whichever is greater.

Item 7
ESTIMATED INITIAL INVESTMENT

(See Table on following page)

YOUR ESTIMATED INITIAL INVESTMENT					
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Type of Expenditure	LOW	HIGH	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee (1)	\$ 50,000	\$ 50,000	Lump Sum	On signing Franchise Agreement	Tommy's Express LLC
Site Planning/Architectural Drawings	\$ 53,500	\$ 58,500	As Arranged	As Arranged	Our Affiliate, VQ, Inc.
Civil Engineering	\$ 10,000	\$ 80,000	As Arranged	As Arranged	Civil Engineers
Water Tap Fee	\$ 15,000	\$ 250,000	As Arranged	As Arranged	Local Government
Site Reports and Testing	\$ 15,000	\$ 45,000	As Arranged	As Arranged	3rd party (if needed)
Developer (if applicable)	\$ 25,000	\$ 100,000	As Arranged	As Arranged	3rd party (optional)
Zoning Permits	\$ 8,000	\$ 50,000	As Arranged	As Arranged	Local Government
Construction Documents	\$ 500	\$ 2,000	As Arranged	As Arranged	Suppliers
Start up and Acquisition Professional Fees	\$ 10,000	\$ 35,000	As Arranged	As Arranged	Professionals
Soft Cost Sub-Total (2)	\$ 137,000	\$ 620,500			
Site Work and Site Construction					
SITE WORK	\$ 330,048	\$ 485,366	As Arranged	As Arranged	General Trades
CONCRETE	\$ 331,319	\$ 487,233	As Arranged	As Arranged	General Trades
MASONRY	\$ 41,169	\$ 60,542	As Arranged	As Arranged	General Trades
MECHANICAL (HVAC and Plumbing)	\$ 141,065	\$ 207,448	As Arranged	As Arranged	General Trades
ELECTRICAL	\$ 148,463	\$ 218,330	As Arranged	As Arranged	General Trades
WINDOWS and DOORS	\$ 84,503	\$ 124,269	As Arranged	As Arranged	General Trades
FLOORING (Epoxy and Interior)	\$ 34,115	\$ 50,168	As Arranged	As Arranged	General Trades
INTERIOR FINISHES	\$ 184,455	\$ 271,258	As Arranged	As Arranged	General Trades
EXTERIOR FINISHES	\$ 50,940	\$ 74,911	As Arranged	As Arranged	General Trades
MISC and CHANGE ORDERS (landscaping and other)	\$ 73,906	\$ 108,685	As Arranged	As Arranged	General Trades
SNOWMELT	\$ -	\$ 80,000	As Arranged	As Arranged	General Trades
GC General Requirements, Costs and Insurance	\$ 275,326	\$ 469,180	As Arranged	As Arranged	General Contractor
Site Work and Construction Sub-Total (3)	\$ 1,695,309	\$ 2,637,390			
Tommy Scope of Work (Building and Equipment)					
Tommy Building					
Building Structure	\$ 704,108	\$ 761,317	As Arranged	As Arranged	Our Affiliate, VQ, Inc.
Building Components	\$ 158,120	\$ 158,770	As Arranged	As Arranged	Our Affiliate, VQ, Inc.
Lighting	\$ 41,994	\$ 44,174	As Arranged	As Arranged	Our Affiliate, VQ, Inc.
Signage (5)	\$ 101,448	\$ 102,688	As Arranged	As Arranged	Our Affiliate, VQ, Inc.
Tommy Building Sub Total (4)	\$ 1,005,670	\$ 1,066,949			
Tommy Equipment					
Conveyor System	\$ 111,699	\$ 131,755	As Arranged	As Arranged	Our Affiliate, VQ, Inc.
Entrance Module	\$ 17,280	\$ 17,280	As Arranged	As Arranged	Our Affiliate, VQ, Inc.
Car Washing Equipment	\$ 192,328	\$ 206,201	As Arranged	As Arranged	Our Affiliate, VQ, Inc.
Blower System	\$ 130,351	\$ 130,351	As Arranged	As Arranged	Our Affiliate, VQ, Inc.
Chemical Dispensers	\$ 48,900	\$ 48,900	As Arranged	As Arranged	Our Affiliate, VQ, Inc.
Backroom Equipment	\$ 188,486	\$ 187,486	As Arranged	As Arranged	Our Affiliate, VQ, Inc.
Accessories	\$ 43,399	\$ 43,399	As Arranged	As Arranged	Our Affiliate, VQ, Inc.
Installation	\$ 96,671	\$ 98,113	As Arranged	As Arranged	Our Affiliate, VQ, Inc.
Tommy's Express Start Up Package	\$ 21,665	\$ 41,665	As Arranged	As Arranged	Our Affiliate, VQ, Inc.
Shipping	\$ 20,520	\$ 23,220	As Arranged	As Arranged	Our Affiliate, VQ, Inc.
Tommy Equipment Sub Total (6)	\$ 871,299	\$ 928,371	As Arranged	As Arranged	Our Affiliate, VQ, Inc.
Tommy Vacuums (6)	\$ 103,160.15	\$ 272,077.51	As Arranged	As Arranged	Our Affiliate, VQ, Inc.
Point of Sale System (7)					
Point of Sale	\$ 53,434	\$ 57,626	As Arranged	As Arranged	Our Affiliate, VQ, Inc.
Wash Club Components	\$ 23,100	\$ 35,250	As Arranged	As Arranged	Our Affiliate, VQ, Inc.
Point of Sale System Subtotal	\$ 76,534	\$ 92,876	As Arranged	As Arranged	Our Affiliate, VQ, Inc.
Guardian Wash Controls (6)	\$ 118,950	\$ 156,660	As Arranged	As Arranged	Our Affiliate, VQ, Inc.
Tommy Scope of Work Total	\$ 2,175,613	\$ 2,516,933	As Arranged	As Arranged	Our Affiliate, VQ, Inc.
Insurance (8)	\$ 12,000	\$ 18,000	As Arranged	As Arranged	Insurance Companies
Business Permits & Licenses (9)	\$ 350	\$ 5,500	As Arranged	As Required	Government Agencies
Office Equipment and Supplies	\$ 1,000	\$ 1,500	As Arranged	As Arranged	Suppliers
Furniture and Fixtures	\$ 2,500	\$ 17,000	As Arranged	As Arranged	Suppliers
Other Costs	\$ 15,850	\$ 42,000			
Training Expenses (11)	\$ 17,500	\$ 21,527	As Arranged	As Arranged	Airline, Hotel, Restaurants, etc.
Grand Opening Marketing (12)	\$ 10,000	\$ 10,000	As Arranged	As Arranged	Suppliers
Additional Funds - 3 Months (13)	\$ 75,000	\$ 75,000	As Needed	As Needed	Personal
Total (14)	\$ 4,176,272	\$ 5,973,349			
*These figures do not include sales tax or the cost of purchasing or leasing real estate. (14)					

In general, none of the expenses listed in the above charts are refundable, except any security deposits you must make may be refundable.

These estimates do not include purchase or long-term lease costs for real estate upon which the Franchised Business may be built. We do not provide financing for any portion of your initial investment. We may, however, offer eligible franchisees the opportunity to purchase or lease from TOMMY's or our affiliate, real estate upon which to build the Franchised Business. If we lease or sell real estate to you, we may earn a profit on the lease or sale.

1. **Initial Franchise Fee.** This fee is discussed in Item 5.
2. **Soft Costs.** You must use our architect for architectural drawings or an architect approved by Tommy's. Fees paid to civil engineers, fees paid for site reports and testing and zoning will vary according to local requirements. Water Tap fees vary greatly from municipality to municipality. Tommy's recommends you check and verify tap fees prior to purchasing your site. If you have no experience developing real estate projects, Tommy's recommends you hire a developer or project manager to assist with acquiring property, working with local governments for entitlements and permits and oversight of the construction process.
3. **Site Work and Construction Costs.** Tommy's recommends you hire a qualified, experienced general contractor to develop your site. Costs to build your wash may vary greatly due to market conditions.
4. **Tommy Building.** You must buy the complete Tommy's Express Car Wash building package as recommended in order to operate your Franchised Business. Our affiliate is the sole approved supplier of this package and may earn a profit on its sale to you. This package includes the steel, roof, erection of the building, and costs of shipping the building.
5. **Signage.** You must buy the complete Tommy's Express Car Wash signage package as recommended in order to operate your Franchised Business. Our affiliate is the sole approved supplier of this equipment package and may earn a profit on its sale to you. This package includes the exterior signage and the installation of the signage.
6. **Tommy's Equipment Package.** You must buy the complete Tommy Car Wash equipment package as recommended in order to operate your Franchised Business. Our affiliate is the sole approved supplier of this equipment package and may earn a profit on its sale to you. This package includes point of sale equipment, vacuum equipment, water reclamation equipment, electrical control systems, vending and mat wash systems, and other systems.
7. **Point of Sale and Computer System.** You must purchase the Tommy's Express Car Wash point of sale and computer system, as recommended and included in the Tommy's Equipment Package, in order to operate your Franchised Business. Our affiliate is the sole approved supplier of this point of sale and computer system and may earn a profit on its sale to you.
8. **Insurance.** You must have the insurance coverages that we require for your Franchised Business, as described in Item 8 below. The low end of our estimate represents a semi-annual premium and the high end of our estimate represents the cost of the annual premium.
9. **Permits & Licenses.** You must verify the specific business licenses and permits that you will need to operate the Franchised Business. Our estimate represents the initial cost for licenses and permits which typically remain in effect for one year.

10. **Training Expenses.** Our estimate includes the out-of-pocket expenses for three trainees to attend our initial training program. The low end of our estimate assumes that the trainees are within driving distance of our training facility. The high end of our estimate assumes that additional travel, such as airline travel, will be required. Your total costs may vary depending on the number of trainees you sent to our training program, the distance they must travel, the mode of transportation selected, and the types of accommodations you choose.
11. **Grand Opening Marketing.** You must conduct a grand opening marketing campaign to promote the opening of your Franchised Business. We recommend that your grand opening marketing campaign include distribution of flyers, free washes, mailers, and coupons for discounted washes.
12. **Additional Funds.** You will need capital to support ongoing expenses, such as payroll and additional purchases of cleaning supplies, if these costs are not covered by sales revenue for your first three months of operation. New businesses often generate a negative cash flow. We estimate that the amount given will be sufficient to cover ongoing expenses for the start-up phase of the business, which we calculate to be three months. This is only an estimate and there is no guarantee that additional working capital will not be necessary during this start-up phase or after.
13. **Total.** We relied on our affiliates' experience in operating Tommy's Businesses since 1969. These figures are merely estimates and there is no assurance that additional working capital will not be necessary during this initial phase or after. A standard Tommy's Express car wash has a wash tunnel that ranges from 110 to 160 feet in length, but franchisees will typically be limited to a tunnel with a length of 130 feet. (Franchise Agreement, Article 3.2).

**YOUR ESTIMATED INITIAL INVESTMENT
MULTI-UNIT DEVELOPMENT AGREEMENT**

YOUR ESTIMATED INITIAL INVESTMENT DEVELOPER – THREE TOMMY'S EXPRESS BUSINESSES				
(1) Type of Expenditure	(2) Amount	(3) Method of Payment	(4) When Due	(5) To Whom Payment is to be Made
Development Fee (1)	\$80,000 to \$90,000	Lump Sum	On signing Multi-Unit Development Agreement	Us
Vehicle Costs (2)	\$2,100	As Arranged	As Arranged	Suppliers
Other Expenses for first Tommy's Business (3)	\$4,126,272 to \$5,923,349	See Tommy's Express single unit information, above	See Tommy's Express single unit information, above	See Tommy's Express single unit information, above
Total	\$4,208,372 to \$6,015,449			

The above tables represent the estimated cost for a Developer to develop three Franchised Businesses under the Multi-Unit Development Agreement for Tommy's Express Car Wash. Your costs will vary depending on the number and type of Tommy's Businesses you choose to develop.

In general, none of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable. We do not provide financing for any portion of your initial investment.

- 1 Development Fee.** The development fee is discussed in Item 5. For the first Tommy's Business that you will develop under the Multi-Unit Development Agreement for Tommy's Express Car Wash a portion of the development fee will be applied to pay the initial franchise fee in full. For each additional Tommy's Business you develop, a pro rata portion of the development fee will be applied toward payment of this fee and the balance of the fee is payable when each Franchise Agreement is signed.
- 2 Vehicle Costs.** We assume that you will need a vehicle to travel to potential locations within your Development Area. Our estimate includes fuel, maintenance expenses and car payments for three months.
- 3 Other Expenses for First Tommy's Business.** This item includes the remaining expenses to develop and open a Franchised Business, based on the estimated initial investment chart above but not including the initial franchise fee that was paid from the development fee. We expect that you will incur similar costs for each Tommy's Business you develop under the Multi-Unit Development Agreement, subject to inflation, other potential increases in costs over time or other changes in circumstances that we cannot predict.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Our reputation and goodwill is based on, and can be maintained only by, the sale of high-quality services and products and the presentation and sale of those services and products in an efficient and appealing manner. One of the greatest values of a franchise model is the economies of scale a brand gains as a network. Tommy's has built in, through our supply company, a "buying club" for franchise partners. You will receive discounts on qualified products because of the commitment to purchasing power Tommy's Express has provided. We believe these discounts represent a significant competitive advantage in the marketplace. We believe every franchise partner plays a role in strengthening that buying power. Therefore, we provide discounts on soaps & parts and other consumable purchases. We have developed standards and specifications for various services, products, materials and supplies sold at or used in the operation of Tommy's Businesses. You must operate your Franchised Business according to these standards. These standards will regulate the types, models and brands of required fixtures, furnishings, equipment, signs, materials and supplies to be used in operating your Franchised Business, products and services offered to customers, recommended inventory levels, product categories, and designated or approved suppliers of these items (which may be limited to or include TOMMY's or our affiliates). If you do not comply with our required standards, you will be in default of your Franchise Agreement. Our standards and specifications for products and services that you must purchase for your Franchised Business, and our list of approved suppliers for these items, will be communicated to you in writing, including our Confidential Operations Manual, e-mails and newsletters.

Currently, we or our affiliate are the sole approved supplier of the proprietary Tommy's equipment package, Tommy's vacuum and vending system and Tommy's point of sale system, all of which are required for operation of your Franchised Business. You are required to purchase all detergents, chemicals,

solutions, uniforms, items for retail sales, parts and new or replacement equipment (car wash and/or technology) from TOMMY's or our affiliate, and we may earn a profit on your purchases. This package includes identification of a general contractor; which you may choose to use, procurement of bids; schematic design recommendations; coordination of design professionals; providing building and equipment design and specification documents; purchasing services; construction supervision; management of building erection, equipment installation and POS system and installation of other information technology. Tommy's Express LLC will generate a profit on the services provided to and the purchases made by franchisees. Details will be provided in the operations manual. Any third-party contractors and vendors retained by you to convert or construct the premises are independent contractors of yours alone. (Franchise Agreement – Article 3 and 19.1).

The following officers have an ownership interest in our affiliates, which are approved suppliers as described above: Tom Essenburg and Ryan Essenburg. There are no other approved suppliers in which any of our officers owns an interest.

All of your required purchases represent approximately 85% to 95% of your total purchases in connection with the establishment of your Franchised Business, and approximately 60% of your overall purchases in operating the Franchised Business.

If you want to use any product, material or render any service that does not comply with the standards of the System or is to be purchased from a supplier that has not yet been approved, you must first submit a written request for approval of the proposed product or supplier and obtain our approval of the product or supplier before purchasing the product or from the supplier. You must reimburse the costs we incur in making this determination, but not more than \$5,000 per request. We will, within a reasonable time (within 120 days), notify you of our decision. We will establish procedures for submitting requests for approval of items and suppliers and may impose limits on the number of approved items and suppliers. Approval of a supplier may be conditioned on requirements relating to product quality, production and delivery capabilities, ability to meet our supply commitments, financial stability, integrity of standards of service, familiarity with our System and ability to negotiate favorable terms for our franchisees. We do not generally make available to you these criteria for product or supplier approval. You must not sell or offer for sale any products of the proposed supplier until our written approval of the proposed supplier is received. We may revoke our approval of particular products or suppliers when we determine, in our sole discretion, that the products or suppliers no longer meet our standards. Upon receipt of written notice from TOMMY's of a revocation, you must stop selling any disapproved products and stop purchasing from any disapproved supplier. We are not obligated to approve any other products or suppliers for our System.

There are currently no purchasing or distribution cooperatives, but we reserve the right to establish these in the future. We may also negotiate purchasing arrangements for the benefit of our franchisees. We or our affiliates reserve the right to receive administration fees, rebates or other money from suppliers that we designate and have sole discretion over the use of any fees or rebates and monies we or our affiliates receive.

For the fiscal year ended December 31, 2019, Tommy Express earned \$1,200,000 revenue in the form of rebates or other payments from approved supplier Tommy Car Wash Systems. We do not provide you with any material benefit based on your use of an approved supplier. Tommy's Express may at times accept rebates from credit card merchant processors where the volume of the processing on the network reduces the wholesale credit card rate below the set charged rate. In 2020, these rebates will be invested in full in the brand development fund.

We may conduct market research and testing to determine consumer trends and salability of new products, materials and services. You must cooperate by participating in market research programs, test marketing new products and services and providing timely reports and other relevant information regarding

marketing research. In connection with any test marketing, you must purchase a reasonable quantity of products to be tested and effectively promote and make a reasonable effort to sell the products, materials and services.

We must accept the location from which you intend to operate your Franchised Business. Our procedures for site selection and acceptance are described in Item 11 below.

You must purchase the hardware and software packages we require, as described in Item 11. We or our affiliate are the sole approved suppliers for the hardware and software packages. You must also have a smartphone with a data package for your Franchised Business. You must have the point of service, payment processing and other electronic transactional systems set forth in our Operations Manual. We reserve the right to designate that any of these items must be purchased or leased from a specific supplier, which may be us or our affiliate.

During our fiscal year ending December 31, 2019, our affiliate, Tommy Car Wash Systems, derived \$41,729,478 as revenue from the sale of the required purchases or leases listed above.

In addition to the purchases or leases described above, you must obtain and maintain, at your own expense, the insurance coverages that we require. Currently you must have the following insurance coverages:

- Builder's risk insurance. Including "soft cost" coverage based on the completed value of the facility,
- General liability coverage. Comprehensive coverage \$1 million per occurrence, \$2 million annual aggregate.
- Umbrella liability insurance. \$2 million per occurrence, \$2 million annual aggregate.
- Equipment breakdown coverage. Limits based on the full replacement value.
- Special Form property damage coverage. All perils coverage with limits of not less than the full replacement value of the Tommy's Business facility and all property located at the facility.
- Automobile coverage. Coverage for any vehicles used in the franchised business – whether owned or non-owned. You are required to comply with state requirements for underinsured or uninsured coverage.
- Business interruption coverage. Insurance to recover lost income for up to 12 months in the event the franchised business is unable to operate.
- Money and Securities. \$10,000 per occurrence – inside or outside
- Worker's compensation insurance and any other coverage that may be required by applicable law or statute.
- Cyber Insurance (recommended) min, \$500,000
- Employer Practices Liability Insurance (recommended) min. \$500,000
- Any other insurance coverage we may require in the future.

You must maintain all required policies in force during the entire term of the Franchise Agreement and any renewal terms. Each insurance policy must be purchased from an insurance carrier that is qualified

to do business in the state where your Business is located and is rated at least “A-” by A.M. Best. Each insurance policy must name TOMMY’s (and, if we request, our affiliates, officers, directors, employees or shareholders) as additional insureds and must provide TOMMY’s with 30 days’ advance written notice of any material modification, cancellation or expiration of the policy. You must provide TOMMY’s with a certificate of insurance, or other proof showing that you have obtained the required insurance, before your Business opens. You must provide TOMMY’s with updated certificates of insurance or other proof when your insurance policies are renewed. If you do not obtain the insurance coverages that we require, we may (but are not obligated to) purchase insurance for you. If we do this, you must reimburse the premium costs we incur and pay TOMMY’s an administrative fee of 10% for TOMMY’s to obtain coverage.

Item 9 **FRANCHISEE’S OBLIGATIONS**

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

In the following chart, “FA” means the Franchise Agreement and “MUDA” means the Multi-Unit Development Agreement.

Obligation	Section in Agreement	Disclosure Document Item
(a) Site selection and acquisition/ lease	FA: Article 3 MUDA: Article 2	Items 7 and 11
(b) Pre-opening purchases/ lease	FA: Article 3 MUDA: Not applicable	Items 5, 7 and 8
(c) Site development and other pre-opening requirements	FA: Article 3 MUDA: Not applicable	Items 7 and 11
(d) Initial and ongoing training	FA: Article 6 MUDA: Not applicable	Items 6, 7 and 11
(e) Opening	FA: Article 3 MUDA: Not applicable	Item 11
(f) Fees	FA: Articles 2, 4, 5 and 15 MUDA: Article 3, Exhibit B	Items 5, 6, 7 and 11
(g) Compliance with standards and policies/ Operating Manual	FA: Articles 8 and 10 MUDA: Not applicable	Items 8, 11, 14 and 16
(h) Trademarks and proprietary information	FA: Articles 9 and 10 MUDA: Not applicable	Items 13 and 14

Obligation	Section in Agreement	Disclosure Document Item
(i) Restrictions on products/ services offered	FA: Articles 1 and 8 MUDA: Not applicable	Items 8 and 16
(j) Warranty and customer service requirements	FA: Article 8 MUDA: Not applicable	Not applicable
(k) Territorial development and sales quotas	FA: Article 8 MUDA: Article 2, Exhibit B	Item 12
(l) On-going product/ service purchases	FA: Article 8 MUDA: Not applicable	Item 8
(m) Maintenance, appearance and remodeling requirements	FA: Article 8 MUDA: Not applicable	Item 11
(n) Insurance	FA: Article 11 MUDA: Not applicable	Items 7 and 8
(o) Advertising	FA: Article 5 MUDA: Not applicable	Items 6, 7 and 11
(p) Indemnification	FA: Article 19 MUDA: Article 9	Item 6
(q) Owner's participation/ management/staffing	FA: Articles 6 and 8 MUDA: Not applicable	Items 11 and 15
(r) Records/reports	FA: Article 4 MUDA: Not applicable	Item 6
(s) Inspection/audits	FA: Articles 4, 7 and 8 MUDA: Not applicable	Item 6
(t) Transfer	FA: Article 15 MUDA: Article 6	Items 6 and 17
(u) Renewal	FA: Article 2 MUDA: Not applicable	Items 6 and 17
(v) Post-termination obligations	FA: Article 13 MUDA: Article 5	Item 17

Obligation	Section in Agreement	Disclosure Document Item
(w) Non-competition covenants	FA: Article 14 MUDA: Article 5	Item 17
(x) Dispute resolution	FA: Article 21 MUDA: Article 8	Item 17
(y) Liquidated Damages	FA: Article 13 MUDA: Not applicable	Item 6

Item 10
FINANCING

We do not offer, directly or indirectly, any financing arrangements to you. We do not guarantee your note, leases or any other obligation.

Item 11
FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, Tommy’s Express LLC is not required to provide you with any assistance.

Pre-Opening Obligations -Franchise Agreement

Before you open your Franchised Business, we will:

1. Provide you with our site selection criteria, which you will use to locate a potential site for your Franchised Business. The site must meet our criteria for demographic characteristics; traffic patterns; character of neighborhood; competition from, proximity to, and nature of other businesses; size; appearance; and other physical and commercial characteristics. You must submit to us all of the information we need to evaluate the location you propose. We will, within 30 days after we receive all of the information we require, approve or disapprove the location you propose. Unless we provide our specific acceptance of the site, it is deemed not accepted. If you fail to secure the site by lease or purchase agreement within 120 days after we have accepted it, we may terminate the Franchise Agreement. (Franchise Agreement – Article 3). In the event we do not approve a proposed site by written notice to you within 30 days, such site shall be deemed disapproved by us.

2. Provide you with design, specification and equipment packages. This package includes identification of a general contractor; which you may choose to use, procurement of bids; schematic design recommendations; coordination of design professionals; providing building and equipment design and specification documents; purchasing services; construction supervision; management of building erection, equipment installation and POS system and installation of other information technology. We will generate a profit on the services provided to and the purchases made by franchisees. Details will be provided in the operations manual. Any third-party contractors and vendors retained by you to convert or construct the premises are independent contractors of yours alone. (Franchise Agreement – Article 3 and 19.1).

3. Provide you with a list of approved suppliers.

4. Arrange for shipment to you, of proprietary Tommy's Cleaning Solutions (Franchise Agreement – Section 3.5).

5. Lend you one copy of our Confidential Operations Manual (Franchise Agreement – Section 7.1). This Manual remains our property and must be returned to us upon termination or expiration of your Franchise Agreement. We reserve the right to provide the Confidential Operations Manual electronically.

6. Train up to three people in how to operate a Franchised Business (Franchise Agreement – Section 6.2). This training is described in detail later in this Item.

Pre-Opening Obligations – Multi-Unit Development Agreement

Before you begin operating under the Multi-Unit Development Agreement, we will:

1. Designate your Development Area, which will be the area within which you will look for potential sites at which to develop Tommy's Businesses. (Multi-Unit Development Agreement – Section 1.3).

2. We will provide other resources and assistance as may be developed and offered to our Multi-Unit Developers (Multi-Unit Development Agreement – Section 8.4).

Continuing Obligations – Franchise Agreement

During the operation of your Franchised Business, we will:

1. Provide guidance and assistance in the operation of your Franchised Business. This guidance may be provided in the form of periodic correspondence (including e-mail), field visits and telephone communications and will cover topics such as products or services to be offered to customers; improvements and developments in your Franchised Business; pricing, including maximum prices to be charged (where we are permitted to do so by applicable law); administrative, bookkeeping, accounting and inventory control procedures; and operating problems encountered by you (Franchise Agreement – Section 7.1).

2. Issue, modify and supplement standards for the System that may regulate any one or more of the following regarding your Franchised Business: (a) hours of operation, (b) methods of operation, (c) testing, marketing and sale of products and services, (d) instructions on the performance of specific employees' duties, (e) maintenance of equipment, (f) checklists, (g) records preparation and retention, (h) general rules and regulations for employees, and all other matters that in our sole judgment require standardization and uniformity in all Franchised Businesses (Franchise Agreement – Section 7.1).

3. Establish and maintain a brand development fund (Franchise Agreement – Section 5.3).

4. At your request, provide additional on-site training at your Franchised Business. You must pay our per diem fee for each trainer providing the training and reimburse our expenses (Franchise Agreement – Section 6.3).

5. Indemnify you against and reimburse you for all damages for which you are held liable in any proceeding arising out of your use of any of the Proprietary Marks (including settlement amounts), if you have fully complied with the terms of the Franchise Agreement (Franchise Agreement – Section 9.14).

6. Provide additional or refresher training programs, seminars, franchisee meetings and other related activities regarding the operation of the Franchised Business as we may conduct for you or Tommy's personnel generally, and which may be mandatory for you, your manager and other employees (Franchise Agreement – Section 6.3).

Marketing – Franchisees

Soft Opening and Grand Opening Marketing Campaign

In addition to your Brand Development Fund contributions, you must conduct a soft-opening advertising and presale program, deployed on digital channels as well as a grand opening advertising and promotional program as approved by TOMMY's. The length and start date of these programs will be determined after consultation with you, based upon your site location, demographics, psychographic, and other important data relevant to our programs. During the promotions in the soft opening and grand opening period of your site, you must use the marketing programs, assets, and materials that have been approved by TOMMYs. You must spend at least \$10,000, which will include \$6,000 in digital media on localized marketing promoting our standard campaigns upon the Soft Opening of your site through the last Grand Opening day for marketing in your territory to announce the grand opening of your Franchised Business. We will not be obligated to spend any amount on advertising in your area or territory.

Brand Development Fund

We have established and will administer a Brand Development Fund (the “Brand Development Fund”) to advertise the System and the products and services offered by Tommy's Franchised Businesses on a regional or national basis. You must contribute 1% of the Gross Sales of your Franchised Business each week to the Brand Development Fund. For the fiscal year ending December 31, 2019, \$ 256,820.01 was collected by the Brand Development Fund, and \$ 26,598.83 or 10 % was spent towards production, \$ 215,058.98 or 84 % was spent towards Media Placement, \$30,894.42 or 12 % toward administration expenses. No money was spent by the Fund to solicit new franchisees as of December 31, 2019.

The Brand Development Fund is maintained and administered by us or our designee as follows:

1. We direct all advertising programs and have sole discretion to approve the creative concepts, materials and media used in the programs and their placement and allocation. The Brand Development Fund is intended to maximize general public recognition and acceptance of the Proprietary Marks and improve the collective success of all Franchised Businesses operating under the System. Any Tommy's Businesses operated by us or our affiliates will contribute to the Brand Development Fund generally on the same basis as you. In administering the Brand Development Fund, we and our designees are not required to make expenditures for you that are equivalent or proportionate to your contribution or to make sure that any particular franchisee benefits directly or pro rata from the placement of advertising.

2. The Brand Development Fund may be used to satisfy the costs of maintaining, administering, directing and preparing advertising, including the cost of preparing and conducting television, radio, magazine and newspaper advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; employing advertising agencies; development and maintenance of our Website; and costs of our personnel and other departmental costs for advertising that we administer or prepare internally. All sums you pay to the Brand Development Fund will be maintained in a separate account. We may reimburse ourselves out of the Brand Development Fund for our reasonable administrative costs and expenses that we may incur in the administration or direction of the Brand Development Fund and advertising programs for you and the System. The Brand Development Fund and

its earnings will not otherwise benefit us. The Brand Development Fund is operated solely as a conduit for collecting and expending the Brand Development Fees as outlined above. Any sums paid to the Brand Development Fund that are not spent in the year they are collected will be carried over to the following year. No portion of the Brand Development Fund will be used to develop or place advertising that is primarily a solicitation of franchise sales.

3. We will prepare an annual statement of the operations of the Brand Development Fund that will be made available to you if you request it. We are not required to have the Brand Development Fund statements audited.

4. Although the Brand Development Fund is intended to be perpetual, we may terminate the Brand Development Fund at any time. The Brand Development Fund will not be terminated until all monies in the Brand Development Fund have been spent for advertising or promotional purposes or returned to contributors on a pro rata basis. If we terminate the Brand Development Fund, we have the right to reinstate it at any time and you must again contribute to the Brand Development Fund.

5. We may use the Brand Development Fund to engage the services of a local, regional or national advertising agency or promotional firm and use the resources of our own in-house promotional department as the source of advertising and promotional materials.

Local Marketing

You must conduct local marketing and promotion for your Franchised Business. You will agree to spend at least 2% of Gross Sales each month for marketing and promotion of your Franchised Business. Your local advertising expenditures may include (but not limited to), amounts contributed to a localized cooperative fund, spend on advertising media (such as television, radio, Internet, newspaper, billboards, direct mail, magazines, posters, and other promotional items. Advertising expenditures do not include amounts spent for the purpose of onsite distribution (such as stickers, t-shirts, pens, and other giveaway items). Any marketing and promotional materials you wish to use to promote your Franchised Business must have our prior written approval, and in connection with this approval, we may permit you to use your own advertising material. If you choose to utilize your own marketing materials, the materials must be submitted to TOMMY's for our review at least 14 days before you intend to use the materials. If we do not disapprove of your proposed marketing materials within ten days after you submit them to TOMMY's, your proposed materials are deemed approved. Any marketing or promotional materials you submit to TOMMY's for our review will become our property and there will be no restriction on our use or distribution of these materials. Within 30 days of our request, you must provide TOMMY's with verification of all expenditures for local advertising, marketing and promotion.

Marketing Cooperatives

We may designate any geographic area in which two or more Tommy's Businesses are located as a region for purposes of establishing a marketing cooperative ("Cooperative"), or we may approve of the formation of a Cooperative by our franchisees. The members of the Cooperative for any area will consist of all Tommy's Businesses in the designated geographic area. Businesses owned by us or our affiliates will participate in Cooperatives on the same basis as our franchisees, including voting rights. We have the right to dissolve, merge or change the structure of the Cooperatives. Each Cooperative will be organized for the exclusive purposes of administering marketing programs and developing, subject to our approval as described above, promotional materials for use by the members in local marketing. If a Cooperative has been established for a geographic area where your Franchised Business is located when the Franchise Agreement is signed, or if any Cooperative is established during the term of the Franchise Agreement, you must become a member of the Cooperative. If the Cooperative will operate according to written documents,

we must approve of these documents and a copy of the Cooperative documents applicable to the geographic area in which your Franchised Business will be located and a copy of these documents will be provided to you if you request it.

The payments you make to a Cooperative will not be more than .5% of your Gross Sales and may be applied by you toward satisfaction of your local marketing requirement. All contributions to the Cooperative will be maintained and administered in accordance with the documents governing the Cooperative, if any. The Cooperative will be operated solely as a conduit for the collection and expenditure of the Cooperative fees for the purposes outlined above. No advertising or promotional plans or materials may be used by the Cooperative or furnished to its members without first obtaining our approval. Currently there are no Cooperatives in the System. The Cooperative is not required prepare an annual financial statement. Cooperatives will not develop or place any advertising that is primarily a solicitation of franchise sales.

Advisory Council

We may, in our discretion, form one or more advisory councils to work with us to improve the System, the products and services offered by Tommy's Franchised Businesses, advertising conducted by the Brand Development Fund, and any other matters that we deem appropriate. If an advisory council is formed, it will act solely in an advisory capacity and will not have decision making authority. The advisory council will include franchisee representatives and our representatives. The franchisee representatives may be chosen by us or may be elected by other franchisees in the System. If you participate in an advisory council, you will pay for any costs or expenses you incur related to your participation, such as travel and living expenses to attend council meetings. We will have the right to form, change, merge or dissolve any advisory council. We do not anticipate forming an advisory council until we have at least 20 to 30 franchisees in the System.

Website

Websites (as defined below) are considered as "advertising" under the Franchise Agreement, and are subject (among other things) to our review and prior written approval before they may be used (as described above). The term "Website" means an interactive electronic document contained in a network of computers linked by communications software that you operate or authorize others to operate and that refers to the Franchised Business, Proprietary Marks, us, or the System. The term Website includes Internet and World Wide Web home pages.

You may not establish a Website related to the Proprietary Marks or the System, nor may you offer, promote, or sell any products or services, or make any use of the Marks, through social media or other Internet or mobile applications without our prior written approval. Your only Website presence on the Internet will be through one or more web pages that we establish on our Website.

We will have the right to establish a website, including but not limited to any apps that we may introduce, or other electronic system providing private and secure communications (e.g., an intranet) between us, our franchisees, and other persons and entities that we decide are appropriate. If we require, you must establish and maintain access to the intranet in the manner we designate. Additionally, we may periodically prepare agreements and policies concerning the use of the intranet that you must acknowledge and/or sign.

You are strictly prohibited from promoting your Franchised Business or using the Proprietary Marks in any manner on any social and/or networking Websites, such as Facebook, LinkedIn, Instagram

and Twitter, without our prior written consent. We will control all social media initiatives and assist with requests for local targeted social media through a managed portal system.

Site Selection and Opening

Franchise Agreement

You must find a suitable location that is accepted by TOMMY's and purchase the land or sign a lease within 12 months of signing the Franchise Agreement. You must commence operations within 6 months of receiving the appropriate approvals to build a car wash, or within 150 days after your Tommy's Equipment Package is delivered, whichever comes first. Some factors which may affect this timing are your ability to locate an acceptable site, the time to acquire the site through lease negotiations, your ability to secure any necessary financing, your ability to comply with local zoning and other state and local requirements, the timing of the delivery and installation of equipment and signs, and the timing of the delivery of equipment package.

We will not unreasonably withhold our acceptance, provided the site meets our minimum requirements. Our criteria for reviewing a proposed site includes its location, visibility, ease of access, proximity to a major road, parking, lighting, and the physical characteristics of the property. Our acceptance indicates that the site has met our minimum requirements for a Franchised Business. If you are unable to secure an approved location for your Franchised Business after two attempts, we may terminate your Franchise Agreement and you will not receive a refund of any fees paid.

You must develop and equip the Franchised Business according to the specifications we provide to you. You must comply with all applicable ordinances, building codes and permit requirements and with lease requirements and restrictions. We reserve the right to inspect the Franchised Business before you will be permitted to open it for business.

You may not open your Franchised Business for business until: (1) we notify you that all of your development obligations have been fulfilled; (2) pre-opening training of personnel has been completed to our satisfaction; (3) all amounts due to us have been paid; (4) we have been furnished with copies of all insurance policies and certificates required by the Franchise Agreement, or other documentation of insurance coverage and payment of premiums that we request; (5) all approvals and conditions set forth in the Franchise Agreement have been obtained; (6) you have secured all necessary government permits, certificates and similar authorizations, and; (7) you have ordered, received and installed all required fixtures, equipment, supplies and inventory.

If you are unable to open the Franchised Business within the required timeframe, except if the failure to open is the result of a delay in the delivery of your equipment package, we may grant you an extension of time or we may terminate the Franchised Agreement. Such termination will be a termination for cause.

We do not generally own the premises and lease it to franchisees.

Training Program

Franchise Agreement

No later than six weeks before your Franchised Business opens, you or a qualified onsite manager and up to two additional owners or employees (for a maximum of three trainees only) must attend and complete, to our satisfaction, our mandatory initial training program at no additional charge. If you are a

Multi-Unit Developer, we have the right to provide our initial training program at no additional charge for your first two Tommy's Businesses only. If the managing member will not be the onsite operating manager, the managing member will be required to attend a three-day owner orientation and training session at our headquarters in Holland, Michigan. This will begin prior to you breaking ground on your site. The orientation and training topics will include, but not limited to, sessions on what to expect during the construction phase, pre-opening marketing, and other best practices sessions to prepare new owners to operate car washes.

Our training program is provided at no additional charge to the first three trainees, but you must pay all expenses you and your trainees incur while attending our training program, including travel, lodging, meals and applicable wages.

If you request that we provide our training program to additional trainees, whether before your Franchised Business opens or while it is operating, you must pay our then-current training fee (see Item 6) in addition to the trainees' expenses, such as costs of travel, lodging, and meals. Our current Initial training for additional employees is approximately \$200 per day. If you request that we provide additional training at your Franchised Business, or if we believe you need additional training, you must pay our daily fee for each trainer we send to your Franchised Business. Our current rate for additional, on-site training is \$500 per day.

Approximately 20 days of training, consisting of 2-10-day training periods, will be held at our headquarters in Holland, Michigan and at an operating Tommy's Business or an affiliate-owned car wash. We reserve the right to designate alternative locations for the initial training program. You must complete our initial training program to our satisfaction at no additional charge. If you do not satisfactorily complete our initial training program, we may permit you to re-take our training program at your expense, including our training fee, or we may terminate your Franchise Agreement.

The instructional materials we will use for our training program includes our Confidential Operations Manual as well as any other materials that we believe will be beneficial in the training process. There currently are no fixed (*i.e.*, monthly or bi-monthly) training schedules. Our initial training program will be held on an as-needed basis depending, for example, on the number of new Tommy's Business openings and new or additional managers or employees that require training. We project the following training:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Equipment Maintenance	10	30	Holland, MI
Equipment Repair	5	15	Holland, MI
Car Wash Operations	20	40	Holland, MI
Management I -Marketing	20	20	Holland, MI
Refresher Course	5	35	Holland, MI
Pre and Post Opening Support	0	40	Your Location

Our training program is conducted Training by Mike Lemmen, Director of Training for Tommy's Express, Robert Frease, Business Consultant, Zach Smith, Business Consultant, Nick Smith, Business Consultant and Devon Dubois, Corporate trainer. Each of our instructors has 4 to 39 years of experience with us and or with our affiliates.

We will provide you with up to ten days of on-site training and assistance at a mutually convenient time.

In addition to the initial training program and any additional on-site assistance or training you request, as described above, we may offer refresher training programs or an annual meeting of our franchisees. We may designate that attendance at any refresher training program or annual meeting is mandatory unless the absence is excused by TOMMY's. You must pay for the expenses of your trainees/attendees, including travel, lodging, meals and wages. We do not expect that any refresher training program will be longer than four days in any year, or that any franchisee meeting will be more than six days in any year.

Computer System

Franchise Agreement

You must purchase the computer hardware and software we designate or approve that meet our specifications and that are capable of electronically interfacing with our computer system. The computer system is used to collect and monitor point of sale information and to create business reports and may be used to collect and monitor inventory control and shrinkage, payroll and accounting information, gift cards and loyalty program, on-line orders and credit card processing.

The computer system is designed to enable us to have immediate access to the information monitored by the system, and there is no contractual limitation on our access or use of the information we obtain. Our specific requirements for the computer system will also be included in our Confidential Operations Manual, including the name of the approved supplier for the computer system (if we designate one). Our affiliate may be the sole approved supplier. If you have computer hardware that you would like to use in the operation of your Franchised Business, it must meet our minimum specifications and we must approve the computer system for use. You must install and maintain equipment and a high-speed telecommunication line (such as T-1, DSL or cable modem) in accordance with our specifications to permit us to access the POS (Point of Sale) system (or other computer hardware and software) at the Shop premises as described above. We will have full independent access to the information contained in your computer system at all times during the term of your Franchise Agreement, including the ability to download information relating to sales, and sales-based data pertaining to business operations. You must make sure that we have access to your computer system at all times, at your expense. There are no contractual limitations on either our right to access the sales-based data on your computer system or our use of that sales-based data.

Your computer system must have the hardware and software designated in our Operations Manual. You must purchase Personal Computers ("PCs") running Windows 10 or newer software, printers, modems, and other network peripherals that meet our specifications. We estimate that the cost of the computer system and required software will be between \$50,000 and \$80,000.

We can require you to change the hardware and software you use for your Franchised Business. There are no contractual limits on when we can require you to make these changes or the cost of the modifications we can require. Neither we nor any affiliate of ours will provide you with any updates,

upgrades or maintenance for your computer system. The estimated cost of maintenance, updating, upgrading or support contracts for the computer system can range from \$250 to \$600 per year.

You must also have a smartphone with a data package for your Franchised Business. The average cost for a smartphone with a data package is \$34.00 to \$84.00 per month.

Confidential Operations Manual

You must operate your Franchised Business according to the standards, methods, policies and procedures specified in our Confidential Operations Manual. One copy of the Confidential Operations Manual is loaned to you by TOMMY's for the term of the Franchise Agreement after you complete our initial training program to our satisfaction. We reserve the right to provide the Manual to you electronically, such as through an intranet or password-protected Website.

You must treat the Manual, any other of our manuals which are used in the operation of your Franchised Business, and the information in them as confidential, and must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce these materials, in whole or in part, or otherwise give them to any unauthorized person. The Manual will remain our sole property and must be kept in a secure place at your Franchised Business.

We may revise the contents of the Manual, and you must comply with each new or changed standard. You must make sure that the Manual is kept current at all times. In the event of any dispute as to the contents of the Manual, the terms of the master copy maintained by TOMMY's at our home office will be controlling.

Attached to this Disclosure Document as Exhibit G is the Table of Contents of the Confidential Operations Manual. Our Confidential Operations Manual includes approximately 314 pages.

Item 12 **TERRITORY**

Franchise Agreement

The Franchise Agreement grants you the right to operate your Franchised Business only at the location we approve. If, when you sign the Franchise Agreement, a location for your Franchised Business has not been obtained by you and approved by TOMMY's, you will be given an area in which you may obtain a location. The area in which you will look for a site for your Franchised Business will likely be larger than the territory that you are granted.

We will grant you a designated territory ("Territory"), which will be determined once the location of your Franchised Business is approved by TOMMY's. Your Territory is not exclusive. The size of your Territory will be based on a radius from the location of your Tommy's Business. The radius from the location of your Tommy's Business, will be between 1 mile and 5 miles, and is dependent on our analysis of your geographic region.

We may offer the option for us to buy and lease to you the land on which your Tommy's Business will operate. If we do this, we anticipate that we will make a profit from this arrangement.

Your Territory will be described in an exhibit to your Franchise Agreement. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

We do not have to pay you if we solicit or accept orders from inside your territory.

You must obtain a location, subject to our acceptance, as provided in the Franchise Agreement. During the term of the Franchise Agreement, we (and any affiliates that we periodically might have) have the right:

(1) to establish and operate, and grant rights to other franchise owners to establish and operate, Tommy's Businesses or similar businesses at any locations anywhere outside your Territory and on any terms and conditions we deem appropriate;

(2) to offer and sell products and services that may be identical or similar to, or dissimilar from, those your Business offers and sells, whether identified by the Proprietary Marks or other trademarks or service marks through any alternative distribution channels (such as mail order and the Internet) and located anywhere;

(3) to purchase or otherwise acquire the assets or controlling ownership of one or more businesses identical or similar to your Business (and/or franchise or license those businesses), some or all of which might be located anywhere, but if a business we acquire operates within your Territory, it will not operate using the Proprietary Marks;

(4) to be acquired (regardless of the form of transaction) by a business identical or similar to Tommy's Businesses, even if the other business operates, franchises and/or licenses competitive businesses near your Business or in your Territory; and

(5) to engage in any other business activities not expressly prohibited by the Franchise Agreement, anywhere.

(6) to require you to obtain our written permission to relocate your Franchised Business to another site within the Territory. Our approval will not be unreasonably withheld if you are in compliance with the System and the terms of the Franchise Agreement.

You may offer and sell approved products and services to customers who live anywhere but who choose to use your Business. You may provide the approved products and services only from the location we approve. You may not engage in any promotional activities or buy or sell any products or services, whether directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system (collectively, the "Electronic Media"); through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from customers or prospective customers located anywhere. While you may place advertisements in printed media and on television and radio that are targeted to customers and prospective customers located within your Territory, and you will not be deemed to be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective customers outside of your Territory, you may not sell products and services to any customers located outside of your Territory. You are not granted a right of first refusal to purchase additional territories or franchises.

We and our affiliates may sell products and services under the Proprietary Marks within and outside your Territory through any method of distribution other than a dedicated Tommy's Business, including sales through channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing sales (together, "alternative distribution channels"). You may not use alternative distribution

channels to make sales outside or inside your Territory and you will not receive any compensation for our sales through alternative distribution channels.

We have not yet established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark. We describe earlier in this Item 12 what we may do anywhere and at any time.

Except for Businesses operated by TOMMY's and/or our affiliates, neither we nor any parent or affiliate has established, or presently intends to establish, other franchised or company-owned businesses which sell our products or services under a different trade name or trademark, but we reserve the right to do so in the future, without first obtaining your consent.

There are no minimum sales which you must attain to continuing operating within your non-exclusive Territory. We reserve the right to alter the boundaries of your Territory for a renewal term of the Franchise Agreement, to accommodate changes in population, demographics, household income and similar factors within your Territory.

Multi-Unit Development Agreement




You may (if you qualify) develop and operate a number of Tommy's Express Car Wash businesses within a Development Area which we and you will identify before signing the Multi-Unit Development Agreement and which we will designate to you and include in the Multi-Unit Development Agreement. We will also identify the number of businesses you will open and operate within the Development Area before signing the Multi-Unit Development Agreement. We base the Development Area's size primarily on the number of businesses you agree to develop, demographics for the Development Area, and site availability. We will provide you a development schedule with which you comply to keep your development rights and the dates by which you must develop them. We and you then will complete the schedule in the Multi-Unit Development Agreement before signing it. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. Subject to your rights under Franchise Agreements then in effect, we may establish or allow others to establish Tommy's Businesses within the Development Area after the Multi-Unit Development Agreement expires or is terminated. While the Multi-Unit Development Agreement is in effect, we (and our affiliates) will not establish, or allow other franchise owners or developers to establish, Businesses to be located within the Development Area. There are no other restrictions on TOMMY's. You may not develop or operate Businesses outside the Development Area without our prior approval. We may terminate the Multi-Unit Development Agreement if you do not satisfy your development obligations when required.

We retain the right, in our sole discretion and without granting any rights to you: (a) to ourselves own and operate, or to grant other persons the right to own and operate, Businesses at locations outside the Development Area, and on terms and conditions that we deem appropriate; and (b) to sell outside the Development Area the services and products authorized for Businesses under the Proprietary Marks or other trademarks, service marks and commercial symbols through dissimilar channels of distribution and on terms and conditions that we deem appropriate.

The continuation of our restriction on allowing other Tommy's Businesses to operate in the Territory depends on your ability to attain minimum Gross Sales. We may alter your Development Area if you do not achieve these minimum Gross Sales. You are not granted any other option, right of first refusal or similar right to acquire additional Businesses in your Development Area.

Item 13
TRADEMARKS

Under the Franchise Agreement, you have the right to use certain trademarks, service marks and other commercial symbols in connection with the operation of your Franchised Business. The Multi-Unit Development Agreement does not grant you the right to use the Proprietary Marks. Our primary service mark is “Tommy’s”. Our President, Ryan Essenburg, has registered the following Proprietary Marks on the Principal Register of the United States Patent and Trademark Office (“USPTO”) and has assigned them to us:

Mark	Registration Date	Registration Number	Register
Tommy’s Express Car Wash	September 22, 2015	4,817,255	Principal
	July 11, 2017	5,239,160	Principal
	December 13, 2016	5,098,779	Principal
TOMMYCLUB	May 29, 2018	5,480,859	Principal
	June 5, 2018	5,485,732	Principal
TOMMY GUARD	August 20, 2019	5,838,552	Principal

We intend to file all affidavits and to renew our registrations for the Marks when they become due.

You must follow our rules when you use the Proprietary Marks. You cannot use a name or mark as a part of a corporate name or internet domain name, or with modifying words, designs or symbols except for those which we license to you. You may not use our marks with the sale of an unauthorized product or service or in a manner not authorized in writing by TOMMY’s.

There are no currently effective determinations of the USPTO, the trademark administrator of this state or any court, nor is there any pending interference, opposition, or cancellation proceeding, nor any pending material litigation involving the Proprietary Marks which may be relevant to their use in this state or in any other state.

There are no agreements currently in effect which limit our right to use or to license others to use the Proprietary Marks. We have no knowledge of any superior prior rights that could materially affect your use of the marks in the state where the Business could be located.

You must promptly notify TOMMY's of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our ownership of, our right to use and to license others to use, or your right to use, the Proprietary Marks. We have the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. We may defend you against any third-party claim, suit or demand arising out of your use of the Proprietary Marks. If we, in our sole discretion, determine that you have used the Proprietary Marks in accordance with your Agreement, the cost of the defense, including the cost of any judgment or settlement, will be borne by TOMMY's. If we determine that you have not used the Proprietary Marks in accordance with your Agreement, the cost of the defense, including the cost of any judgment or settlement, will be yours. In the event of any litigation relating to your use of the Proprietary Marks, you must sign any and all documents and do any acts as may, in our opinion, be necessary to carry out the defense or prosecution, including becoming a nominal party to any legal action. Except if this litigation is the result of your use of the Proprietary Marks in a manner inconsistent with the terms of your Agreement, we will reimburse you for your out-of-pocket costs in doing these acts.

There are no infringing uses actually known to TOMMY's that could materially affect your use of the Proprietary Marks in this state or elsewhere.

We reserve the right to substitute different proprietary marks for use in identifying the System and the businesses operating under it, at our sole discretion. We will not be required to reimburse you for any of your costs related to conforming to our new Proprietary Marks and will otherwise have no obligation or liability to you as a result of any change or substitution.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

You receive the right to use certain items covered by a patent or copyright ("Patents & Copyrights"). You can use the proprietary and confidential information that is in our Manual.

We have applied for patents for certain items of equipment and technology. You receive the right to use these items of equipment and technology in compliance with our System. You do not have any other right to use the patented equipment and technology. There are no agreements currently in effect which limit our right to use or to license others to use the patents or copyrighted equipment or technology.

You must promptly notify us of any suspected unauthorized use of the Patents & Copyrights, any challenge to the validity of the Patents & Copyrights, or any challenge to our ownership of, our right to use and to license others to use, or your right to use, the Patents & Copyrights. We have the sole right to direct and control any administrative proceeding or litigation involving the Patents & Copyrights including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Patents & Copyrights. We may defend you against any third-party claim, suit or demand arising out of your use of the Patents & Copyrights. If we, in our sole discretion, determine that you have used the Patents & Copyrights in accordance with your Agreement, the cost of the defense, including the cost of any judgment or settlement, will be borne by us. If we determine that you have not used the Patents & Copyrights in accordance with your Agreement, the cost of the defense, including the cost of any judgment or settlement, will be yours. If there is any litigation relating to your use of the Patents & Copyrights, you must sign any and all documents and do any acts as may, in our opinion, be necessary to carry out the defense or prosecution, including becoming a nominal party to any legal action. Except if this litigation is the result of your use of the Patents & Copyrights in a manner inconsistent with the terms

of your Agreement, we will reimburse you for your out-of-pocket costs in doing these acts. You have no right to compensation or any other rights under the Franchise Agreement, based on the modification or discontinuance of your right to use the Patents & Copyrights.

There are no infringing uses actually known to us that could materially affect your use of the Patents & Copyrights.

The Manual is described in Item 11 and below. Although we have not filed an application for a copyright registration for the Manual, we claim a copyright and the information in it is proprietary and confidential. You must promptly tell TOMMY's when you learn about unauthorized use of this proprietary and confidential information. We are not obligated to take any action but will respond to this information as we think appropriate.

We may revise the contents of the Manual and you must comply with each new or changed standard. You must make sure that the Manual is kept current at all times. In the event of any dispute as to the contents of the Manual, the terms of the master copy maintained by TOMMY's at our home office will be controlling.

Confidential Information

You must not, during the term of your Agreement with TOMMY's or after the term of the Agreement, communicate, divulge or use for the benefit of any other person, partnership, association, or corporation any confidential information, knowledge or know-how concerning the methods of operation of the Franchised Business which may be communicated to you or which you may learn because of your operation under the terms of your Agreement with TOMMY's. You may divulge this confidential information only to those of your employees who need access to it to operate your Franchised Business. Any and all information, knowledge, know-how, techniques and other data which we designate as confidential will be deemed confidential for purposes of the Agreement.

At our request, you must require your manager and any personnel having access to any of our confidential information to sign agreements that say that they will maintain the confidentiality of information they receive in connection with their employment by you at your Franchised Business. The agreements must be in a form satisfactory to TOMMY's, including specific identification of TOMMY's as a third-party beneficiary of the covenants with the independent right to enforce them and that they prohibit any direct or indirect ownership in a competing business, where ownership was not in effect prior to the date of the Franchise Agreement.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must at all times directly supervise the operation of your Franchised Business, or you may employ a manager for this purpose. Your Franchised Business must have on-premises supervision of a manager who has satisfactorily completed our training program. You must also maintain a competent, conscientious, trained staff, including a fully trained manager (which may be you). If you are an individual, we recommend that you be the fully trained manager described above. We impose no limitations as to who you may hire as the manager, except that you must comply with all applicable laws and that you must not harm the goodwill associated with the System and the Proprietary Marks (this requirement may affect who you hire as your manager). If you will not act as the manager for your Franchised Business, you must still attend an abbreviated training program and complete it to our satisfaction, and you must still make sure that

your Franchised Business is operated according to our requirements and specifications and the terms of your Agreement with TOMMY's.

We have the right to approve the manager after training. We do not require your manager to have an equity interest in your business. The manager must attend and complete our training program, as described in Item 11. The manager and other key employees may also be required to enter into an agreement not to compete with businesses under the System, not to divulge any trade secret or confidential or proprietary information, or to engage in any other business, not to reveal confidential information obtained while employed by you and for two years after their employment with you ends. See Item 17 for a description of these obligations. If a manager's employment with you ends, you must designate a replacement manager within 30 days after the previous manager is no longer employed by you. The exiting manager must train the new manager to our satisfaction or the new manager attends and completes, to our satisfaction, our training program. You must at all times keep TOMMY's advised of the identity of the manager. We may deal with the manager on the day-to-day operations of, and reporting requirements for, the Franchised Business.

You must hire all employees of the Franchised Business and you are solely responsible for the terms of their employment and compensation and for the proper training of those employees in the operation of the Franchised Business, and you must make sure that each employee signs our form of Confidentiality and Non-Competition Agreement, which is Attachment 4 of our Franchise Agreement.

You must operate the Franchised Business in strict conformity with all applicable federal, state and local laws, ordinances and regulations. These laws, ordinances and regulations vary from jurisdiction to jurisdiction and may be implemented or interpreted in a different manner. You must learn of the existence and requirements of all laws, ordinances and regulations applicable to the Franchised Business and you must adhere to them and to the then-current implementation or interpretation of them.

If you are a corporation, limited liability company or partnership, each principal owner must sign our Confidentiality and Non-Competition Agreement, which is Attachment 4 of our Franchise Agreement.

If you are a Developer, we may require you to employ an area manager to supervise the operations of all of your Tommy's Businesses, in addition to each manager you employ for the individual Businesses you develop.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must use the location we approve solely for the operation of the Franchised Business. You must keep your Franchised Business open and in normal operation for the minimum hours and days as we specify, or as may be required by the terms of your lease. You must not use or permit the use of the Franchised Business for any other purpose or activity at any time without first obtaining our written consent. You must operate the Franchised Business in strict conformity with the methods, standards and specifications we may require in the Manual or in writing. You must not change the standards, specifications and procedures without our prior written consent.

You must sell or offer for sale only those products and those services that we have approved for sale in writing; you must sell or offer for sale all types of merchandise specified by TOMMY's; you should not change our standards and specifications without our prior written consent; and you must stop selling and offering for sale any services or products which we may, in our discretion, disapprove in writing at any time. We have the right to change the types of authorized goods and services and there are no limits on our right to make changes.

The System may be supplemented, improved or modified from time to time by TOMMY's. You must comply with all of our reasonable requirements in that regard, including offering and selling new or different products or services as specified by TOMMY's.

You are restricted by the Franchise Agreement, the Manual and any other practice or custom with respect to the goods or services which you may offer, which must be approved by TOMMY's. You are not restricted as to the customers to whom you may sell products or services, except as described in Item 12.

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Article in Franchise Agreement	Summary
a. Length of the franchise term	Article 2	20 years
b. Renewal or extension of the term	Article 2	Three renewal term of 10 years each

Provision	Article in Franchise Agreement	Summary
c. Requirements for franchisee to renew or extend	Article 2	<p>If we are still franchising and you are in good standing, you may renew your franchise for an additional term of 10 years. You must provide notice that you wish to renew your Franchise Agreement not less than six months and not more than nine months before expiration; you must be current in all payments and not in default of your Franchise Agreement; if we require, you must renovate and/or upgrade your Store; you must sign a release, sign our then current Franchise Agreement and pay a renewal fee.</p> <p>You must be current in all payments and not in default of your Franchise Agreement; if we require, you must renovate and/or upgrade your Franchised Business; you must sign release, and sign renewal Franchise Agreement</p> <p>You may be asked to sign a contract with materially different terms and conditions than your original contract, except the boundaries of your territory will not change and the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees</p>
d. Termination by franchisee	Not applicable	You may seek to terminate your Franchise Agreement on any ground permitted by law
e. Termination by franchisor without cause	Not applicable	The Franchise Agreement does not give you any right to terminate the Franchise Agreement. You may seek termination upon any grounds available by state law.
f. Termination by franchisor with cause	Article 12	We can terminate your Franchise Agreement for cause
g. "Cause" defined – curable defaults	Article 12	Includes failure to pay royalties, breach of lease or sublease, failure to make payments on loans taken by or for the benefit of your Franchised Business, selling unauthorized products or services, failure to operate in accordance with our uniform standards, failure to open your Franchised Business within the timeframe described in Item 11.

Provision	Article in Franchise Agreement	Summary
h. “Cause” defined – non-curable defaults	Article 12	Includes filing for bankruptcy, assignment for the benefit of creditors, lease termination, your or any of your owners’ assets are blocked under any law related to terrorist activities, misuse of Proprietary Marks, abandonment of the Franchised Business, submitting false reports, failure to submit required reports, repeated defaults (including third occurrence of insufficient funds fee), repeated customer complaints, you misrepresent information provided to us, you sell, transfer or give away any Tommy’s equipment to anyone other than us, unauthorized transfer, another agreement between you and us is terminated (this is a cross-default provision)
i. Franchisee’s obligations on termination/non-renewal	Article 13	Obligations include complete de-identification and payment of amounts due, sell all equipment back to us at a set price, comply with post-termination non-competition covenants
j. Assignment of contract by franchisor	Article 15	No restriction on right to transfer
k. “Transfer” by franchisee – defined	Article 15	Includes a transfer of all or substantially all of the assets of your business
l. Franchisor approval of transfer by franchisee	Article 15	We have the right to approve transfers
m. Conditions for franchisor approval of transfer	Article 15	Includes payment of money owed, you are not in default, sign release, transferee qualifies and signs new franchise agreement, refurbishment of Franchised Business and payment of the transfer fee
n. Franchisor’s right of first refusal to acquire franchisee’s business	Article 15	We can match any offer
o. Franchisor’s option to purchase franchisee’s business	Article 13	Upon expiration or termination, we can buy certain assets. We may purchase back all equipment used in your Franchised Business for fair market value.
p. Death or disability of franchisee	Article 15	Franchise must be assigned to approved buyer within 12 months

Provision	Article in Franchise Agreement	Summary
q. Non-competition covenants during the term of the franchise	Article 14	Includes prohibition on owning or operating business which sells similar products and services, unless the business was owned by you prior to signing of the Franchise Agreement.
r. Non-competition covenants after the franchise is terminated or expires	Article 14	Includes prohibition on owning or operating business which sells similar services for three years and located within 20 miles of any Business in the System, unless the business was owned by you prior to signing of the Franchise Agreement
s. Modification of the agreement	Article 22	Must be in writing by both parties
t. Integration/merger clause	Article 22	Only the terms of the Franchise Agreement are binding (subject to applicable federal and/or state law). Any other promises may not be enforceable
u. Dispute resolution by arbitration or mediation	Article 21	Mediation and arbitration in the county where we have our headquarters (subject to state law)
v. Choice of forum	Article 21	Michigan (subject to state law)
w. Choice of law	Article 21	Michigan (subject to state law)

THE MULTI-UNIT DEVELOPER RELATIONSHIP

Provision	Article in Multi-Unit Development Agreement	Summary
a. Length of the franchise term	Article 1	Term of the development schedule
b. Renewal or extension of the term	Not applicable	
c. Requirements for developer to renew or extend	Not applicable	
d. Termination by developer	Not applicable	You may seek to terminate your Multi-Unit Development Agreement on any ground permitted by law
e. Termination by franchisor without cause	Not applicable	
f. Termination by franchisor with cause	Article 4	We can terminate your Multi-Unit Development Agreement for cause

Provision	Article in Multi-Unit Development Agreement	Summary
g. “Cause” defined – curable defaults	Article 4	Your failure to comply with the Multi-Unit Development Agreement
h. “Cause” defined – non-curable defaults	Section 1.4 and Article 4	Failure to meet your development schedule, unauthorized transfer of the development rights or any interest in you, bankruptcy or insolvency, you are dissolved, you make a material misrepresentation or omission in your application to us, conviction of a felony or other crime that we believe will adversely affect the Marks, repeated breaches, one of your Franchise Agreements is terminated
i. Developer’s obligations on termination/non-renewal	Article 5	You lose development rights, may not look for sites or develop Tommy’s Businesses
j. Assignment of contract by franchisor	Article 6	No restriction on right to transfer
k. “Transfer” by developer – defined	Article 6	Includes a transfer of all or substantially all of the assets of your business
l. Franchisor approval of transfer by developer	Article 6	We have the right to approve transfers
m. Conditions for franchisor approval of transfer	Article 6	Conditions for transfer include not being in default, at least 25% of all Franchised Businesses required to be developed are open or under construction, all debts are paid, the buyer meets our current criteria for new Developers, execution of a general release (where legal), payment of transfer fee, buyer personally guarantees all obligations
n. Franchisor’s right of first refusal to acquire developer’s business	Article 6	We can match any offer
o. Franchisor’s option to purchase developer’s business	Not applicable	
p. Death or disability of developer	Article 6	Interest must be assigned to approved buyer within 12 months
q. Non-competition covenants during the term of the franchise	Not applicable	Can’t divert business or operate a Competitive Business anywhere

Provision	Article in Multi-Unit Development Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	Article 5	Includes prohibition on owning or operating a business, other than a businesses operating for at least six months prior to your signing the Franchise Agreement, which sells similar services for three years and is located within 20 miles of any Business in the System
s. Modification of the agreement	Article 12	Must be in writing by both parties
t. Integration/merger clause	Article 12	Only the terms of the Multi-Unit Development Agreement are binding (subject to applicable federal and/or state law). Any other promises may not be enforceable
u. Dispute resolution by arbitration or mediation	Article 8	Mediation and arbitration in the county where we have our headquarters (subject to state law)
v. Choice of forum	Article 8	Michigan (subject to state law)
w. Choice of law	Article 8	Michigan (subject to state law)

Item 18
PUBLIC FIGURES

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

Item 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

This Item contains an historic financial performance representation about existing Tommy's Express outlets in 2019. As of December 31, 2019, we had 4 affiliate-owned outlets and 26 franchised outlets. We have excluded the from this Item 19 the financial performance of 21 franchised outlets, as they had not been in operation for a full year. There are no material differences in the gross sales of franchise and company-owned outlets.

TOMMY'S EXPRESS CAR WASH
GROSS SALES JAN. 1 – DEC. 31, 2019 (1)

Outlets open more than 12 months but less than 24 months (must be open 12 full months in 2019)

Number of Outlets	Average Gross Sales	Median Gross Sales	Lowest Performing	Highest Performing
6	\$1,738,796.23	\$1,774,258.48	\$1,299,368.91	\$2,145,844.93

Outlets open more than 24 months (must be open 12 full months in 2019)

Number of Outlets	Average Gross Sales	Median Gross Sales	Lowest Performing	Highest Performing
3	\$2,155,387.07	\$2,115,175.26	\$2,022,840.86	\$2,328,145.10

Notes:

1 - "Gross Sales" is all revenue, less any returns or credits, from the sale of all products and services and all other income of every kind and nature at or from the Franchised Business or otherwise related to the Franchised Business, including any proceeds from business interruption insurance, whether for cash or credit, and regardless of collection in the case of credit. "Gross Sales" does not include any sales taxes or other taxes collected from customers by you and paid directly to the appropriate taxing authority, or any customer refunds or adjustments.

The tables above form the financial performance representation based on historical data for Tommy's Express car wash businesses open for a full 12 months in 2019. Gross Sales does not reflect the cost of sales, operating expenses, royalty fees, marketing fees, or other costs or expenses that must be deducted from gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating a Tommy's Express Car Wash. Franchisees or former franchisees listed in this Disclosure Document may be one source of this information.

We offered the same services to the Businesses described in this statement. These Businesses offered the same products and services to the public as you will.

These outlets have earned these amounts. Your individual results may differ. There is no assurance that you will earn as much.

With regards to expenses, Tommy's Express closely monitors the following wash expenses to determine "cost per car expenses". These expenses are chemical costs (soap, detergents, tire shine, etc.), Repair & Maintenance, Utilities, and Customer Claims. The table below reflects revenue and expenses.

Outlets open more than 12 months but less than 24 months (must be open 12 full months in 2019)

Detergents – Chemical	\$.58
Repair & Maintenance	\$.35
Utilities	
Water	\$.15
Electric	\$.27
Sewer	\$.12
Gas	\$.09

Waste Removal	\$.02
Communications/IT	\$.01
Customer Claims	\$.06
Labor	\$1.49

Other operational expenses include cost of merchandise, credit card charges, G&A expenses, property taxes, advertising, computer and technology costs, insurance, works compensation, health insurance costs, payroll taxes and supplies. Using the above other operational expenses, the average expenses for the four sites listed represents 16.49% of revenue or a cost per car total of \$1.19 per car washed. Expenses are submitted by our franchise partners through their P&L and represented as an average.

Outlets open more than 24 months (must be open 12 full months in 2019)

Detergents – Chemical	\$.65
Repair & Maintenance	\$.55
Utilities	
Water	\$.17
Electric	\$.28
Sewer	\$.11
Gas	\$.11
Waste Removal	\$.02
Communications/IT	\$.01
Customer Claims	\$.07
Labor	\$1.11

Other operational expenses include cost of merchandise, credit card charges, G&A expenses, property taxes, advertising, computer and technology costs, insurance, works compensation, health insurance costs, payroll taxes and supplies. Using the above other operational expenses, the average expenses for the four sites listed represents 11.31% of revenue or a cost per car total of \$.83 per car washed. Expenses are submitted by our franchise partners through their P&L and represented as an average.

Tommy's Express businesses report gross sales information to us based upon a uniform reporting system. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request. The information presented above has not been audited.

Other than the preceding financial performance representation, we do not make any financial representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Ryan Essenburg at 240 East 8th Street, Holland, Michigan, 49423, and (616)834-0544, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System wide Outlet Summary
For years 2017 to 2019

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2017	0	1	+1
	2018	1	6	+5
	2019	6	26	+20
Company-Owned*	2017	4	4	0
	2018	4	4	0
	2019	4	4	0
Total Outlets	2017	4	5	+1
	2018	5	10	+5
	2019	10	30	+20

*These outlets are owned by our affiliates as detailed in Item 1.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2017 to 2019

State	Year	Number of Transfers
None	2017	0
	2018	0
	2019	0
Total	2017	0
	2018	0
	2019	0

Table No. 3
Status of Franchised Outlets
For years 2017 to 2019

State	Year	Outlets at Start of Year	Outlets Opened	Termina- tions	Non- Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Arkansas	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	2	0	0	0	0	2
California	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	1	0	0	0	0	2
Florida	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	4	0	0	0	0	5
Georgia	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	2	0	0	0	0	2
Indiana	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
Kansas	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	2	0	0	0	0	3
Louisiana	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
Michigan	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	2	0	0	0	0	2
Minnesota	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Termina- tions	Non- Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Missouri	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Nebraska	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	1	0	0	0	0	2
Nevada	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
Texas	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	1	0	0	0	0	2
Virginia	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
Total	2017	0	1	0	0	0	0	1
	2018	1	5	0	0	0	0	6
	2019	6	20	0	0	0	0	26

Table No. 4
Status of Company-Owned* Outlets
For years 2017 to 2019

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
California	2017	1	0	0	0	0	1
	2018	1	0	0	0	0	1
	2019	1	0	0	1	0	0
Kansas	2017	1	0	0	0	0	1
	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
Michigan	2017	2	0	0	0	0	2
	2018	2	1	0	1	0	2
	2019	2	1	0	0	0	3
Total	2017	4	0	0	0	0	4
	2018	4	1	0	1	0	4
	2019	4	1	0	1	0	4

*These outlets are owned by our affiliates.

Table No. 5
Projected Openings as of December 31, 2019

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	0	1	0
Arkansas	1	1	0
California	1	2	0
Colorado	1	2	0
Delaware	1	1	0
Florida	5	6	0
Georgia	1	4	0
Idaho	1	1	0
Illinois	3	1	0
Iowa	2	3	0
Kansas	0	4	0
Louisiana	2	1	0
Maryland	1	1	0
Michigan	1	5	1
Minnesota	1	4	0
Missouri	2	1	0
Montana	1	0	0
Nebraska	3	4	0
Nevada	2	2	0
New Mexico	1	3	0
North Carolina	1	0	0
Ohio	2	0	0
Oklahoma	1	3	0
Pennsylvania	1	0	0
South Carolina	2	2	0
Tennessee	2	2	0
Texas	6	6	0
Virginia	1	0	0
Wisconsin	1	2	0
Total	47	62	1

A list of the names of all franchisees and multi-unit developers and the addresses and telephone numbers of their businesses will be provided in Exhibit E to this Disclosure Document when applicable.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee and multi-unit developer who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the applicable Agreement during the most recently completed fiscal year or who has not communicated with TOMMY's within 10 weeks of the issuance date of this disclosure document will be listed on Exhibit F to this Disclosure Document when applicable. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last three fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the Tommy's System.

There are no trademark-specific organizations formed by our franchisees that are associated with the Tommy's System.

Item 21

FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit H are our audited financial statements for the years ended December 31, 2017, December 31, 2018, and December 31, 2019.

Our fiscal year end is December 31st.

Item 22

CONTRACTS

The following contracts are attached to this Disclosure Document in the following order.

1. Franchise Agreement with Exhibits – Exhibit C
2. Multi-Unit Development Agreement with Exhibits – Exhibit D
3. Form of General Release – Exhibit J

Item 23

RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document. Please return one signed copy to us and retain the other for your records.

EXHIBIT A TO THE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS
AGENCIES/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of Business Oversight Department of Business Oversight 320 West 4 th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of Business Oversight
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce

State	State Agency	Agent for Service of Process
NEW YORK	Office of the New York State Attorney General Investor Protection Bureau, Franchise Section 28 Liberty Street, 21 st Floor New York, NY 10005 (212) 416-8236 Phone (212) 416-6042 Fax	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, 5 th Floor Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
RHODE ISLAND	Department of Business Regulation Securities Division 1511 Pontiac Avenue, Building 68-2 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of South Dakota Division of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT B TO THE DISCLOSURE DOCUMENT

MULTI-STATE ADDENDUM

CALIFORNIA APPENDIX

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise. If the Franchise Agreement or Multi-Unit Development Agreement contain provisions that are inconsistent with the law, the law will control.
2. The Franchise Agreement and Multi-Unit Development Agreement provide for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).
3. The Franchise Agreement and Multi-Unit Development Agreement contain covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.
4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.
5. Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange.
6. The Franchise Agreement and Multi-Unit Development Agreement require mediation and binding arbitration. The mediation and arbitration will occur in the county where we maintain our headquarters with the costs being borne by both parties. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
7. The Franchise Agreement and Multi-Unit Development Agreement require application of the laws of Michigan. This provision may not be enforceable under California law.
8. You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
9. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.
10. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section

20040.5 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

11. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
12. OUR WEBSITE, www.tommys-express.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS at www.corp.ca.gov.

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the franchise agreement which designates jurisdiction or venue outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your right upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

ADDENDUM REQUIRED BY THE STATE OF INDIANA

1. To be added to Item 3 of the Disclosure Document, is the following statement:

There are presently no arbitration proceedings to which the Franchisor is a party.

2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's designated territory.

3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).

4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. This amends the Franchise Agreement and Multi-Unit Development Agreement.

5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

ADDENDUM REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for the State of Maryland for Tommy's Express LLC's Franchise Disclosure Document and for its Franchise Agreement and Multi-Unit Development

Agreement. The amendments to the Franchise Agreement and Multi-Unit Development Agreement included in this addendum have been agreed to by the parties.

1. Item 17 of the Disclosure Document is amended to state that the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17 of the Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Item 17 of the Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

4. Item 17 of the Disclosure Document is amended to state that the provisions in the Franchise Agreement and Multi-Unit Development Agreement which provide for termination upon bankruptcy of the franchisee/multi-unit developer/ may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

5. The appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement are amended to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. The appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

7. The appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement are amended to state that the general release required as a condition of renewal, sale and/or assignment/ transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

8. The Franchise Agreement and Multi-Unit Development Agreement and Franchisee Disclosure Acknowledgment Statement are amended to include the following statement: "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

9. **Based upon our financial condition, the Maryland Securities Commissioner requires that we defer the payment of the initial franchise fee and all other initial payments until all of our material pre-opening obligations have been satisfied and until you open your business and it is operating. However, you must sign the Franchise Agreement before beginning training.**

DISCLOSURE REQUIRED BY THE STATE OF MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:

- (a) A prohibition on the right of a franchisee to join an association of franchises.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (5) years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months' advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) Failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as

a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the Franchise Agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE ATTORNEY GENERAL.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
Attn: Katharyn Barron
525 W. Ottawa Street, 1st Floor
Lansing, Michigan 48933
(517) 335-7567

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

This addendum to the Disclosure Document effectively amends and revises said Disclosure Document and Franchise Agreement and Multi-Unit Development Agreement as follows:

1. Item 13 of the Disclosure Document and the Franchise Agreement and Multi-Unit Development Agreement as follows are amended by the addition of the following language to the original language that appears therein:

“In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding such use.”

2. Item 17 of the Disclosure Document and the Franchise Agreement and Multi-Unit Development Agreement are amended by the addition of the following language to the original language that appears therein:

“With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec. 80C.14, Subds.3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.”

3. Item 17 of the Disclosure Document and the Franchise Agreement and Multi-Unit Development Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections:

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

4. Item 17 of the Disclosure Document and the Franchise Agreement and Multi-Unit Development Agreement are amended by the addition of the following language to the original language that appears therein:

“Minn. Rule 2860.4400D prohibits TOMMY’s from requiring you to assent to a general release.”

5. Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

6. The Franchise Agreement and Multi-Unit Development Agreement are amended to comply with Minn. Rule 2860.4400J which prohibits waiver of a jury trial.

7. The Franchise Agreement and Multi-Unit Development Agreement are amended to comply with Minn. Stat. §80C.17, Subd. 5 regarding limitations of claims.

8. Item 6, Insufficient Fund Fees: NSF fees are governed by Minnesota Statute 60A.113; which puts a cap of \$30 on a NSF check. This applies to everyone in Minnesota who accepts checks except banks.

9. Under Minn. Rule 2860.440J, the franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required. The Franchise Agreement and Multi-Unit Development Agreement are hereby amended accordingly.

ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS

WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d), titled “Termination by franchisee”:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), titled “Assignment of contract by franchisor”:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

8. The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of forum”, and Item 17(w), titled “Choice of law”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

ADDENDUM REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document, Franchise Agreement and Multi-Unit Development Agreement effectively amends and revises said documents as follows:

1. Item 17(c) of the Disclosure Document, Articles 2 and 15 of the Franchise Agreement, and Article 6 of the Multi-Unit Development Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release.

2. Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law. Item 17(r) of the Disclosure Document, Article 14 of the Franchise Agreement and Article 5 of the Multi-Unit Development Agreement are amended accordingly.

3. Item 6 and Item 17(i) of the Disclosure Document and Article 13 of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages. Since the

Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota.

4. Item 17(u) of the Disclosure Document, Article 21 of the Franchise Agreement and Article 8 of the Multi-Unit Development Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties.

5. Item 17(v) of the Disclosure Document and the provisions of Article 21 of the Franchise Agreement and Article 8 of the Multi-Unit Development Agreement, which require jurisdiction of courts in Michigan are deleted.

6. Item 17(w) of the Disclosure Document, Article 21 of the Franchise Agreement and Article 8 of the Multi-Unit Development Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota.

7. Apart from civil liability as set forth in Section 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents. Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law.

8. The provisions of Article 21 of the Franchise Agreement and Article 8 of the Multi-Unit Development Agreement, which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted.

9. The provisions of Article 21 of the Franchise Agreement and Article 8 of the Multi-Unit Development Agreement, which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies.

10. In the State of North Dakota, we will defer the payment of the initial franchise fee, development fee and any other initial payment until all of our material pre-opening obligations have been satisfied and until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that:

“A provision in a franchise agreement restricting jurisdiction or venue to a forum outside of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

ADDENDUM REQUIRED BY THE STATE OF SOUTH DAKOTA

In the State of South Dakota, we will defer the payment of the initial franchise fee, development fee and any other initial payment until all of our material pre-opening obligations have been satisfied and until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

ADDENDUM REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Tommy's Express LLC for use in the Commonwealth of Virginia shall be amended as follows:

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

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

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

ADDENDUM REQUIRED BY THE STATE OF WASHINGTON

Because the Franchisor has material pre-opening obligations with respect to each franchised business the Franchisee opens under the Multi-Unit Development Agreement, the State of Washington will require that the franchise fees be released proportionally with respect to each franchised business.

The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act, except when executed pursuant to a negotiated

settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act or rights or remedies under the Act, such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

In the State of Washington, we will defer the payment of the initial franchise fee and any other initial payment until all of our pre-opening obligations have been satisfied and until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20____.

ATTEST

TOMMY'S EXPRESS LLC

Witness

By: _____
Name: _____
Title: _____

FRANCHISEE:

Witness

EXHIBIT C TO THE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

TOMMY’S EXPRESS LLC

FRANCHISE AGREEMENT

FRANCHISEE

DATE

TABLE OF CONTENTS

ARTICLE 1	2
GRANT OF FRANCHISE	2
1.1 <i>Grant</i>	2
1.2 <i>Location</i>	2
1.3 <i>Non-Exclusivity</i>	2
1.4 <i>Limitations on Sale of Approved Products and Services</i>	3
1.5 <i>Rights Reserved to Us</i>	3
ARTICLE 2	3
TERM.....	3
2.1 <i>Initial Term</i>	3
2.2 <i>Renewal</i>	4
2.3 <i>Refusal to Renew Franchise Agreement</i>	4
2.4 <i>Renewal Under Law</i>	5
2.5 <i>Your Election Not to Renew</i>	5
ARTICLE 3	5
TOMMY'S BUSINESS PREMISES	5
3.1 <i>Location for Tommy's Business</i>	5
3.2 <i>Business Configurations</i>	5
3.3 <i>Lease of Premises</i>	6
3.4 <i>Development of Tommy's Business</i>	6
3.5 <i>Equipment, Furnishings and Signs</i>	6
3.6 <i>Opening for Business</i>	6
ARTICLE 4	7
FEES AND REPORTING	7
4.1 <i>Initial Franchise Fee</i>	8
4.2 <i>Reductions in the Initial Franchise Fee</i>	8
4.3 <i>Royalty Fee</i>	8
4.5 <i>Brand Development Fee</i>	9
4.6 <i>Definition of Gross Sales</i>	9
4.7 <i>Technology Fee</i>	9
4.8 <i>Interest on Late Payments</i>	9
4.9 <i>Application of Payments</i>	9
4.10 <i>Insufficient Funds Fee</i>	10
4.11 <i>Bookkeeping, Accounting and Records</i>	10
4.12 <i>Reports and Tax Returns</i>	10
4.13 <i>Audited Statements</i>	10
4.14 <i>Audit</i>	11
4.15 <i>Information from Others</i>	11
ARTICLE 5	11
MARKETING AND PROMOTION	11
5.1 <i>Local Marketing</i>	11
5.2 <i>Grand Opening Marketing</i>	12
5.3 <i>Brand Development Fund</i>	12
5.4 <i>Website</i>	13

5.5	Advisory Council.....	13
ARTICLE 6	13
TRAINING AND TECHNICAL ASSISTANCE.....		13
6.1	Managerial Responsibility.....	13
6.2	Initial Training Program.....	14
6.3	Refresher Training; Franchisee Meetings.....	14
6.4	Hiring and Training of Employees by You.....	14
6.5	Operating Assistance.....	15
ARTICLE 7	15
OUR DUTIES.....		15
7.1	Our Duties.....	15
7.2	Products and Services.....	16
7.3	System Maintenance.....	16
7.4	Inspection.....	16
ARTICLE 8	17
YOUR DUTIES.....		17
8.1	Compliance with Standards and Specifications.....	17
8.2	Maintenance of Premises.....	17
8.3	Sale of Approved Products and Services.....	18
8.4	Advertising and Signage.....	18
8.5	Approved Suppliers.....	19
8.6	Compliance with Applicable Laws.....	19
8.7	Business Management; No Employment Interference.....	20
8.8	Payments to Us or Our Affiliates.....	20
8.9	Forms of Payment; Club/Gift Cards.....	20
8.10	Training Requirements.....	21
8.12	Innovations to System.....	21
8.13	Mystery Shopper.....	21
ARTICLE 9	21
PROPRIETARY MARKS.....		21
9.1	Proprietary Marks.....	21
9.2	License of Proprietary Marks.....	21
9.3	Ownership of Proprietary Marks.....	22
9.4	Use of Proprietary Marks.....	22
9.5	Approval of Items Using Proprietary Marks.....	22
9.6	Cessation of Use after Expiration, Termination or Non-Renewal.....	22
9.7	Notification of Infringement.....	22
9.8	Our Right to Defend.....	22
9.9	You Shall Use Only Designated Proprietary Marks.....	23
9.10	Inspection.....	23
9.11	Trademark Symbols.....	23
9.12	No Right to Deny Use of Proprietary Marks.....	23
9.13	Avoidance of Conflict.....	23
9.14	Indemnification.....	23
9.15	Limited License.....	24
9.16	Name Registrations.....	24

ARTICLE 10	24
OPERATIONS MANUAL AND CONFIDENTIALITY	24
10.1 <i>Confidential Operations Manual</i>	24
10.2 <i>Confidentiality</i>	25
10.3 <i>Return of Confidential Operations Manual</i>	25
ARTICLE 11	25
INSURANCE	25
ARTICLE 12	27
TERMINATION	27
12.1 <i>Automatic Termination – No Opportunity to Cure</i>	27
12.2 <i>Termination By Us – After Notice and Opportunity to Cure</i>	28
12.4 <i>Loss of Occupancy</i>	29
12.5 <i>Cross-Defaults; Non-Exclusive Remedies, etc.</i>	29
12.6 <i>Our Right to Discontinue Services to You</i>	29
12.7 <i>Amendment Pursuant to Applicable Law</i>	29
ARTICLE 13	30
RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION	30
13.1 <i>Payment of Amounts Owed to Us and Other Creditors</i>	30
13.2 <i>Return of Manuals and Retention of Records</i>	30
13.3 <i>Cancellation of Assumed Names; Transfer of Website Listings and Phone Numbers</i>	30
13.4 <i>De-identification of the Tommy’s Business</i>	30
13.5 <i>Continuing Obligations</i>	30
13.6 <i>Our Option to Purchase Assets</i>	31
13.7 <i>Liquidated Damages</i>	31
ARTICLE 14	32
NON-COMPETITION	32
14.1 <i>Non-Competition During Agreement</i>	32
14.2 <i>Non-Competition Following Termination, Expiration or Transfer</i>	32
14.3 <i>Interference with Employment Relations</i>	32
14.4 <i>Amendment of Restrictive Covenants</i>	32
14.5 <i>Other Covenants</i>	32
14.6 <i>Power of Attorney</i>	33
ARTICLE 15	33
ASSIGNMENT, TRANSFER AND SALE	33
15.1 <i>By Tommy’s</i>	33
15.2 <i>By You</i>	33
15.3 <i>Assignment to Corporate Entity</i>	34
15.4 <i>Transfer Among Franchisees</i>	35
15.5 <i>Our Right of First Refusal</i>	35
15.6 <i>Temporary Operation of Business by Us</i>	35
15.7 <i>Step-In Rights</i>	36
15.8 <i>Transfer Upon Death or Incapacity</i>	36
ARTICLE 16	37
PARTNERSHIP, LIMITED LIABILITY AND CORPORATE FRANCHISEES	37

ARTICLE 17	37
TAXES, PERMITS AND INDEBTEDNESS	37
17.1 <i>Responsibility for Taxes</i>	37
17.2 <i>Compliance with Laws</i>	37
17.3 <i>Notice of Litigation</i>	38
ARTICLE 18	38
CUSTOMER RELATIONS	38
18.1 <i>Cooperation</i>	38
18.2 <i>Notice to Us</i>	38
18.3 <i>Customer Complaints</i>	38
ARTICLE 19	38
RELATIONSHIP AND INDEMNIFICATION	38
19.1 <i>Independent Parties</i>	38
19.2 <i>Sole and Exclusive Employer of Your Employees</i>	39
19.4 <i>Indemnification by Us</i>	40
19.5 <i>Indemnification by You</i>	40
ARTICLE 20	41
SECURITY INTERESTS	41
20.1 <i>Collateral</i>	41
20.2 <i>Indebtedness Secured</i>	41
20.3 <i>Additional Documents</i>	41
20.4 <i>Possession of Collateral</i>	41
20.5 <i>Our Remedies in Event of Default</i>	42
20.6 <i>Special Filing as Financing Statement</i>	42
ARTICLE 21	42
DISPUTE RESOLUTION.....	42
21.1 <i>Mediation and Arbitration</i>	42
21.2 <i>Litigation, Waiver of Jury Trial; Limitation of Damages, etc.</i>	43
21.3 <i>Prior Notice of Claims by You</i>	43
21.4 <i>Periods In Which to Make Claims</i>	43
21.5 <i>Withholding Consent</i>	44
21.6 <i>Injunctive Relief</i>	44
21.7 <i>Applicable Law</i>	44
ARTICLE 22	44
GENERAL	44
22.1 <i>Survival and Construction</i>	44
22.2 <i>Costs and Attorneys' Fees</i>	45
22.3 <i>Validity and Execution</i>	45
22.4 <i>Binding Effect</i>	45
22.5 <i>Construction</i>	45
22.6 <i>Joint and Several</i>	45
22.7 <i>Rights Cumulative</i>	45
22.8 <i>Entire Agreement and Amendments</i>	46
22.9 <i>Non-Waiver</i>	46
22.10 <i>Invalid Provisions; Substitution of Valid Provisions</i>	46
22.11 <i>Time of Essence</i>	46

22.12	<i>Gender</i>	47
22.13	<i>Notice</i>	47
22.14	<i>Impossibility of Performance</i>	47
22.15	<i>Further Assurances</i>	47
22.16	<i>Enforcement</i>	48
22.17	<i>You May Not Withhold Payments</i>	48
22.18	<i>Changes and Modifications</i>	48
22.19	<i>Compliance With Anti-Terrorism Laws</i>	49
22.20	<i>Acknowledgments</i>	49

ATTACHMENTS

- 1 – Premises and Territory
- 2 – Collateral Lease Assignment
- 3 – Electronic Funds Transfer Authorization
- 4 – Confidentiality and Non-Competition Agreement
- 5 – Internet Advertising, Social Media and Telephone Account Agreement
- 6 – Transfer to Corporation or Limited Liability Company
- 7 – Franchisee Acknowledgment Statement

TOMMY'S EXPRESS LLC

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT ("Agreement") is made and entered into on this ____ day of _____, 20__, between TOMMY'S EXPRESS LLC, a Michigan limited liability company having its principal place of business located 240 East 8th Street, Holland, Michigan, 49423 (hereinafter referred to as "we," "TOMMY's," "us" or "our"), and _____, a _____, with a principal address at _____ (hereinafter referred to as "you" or "your").

WHEREAS, as the result of the expenditure of time, skill, effort, and money, we have developed and own a specialized system (the "System") relating to the establishment, development, and operation of an ultra-modern car wash, that does business under the name and marks "Tommy's," or "Tommy's Express," . A Tommy's Express Car Wash features a distinctive acrylic roof with innovative systems, designs and equipment, such as a modular control station and a flight deck control center to reduce labor ("Approved Products and Services");

WHEREAS, the distinguishing characteristics of the System include, without limitation, proprietary cleaning formulas and other items required to wash cars; specific equipment, materials and supplies; methods, uniform standards, proprietary designs, specifications and procedures for operations; procedures for management control; training and assistance; merchandising, advertising and promotional programs, all of which may be changed, improved and further developed by TOMMY's; and comprehensive operations and training manuals, all of which may be changed, improved and further developed by TOMMY's from time to time;

WHEREAS, we identify the System and the business conducted in accordance with the System under certain trademarks, service marks, logos, emblems, and indicia of origin (hereinafter "Proprietary Marks" or "Marks"), including, but not limited to, the names and mark "Tommy's," and "Tommy's Express," along with other such trade names, service marks, and trademarks as may be designated now or hereafter by TOMMY's (in our Confidential Operations Manual or otherwise in writing) for use in connection with the System;

WHEREAS, you wish to obtain the right and license from TOMMY's for the use of the System and Proprietary Marks, and in association therewith to own and operate a Tommy's car wash business ("Tommy's Business" or "Franchised Business") only at the site of the real property identified on Attachment 1 hereto (hereinafter referred to as the "Premises"), and you understand and accept the terms, conditions and covenants set forth herein as those which are reasonably necessary to maintain our high and uniform standards of quality and service in order to protect the goodwill and enhance the public image of the System and the Proprietary Marks; and

WHEREAS, we have the sole and exclusive right to the goodwill associated with the System and the Proprietary Marks and are willing to grant the right and license to you on the terms and conditions herein contained to use the System and the Proprietary Marks; and

WHEREAS, you desire to obtain a franchise to use the System and the Proprietary Marks at the Premises, pursuant to the provisions hereof, and you have had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Franchise Agreement by counsel of your own choosing and represent and warrant that you have the business experience and financial ability to operate a Tommy's Business; and

WHEREAS, you acknowledge that you have read this Agreement and our Franchise Disclosure Document (“Disclosure Document”) and that you understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain uniform high standards of quality at all Tommy’s Businesses and to protect the goodwill of the Proprietary Marks; and

WHEREAS, we expressly disclaim the making of any warranty or guarantee, expressed or implied, oral or written, regarding the potential revenues, profits or success of the business venture contemplated by this Agreement. You acknowledge that you have not received or relied upon any such warranty or guarantee; and

WHEREAS, you acknowledge that you have no knowledge of any representations by TOMMY’s, our officers, directors, shareholders or representatives about the franchise offered hereunder, about TOMMY’s or our franchising programs and policies that are contrary to the statements in the Disclosure Document or to the terms of this Agreement; and

WHEREAS, you acknowledge that this Agreement places detailed and substantial obligations on you, including strict adherence to our reasonable present and future requirements regarding facilities, equipment, suppliers, operating procedures, management methods, merchandising strategies, sales promotion programs and related matters. You acknowledge that future improvements, changes and developments in the System may require additional expense to be undertaken by you.

BEFORE SIGNING THIS AGREEMENT, YOU SHOULD READ IT CAREFULLY WITH ASSISTANCE OF LEGAL COUNSEL.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE 1

GRANT OF FRANCHISE

1.1 Grant

Subject to the terms, conditions and limitations elsewhere in this Agreement, we hereby grant to you a non-exclusive right and license to use the System, the Proprietary Marks and to market, sell and provide the Approved Products and Services in accordance with the System within the designated territory described on Attachment 1 hereto (“Territory”). The Approved Products and Services are the only products and services authorized to be offered and sold at the Tommy’s Business.

1.2 Location

The right and license granted in Section 1.1 hereof shall be restricted solely and exclusively to use in and from the Premises and within the Territory. During the term of this Agreement, the Premises shall be used exclusively by you and solely for the purpose permitted by this Agreement.

1.3 Non-Exclusivity

Except as set forth above, the license granted to you by this Agreement is non-exclusive and we shall have, at all times throughout the term of this Agreement and any renewals hereof the unqualified right to open and operate, or to franchise and license others to open and operate, businesses utilizing the System. Provided that you are in compliance with your duties and obligations set forth in this Agreement, then during the term of this Agreement we shall not establish another Tommy’s Business (whether owned by TOMMY’s, our affiliates or another franchisee in the System) within the Territory granted to you.

1.4 Limitations on Sale of Approved Products and Services

This license does not include any right to sell any product or service at or from any location except from the Tommy's Business Premises. Use by you, directly or indirectly, of the System, the Proprietary Marks licensed hereunder, the sale of any product or the servicing of Tommy's Business customers at any location other than from the Premises shall be a material breach of this Agreement and shall give TOMMY's, in addition to all other rights and remedies hereunder, the right to terminate this Agreement. You understand and acknowledge that you are expressly prohibited from offering or providing products and services outside of your Territory, including from a mobile location.

1.5 Rights Reserved to Us

During the term of this Agreement, we (and any affiliates that we periodically might have) have the right:

(a) to establish and operate, and grant rights to other franchise owners to establish and operate, Tommy's Businesses or similar businesses at any locations anywhere outside your Territory and on any terms and conditions we deem appropriate;

(b) to offer and sell products and services that may be identical or similar to, or dissimilar from, those your Franchised Business offers and sells, whether identified by the Proprietary Mark or other trademarks or service marks through any alternative distribution channels (such as mail order and the Internet) and located anywhere;

(c) to purchase or otherwise acquire the assets or controlling ownership of one or more businesses identical or similar to your Franchised Business (and/or franchise or license those businesses), some or all of which might be located anywhere, but if a business we acquire operates within your Territory, it will not operate using the Proprietary Marks;

(d) to be acquired (regardless of the form of transaction) by a business identical or similar to Tommy's Businesses, even if the other business operates, franchises and/or licenses competitive businesses near your Franchised Business or in your Territory; and

(e) to engage in any other business activities not expressly prohibited by this Agreement, anywhere.

We and our affiliates may sell products and services under the Proprietary Marks within and outside your Territory through any method of distribution other than a dedicated Tommy's Business, including sales through channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing sales (together, "alternative distribution channels"). You may not use alternative distribution channels to make sales outside or inside your Territory and you will not receive any compensation for our sales through alternative distribution channels.

ARTICLE 2

TERM

2.1 Initial Term

This Agreement, unless terminated earlier as hereinafter provided, shall remain in force for an initial term of twenty (20) years commencing on the date of this Agreement ("Initial Term").

2.2 Renewal

Subject to the provisions of this Section, you shall have an option (exercisable only by written notice delivered to TOMMY's less than nine (9) months, but more than six (6) months, prior to the end of the Initial Term of this Agreement) to renew the franchise hereunder for three additional terms of ten (10) years each, if:

(a) you have been, throughout the Initial Term of this Agreement, in substantial compliance, and at the expiration of the Initial Term you are in full compliance, with this Agreement, your lease and any other agreements between you and TOMMY's or companies associated or affiliated with TOMMY's;

(b) you enter into our then-current Franchise Agreement and all other ancillary agreements, instruments and documents then customarily used by TOMMY's in the granting of Tommy's franchises (all of which will contain terms substantially the same as those herein contained, except with respect to fees to be paid to TOMMY's, which fees shall be the same as those Franchise Agreements being executed at the time of renewal, and which will not obligate you to pay a further initial franchise fee), provided that if, at our sole option, the requirement to enter into our then-current Franchise Agreement is waived by written notice from TOMMY's, the terms hereof shall remain in force for the renewal term;

(c) you are able to maintain possession of the Premises (or at relocated Premises pursuant to Section 1.2 hereof) pursuant to a lease reasonably acceptable to TOMMY's;

(d) you refurbish, upgrade, renovate, redecorate and remodel your Franchised Business to meet the then-current standards and image for all new Tommy's Businesses, including without limitation installing new equipment;

(e) you are in good standing with any mortgagee of the Premises ;

(f) at the time the renewal option is exercised and at the time such renewal commences, all monetary obligations to TOMMY's and any affiliate of ours must be current and must have been current at all times during the preceding twelve (12) months;

(g) you execute a general release running in favor of TOMMY's, our officers, directors and shareholders releasing all claims against TOMMY's, our officers, directors and shareholders; and

(h) you pay to TOMMY's a renewal fee in the amount of Two Thousand Five Hundred Dollars (\$2,500).

2.3 Refusal to Renew Franchise Agreement

We can refuse to renew your franchise if your lease, mortgage or other document by which you have the right to occupy the Premises is not extended before your renewal term is to take effect to cover the period of the renewal or if you do not have a written commitment from the landlord to renew the lease for a period at least equal to the renewal term, or confirmation from the mortgagee for the Premises that your financing of the Premises is in good standing. We may also refuse to renew your franchise under other circumstances, including, but not limited to, your failure to substantially comply with the terms of this Agreement, your failure to pay amounts owed to TOMMY's when due, or your failure to cure of any defaults incurred during the Initial Term of this Agreement, if applicable.

2.4 Renewal Under Law

Even though we decline the renewal of your franchise, it is possible that we can be required to renew it under a law, rule, regulation, statute, ordinance, or legal order that is applicable at the time. If that happens, to the extent it is allowed by the concerned law, rule, regulation, statute, ordinance or order, your renewal term will be subject to the conditions of the Franchise Agreement we are using for new franchisees at the time the renewal period begins. If we are not then offering new franchises, your renewal period will be subject to the terms in the Franchise Agreement that we indicate. If for any reason that is not allowed, the renewal term will be governed by the terms of this Agreement.

2.5 Your Election Not to Renew

For the purposes hereof, you shall be deemed to have irrevocably elected not to renew the franchise hereunder (and the option to do so shall thereupon terminate) if you fail to execute and return to TOMMY's our then-standard Franchise Agreement and other ancillary documents required by TOMMY's for a renewal franchise within thirty (30) days after we have delivered them to you, together with payment of the renewal fee.

ARTICLE 3

TOMMY'S BUSINESS PREMISES

3.1 Location for Tommy's Business

If a site for the Franchised Business has not been specified at the time of the execution of this Agreement by TOMMY's and you, you shall use your best efforts and proceed with diligence to obtain and designate a location for the Franchised Business within a designated geographic area, which location shall be subject to our written acceptance. The designated geographic area in which you shall locate a suitable site will not necessarily be the same as your Territory. You shall provide to TOMMY's such information concerning a proposed site that we require, including, but not limited to, photographs of the site, dimensions of the real estate, maps, and evidence of your favorable prospects for obtaining the site, such as a letter of intent or a lease from the property owner. We will, within thirty (30) days after we receive all of the information we require, approve or disapprove the site you propose. Unless we provide our specific acceptance of the site, it is deemed not accepted. If you fail to secure the site by lease or purchase agreement within one hundred twenty (120) days after we have accepted it, we may terminate this Agreement.

Upon our acceptance of a location, we and you shall execute Attachment 1 hereto designating the Premises address and Territory boundaries, which Attachment shall be deemed to be incorporated herein and made a part of this Agreement. You acknowledge that the location of the Franchised Business is a major factor in its potential for success, and accordingly we may refuse to accept any proposed location in our sole discretion. You also acknowledge that the acceptance and approval by TOMMY's of any location shall not in any way be deemed to be a guarantee, warranty or any other assurance (express or implied) of the success of your business at such location. Our approval of a location only means that such location has met our minimum specifications for a Tommy's Business.

3.2 Business Configurations

A standard Tommy's Express car wash has a wash tunnel that ranges from one hundred ten (110) feet to one hundred sixty (160) feet in length, but franchisees will typically be limited to a tunnel with a length of one hundred thirty (130) feet.

3.3 Lease of Premises

You shall not execute any lease or mortgage for the Premises without our prior written approval. If the Premises are to be leased or subleased by you from an entity or person affiliated in any way with you, the terms of the lease, including the financial terms, shall be comparable to the fair market terms of similar leases in the appropriate geographic area. We may reject any lease which does not include terms and conditions reasonably acceptable to TOMMY's (and terms and conditions not acceptable to TOMMY's may include, without limitation, those which we do not believe are comparable to fair market terms of similar leases in the appropriate geographic area). In addition, concurrently with the execution of such lease, you and your landlord shall execute and deliver to TOMMY's a Collateral Lease Assignment in form and substance as provided for in Attachment 2 attached hereto.

We may offer eligible franchisees the opportunity to purchase or lease from TOMMY's or our affiliate, real estate upon which to build the Franchised Business. If we lease or sell real estate to you, we may earn a profit on the lease or sale.

3.4 Development of Tommy's Business

We shall provide you with a list of specifications for, and the names of any approved suppliers of, the equipment, fixtures, signage and inventory that you must purchase for the Franchised Business. The approved supplier for any item may include or be limited to TOMMY's or our affiliates. You must construct (or renovate) and equip the Franchised Business in a good and workmanlike manner and in conformity with all laws, rules, regulations and requirements of governmental authorities having jurisdiction over the Franchised Business and in accordance with our specifications. You will forthwith cause any mechanics' liens, materialmen's liens or other liens which may be recorded or perfected or which may otherwise attach to all or any portion of the Franchised Business as a result of work done by or for you to be discharged or released of record or be fully bonded.

3.5 Equipment, Furnishings and Signs

You shall install in and about the Franchised Business such equipment, including computer equipment, fixtures, furnishings, interior and exterior signs, and other personal property as are required and which strictly conform to the appearance, uniform standards, and specifications of TOMMY's or the System existing from time to time (hereinafter sometimes referred to collectively as "equipment and furnishings"). You are required to purchase the Tommy's Equipment Package described in our Franchise Disclosure Document, and you shall pay the cost of having our affiliate install the Tommy's Equipment Package. Our affiliate is the sole approved supplier for the Tommy's Equipment Package, certain construction services, as well as cleaning chemicals and detergents required to open your Franchised Business. We shall furnish you with lists and specifications of the approved equipment and furnishings which are required to outfit and furnish the Franchised Business in accordance with our image and standards. We shall have the right to inspect all equipment and furnishings and their installation to assure your compliance with our standards and specifications. Unless we give you our written advance permission, you shall not install coin operated vending devices of any kind, newspaper racks, telephone booths, games, rides, or other coin operated machines, or permit others to do so.

3.6 Opening for Business

You must commence operations within six (6) months of receiving the appropriate approvals to build a car wash, or within one hundred fifty (150) days after your Tommy's Equipment Package is delivered. If you are unable to open the Franchised Business within the required timeframe, except if the failure to open is the result of our delay in the delivery of the equipment or supplies you must buy from TOMMY's, we may grant you an extension of time or we may terminate this Agreement.

In no event shall the Franchised Business be opened for business until: (a) we notify you in writing that all of your development obligations have been fulfilled; (b) pre-opening training of personnel has been completed to our satisfaction; (c) all amounts due to TOMMY's have been paid; (d) we have been furnished with copies of all insurance policies and certificates required by the Franchise Agreement, or other documentation of insurance coverage and payment of premiums that we request; (e) all approvals and conditions set forth in this Agreement have been obtained; and (f) you have ordered, received and installed all required fixtures, equipment, supplies and inventory we require.

ARTICLE 4

FEES AND REPORTING

In the State of Minnesota, we will defer the payment of the initial franchise fee and any other initial payment until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

In the State of Illinois, we will defer the payment of the initial franchise fee, development fee and any other initial payment until all of our material pre-opening obligations have been satisfied and until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

In the state of California, payment of all initial fees is postponed until after all of franchisor's initial obligations are complete and franchisee is open for business. The payment of the initial fee, development fee and all other fees under the Multi-Unit Development Agreement is postponed until the franchisor has completed its obligations under the agreement and developer opens its first outlet

Based upon our financial condition, the Maryland Securities Commissioner requires that we defer the payment of the initial franchise fee and all other initial payments until all of our material pre-opening obligations have been satisfied and until you open your business and it is operating. However, you must sign the Franchise Agreement before beginning training.

In the State of Washington, we will defer the payment of the initial franchise fee, development fee and any other initial payment until all of our pre-opening obligations have been satisfied and until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training. If you are a Multi-Unit Developer, the development fee will be released proportionally with respect to each Franchised Business. Thus if you choose to open three (3) outlets, then the Franchisor may not collect the \$90,000 Development Fee (\$50,000 for the first Franchised Business and \$20,000 each for the next two Franchised Businesses) at the time the franchisee signs the Franchise Agreement for each Franchised Business. Because the Franchisor credits these payments to the initial franchise fee for each Franchised Business, the Division will permit the Franchisor to collect the initial \$50,000 (plus any additional initial fees) upon the opening of each subsequent outlet.

In the State of South Dakota, we will defer the payment of the initial franchise fee, development fee and any other initial payment until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

4.1 Initial Franchise Fee

In consideration of the grant of this franchise, you shall pay to TOMMY's a non-recurring initial franchise fee for the franchise hereunder in an amount equal to Fifty Thousand Dollars (\$50,000), which amount is payable in a lump sum upon the execution of this Agreement. The initial franchise fee shall be deemed to have been fully earned by TOMMY's upon execution of this Agreement and is not refundable.

4.2 Reductions in the Initial Franchise Fee

If this Agreement is being executed pursuant to the terms of a Multi-Unit Development Agreement between you and TOMMY's, the initial franchise fee for each subsequent unit after the first franchise unit shall be reduced to eighty percent (80%) of our then-current initial franchise fee pursuant to the terms of such Multi-Unit Development Agreement.

4.3 Royalty Fee

You agree to pay TOMMY's a non-refundable royalty ("Royalty Fee") each week based on the Gross Sales, as defined in Section 4.6 below, of your Tommy's Business received in the preceding week ending Saturday. The Royalty Fee shall be in the amount of four percent (4%) of all Gross Sales per week.

(a) By Tuesday of each week, you shall provide to TOMMY's a report detailing the Gross Sales generated by your Tommy's Business for the previous week ending Saturday. Such report shall include the information and detail, and shall be included on such form, as we may specify. Notwithstanding the foregoing, you acknowledge that we shall have the right to electronically access your point of sale system to download Gross Sales and other data relative to your operation of the Tommy's Business.

(b) We will collect the Royalty Fee and any other amounts due to TOMMY's or our affiliates under this Agreement, by deducting the Royalty Fee and any other amounts due to TOMMY's or our affiliates under this Agreement via electronic funds transfer. You shall establish an arrangement for electronic funds transfer or deposit of any payments required under this Agreement. You shall execute our current form of "Electronic Funds Transfer Authorization," a copy of which is attached to this Agreement as Attachment 3, as well as any other documents required by our bank or your bank to permit TOMMY's to make debit and credit entries to your bank account, and you shall comply with the payment and reporting procedures specified by TOMMY's in our Confidential Operations Manual. You expressly acknowledge and agree that your obligation for the full and timely payment of Royalty Fees and Brand Development Fees (and all other amounts provided for in this Agreement) shall be absolute, unconditional, fully earned, and due upon generation and receipt of Gross Sales. You shall not for any reason delay or withhold the payment of all or any part of those or any other payments due hereunder, put the same in escrow or set-off same against any claims or alleged claims you may allege against TOMMY's, the Fund (as hereinafter defined) or others. You shall not, on grounds of any alleged non-performance by TOMMY's or others, withhold payment of any fee, including without limitation Royalty Fees or Brand Development Fees, nor withhold or delay submission of any reports due hereunder, including but not limited to reports of Gross Sales.

(c) You agree that sufficient funds will be made available in your account for withdrawal. If you do not report Gross Sales when required, we may debit your account for the amount of the last Royalty and Brand Development Fees that we debited. If the Royalty and Brand Development Fees we debit are less than the Royalty and Brand Development Fees you actually owe TOMMY's, once we have been able to determine your true and correct Gross Sales, we will debit your account for the balance on a day we specify. If the Royalty and Brand Development Fees we debit are greater than the Royalty and

Brand Development Fees you actually owe TOMMY's, we will credit the excess against the amount we otherwise would debit from your account during the following week.

(d) The Royalty Fee is due and payable to TOMMY's on Tuesday of each week based on Gross Sales for the previous week ending Saturday. In the event that any Tuesday is not a business day, then payment shall be due on the next business day.

(e) If any state imposes a sales or other tax on the Royalty Fees, then we have the right to collect this tax from you.

4.5 Brand Development Fee

Recognizing the value of uniform national and regional advertising and promotion of the System, and in further consideration of the grant of this franchise, you agree to pay to TOMMY's a non-refundable contribution ("Brand Development Fee") to the brand development fund, if and when the fund is initiated. The Brand Development Fee will be an amount up to one percent (1%) of your weekly Gross Sales, payable at the same time and in the same manner as the Royalty Fee provided for in Section 4.4 hereof.

4.6 Definition of Gross Sales

As used in this Agreement, "Gross Sales" is defined as all revenue, less any returns or credits, from the sale of all products and services and all other income of every kind and nature at or from the Franchised Business or otherwise related to the Franchised Business, including any proceeds from business interruption insurance, whether for cash or credit, and regardless of collection in the case of credit. Gross Sales does not include any sales taxes or other taxes collected from customers by you and paid directly to the appropriate taxing authority, or any customer refunds or adjustments.

4.7 Technology Fee

During the term of this Agreement, you shall pay to TOMMY's, our affiliate or our designated supplier, as applicable, a technology fee ("Technology Fee") of up to \$150 per week. The current Technology Fee is \$70 per week. This Technology Fee is payable at the same time and in the same manner as your royalty payment (or such other method we or the designated supplier determine).

4.8 Interest on Late Payments

To encourage prompt and timely payment of the Royalty Fee, Brand Development Fee, Lease Fee and such other amounts due to TOMMY's and our affiliate, and to cover the costs and expenses involved in handling and processing any payments not received by their due dates, you shall also pay, upon demand, interest on the overdue amount equal to the lesser of: (i) one and one-half percent (1.5%) per month; or (ii) the highest rate permitted by law. Such charges shall accrue from the date payment was due until the date payment is actually received by TOMMY's. Notwithstanding the foregoing, each failure to pay Royalty Fees, Brand Development Fees, Lease Fees or other payments payable to TOMMY's or our affiliate when due will be a material breach of this Agreement and shall give TOMMY's, in addition to all other rights and remedies hereunder, the right to terminate this Agreement.

4.9 Application of Payments

We shall have sole discretion to apply any payments received from you to any past due indebtedness of yours for Royalty Fees, Brand Development Fees, Lease Fees, purchases made from TOMMY's or our affiliates, late payment charges or any other indebtedness of yours to TOMMY's or our affiliates.

4.10 Insufficient Funds Fee

If, for any reason, any payment owed by you to TOMMY's or our affiliate is denied by your bank due to insufficient funds in your account, then you shall, in addition to applicable interest as described in Section 4.8 above, pay TOMMY's an insufficient funds fee in the amount of One Hundred Dollars (\$100). If you incur three (3) insufficient funds fees within any twelve (12) month period, we will have the right to terminate this Agreement without providing you an opportunity to cure the default.

4.11 Bookkeeping, Accounting and Records

You shall use a bookkeeping, accounting, inventory control, point of sale and record-keeping system for the business of the Tommy's Business that is approved by TOMMY's, and you shall retain all invoices, order forms, time cards, payroll records, cash register tapes, check stubs, bank deposit receipts, sales tax records and returns, cash disbursements journals and general ledgers. You shall keep such original documents at the Tommy's Business throughout the term of this Agreement, or at another location of which we have approved and shall be kept advised, and for at least three (3) years thereafter unless we give written permission to dispose of such records.

4.12 Reports and Tax Returns

You shall furnish to TOMMY's throughout the term of this Agreement in the form from time to time prescribed by TOMMY's:

(a) in addition to the weekly Gross Sales report described in Section 4.4 above, a monthly report of Gross Sales for your Franchised Business, which shall be provided by the third (3rd) day of each month;

(b) within thirty (30) days after the documents referred to in Section 4.13 hereof are filed, an exact copy of all returns, schedules and reports filed by you for income, corporate or sales tax purposes;

(c) within thirty (30) days after the end of each calendar quarter, a quarterly profit and loss statement for such quarter, and a profit and loss statement from the beginning of your latest financial year, on such forms as we may specify;

(d) within sixty (60) days after the end of each fiscal year, an unaudited balance sheet, statement of profit and loss and source and application of funds from the beginning of that fiscal year, prepared by an independent certified public accountant and verified by your statutory declaration as to the information furnished to such accountant; and

(e) such other reports, statements, sales slips, order forms, records, calculations and indices as we may, from time to time, require.

Notwithstanding the above, we shall have independent and continuous access to communicate directly with your point of sale system and to poll the same on a daily or weekly basis, as determined by TOMMY's from time to time.

4.13 Audited Statements

If we, in our sole discretion, determine that any report, financial statement, tax return or schedule furnished by you understates Gross Sales, distorts any other information or is incomplete, unclear or misleading, we shall have the right to require you to furnish audited annual financial statements for that

year at your sole cost and expense, with such statements being prepared in accordance with generally accepted accounting principles consistently applied.

4.14 Audit

We or our representatives or agents shall have the right at any time during normal business hours, and without prior notice to you, to inspect, copy, request, receive and/or audit or cause to be inspected, copied, requested, received and/or audited the business records, bookkeeping and accounting records, sales, reports, financial statements and tax returns that you are required to submit to TOMMY's hereunder along with your books and records and those of any corporate entity to which you have assigned this Agreement in accordance with Section 16.3 hereof. If we should determine that an audit is necessary after the expiration or termination of the franchise, you will, upon notice, deliver to TOMMY's all required records and documents and conduct such audit. You shall fully cooperate with our representatives conducting any such audit.

In the event that any such audit should disclose an understatement of Gross Sales or any payment to TOMMY's for any period, you shall pay, within fifteen (15) days after receipt of the audit report, the fees and any other amounts (including, without limitation, interest pursuant to Section 4.8 hereof) due upon the amount of such understatement. Further, in the event such audit is made necessary by your failure to furnish reports, financial statements, tax returns or schedules as herein required, or if an understatement is determined by any such audit to be two percent (2%) or greater for such period disclosed by the audit, you shall reimburse TOMMY's for the cost of such audit, including, without limitation, the charges of any independent accountants, legal fees, and travel expenses, room, board and compensation of their employees or representatives in addition to paying any understated amount plus interest. The foregoing remedies are in addition to all other rights and remedies we may have under this Agreement or under applicable law.

4.15 Information from Others

You hereby authorize TOMMY's to make reasonable inquiries of your bank, credit reporting agencies, suppliers and trade creditors concerning the business of the Tommy's Business and hereby direct such persons and companies to provide to TOMMY's such information as we may request.

ARTICLE 5 **MARKETING AND PROMOTION**

5.1 Local Marketing

You agree to expend, during the term of this Agreement, not less than two percent (2%) of Gross Sales each month on local marketing to promote your Tommy's Business. Any advertising you conduct shall be conducted in a dignified manner and shall conform to such standards and requirements as we may specify from time to time in the Confidential Operations Manual or otherwise.

If you choose to utilize your own advertising materials, the materials must be submitted to TOMMY's not later than ten (10) days prior to the date you expect to use the materials for our review. If we do not disapprove of your proposed materials within five (5) days after they are submitted to TOMMY's, the materials are deemed approved. Any advertising or promotional materials you submit to TOMMY's for our review will become our property and there will be no restriction on our use or dissemination of such materials. Within thirty (30) days of our request, you shall provide TOMMY's with verification of all expenditures for local advertising, marketing and promotion, including such information as we may require. At our request, all advertising conducted by you shall include certain language, including, but not limited to, "Franchises Available" and our Website address and telephone number.

5.2 Grand Opening Marketing

You agree to spend no less than Fifteen Thousand Dollars (\$15,000) for marketing in your Territory to announce the grand opening of your Franchised Business. We recommend that your grand opening marketing campaign include distributing flyers and offering coupons for discounted washes.

5.3 Brand Development Fund

Recognizing the value of uniform advertising and promotion to the goodwill and public image of the System, you agree that we or our designee shall have the right to create and administer a brand development fund (hereinafter referred to as the “Fund”) for such national and regional marketing programs as we may deem necessary or appropriate, in our sole discretion. If this Fund is created, you agree to contribute to the Fund as described in Section 4.5 above. We or our designee will administer the Fund as follows:

(a) we shall direct all national and regional marketing programs with sole discretion over the creative concepts, materials, endorsements and media used therein, and the placement and allocation thereof. You understand and acknowledge that the Fund is intended to maximize general public recognition and acceptance of the System and the Proprietary Marks for the benefit of all Tommy’s Businesses operating under the System, and that we undertake no obligation in administering the Fund to ensure that expenditures from the Fund are proportionate or equivalent to your contributions made for your Tommy’s Business, or that any particular Tommy’s Business or franchisee benefits directly or pro rata from the placement of any such advertising;

(b) you agree that the Fund may be used to meet any and all costs of maintaining, administering, directing and preparing national and/or regional advertising materials, programs and public relations activities (including, without limitation, the cost of preparing and conducting television, radio, magazine, billboard, newspaper, e-commerce, direct mail and other media programs and activities; for conducting marketing surveys and test marketing; employing advertising agencies to assist therewith; development and maintenance of our Website; and providing promotional brochures, coupons and other marketing materials to all franchisees of the System). The Fund shall be accounted for separately from our other funds, and shall not be used to defray any of our reasonable administrative costs and expenses that we may incur in the administration or direction of the Fund and marketing programs for you and the System. The Fund and its earnings will not otherwise benefit TOMMY’s. The Fund is operated solely as a conduit for collecting and expending the Brand Development Fees as outlined above. Any sums paid to the Fund that are not spent in the year they are collected will be carried over to the following year;

(c) an unaudited statement of the operations of the Fund shall be prepared annually by our accountants and shall be made available to you. The cost of the statement shall be paid by the Fund. Except as expressly provided in this Section 5.3, we assume no direct or indirect liability or obligation to you with respect to the maintenance, direction or administration of the Fund;

(d) we and our affiliates shall, for each Tommy’s Business owned by TOMMY’s or our affiliates, make contributions to the Fund on the same basis as our franchisees; and

(e) although the Fund is intended to be perpetual, we may terminate the Fund at any time. The Fund will not be terminated until all monies in the Fund have been spent for advertising or promotional purposes or returned to contributors on a pro rata basis. If we terminate the Fund, we have the right to reinstate it at any time and you must again contribute to the Fund.

5.4 Website

As used in this Agreement, the term “Website” means an interactive electronic document, series of symbols, or otherwise, that is contained in a network of computers linked by communications software. The term Website includes, but is not limited to, Internet and World Wide Web home pages. In connection with any Website, you agree to the following:

(a) We shall have the right, but not the obligation, to establish and maintain a Website or any apps we may introduce, which may, without limitation, promote the Proprietary Marks, Tommy’s Businesses and any or all of the products offered at Tommy’s Businesses, the franchising of Tommy’s Businesses, and/or the System. We shall have the sole right to control all aspects of the Website, including without limitation its design, content, functionality, links to the websites of third parties, legal notices, and policies and terms of usage; we shall also have the right to discontinue operation of the Website.

(b) We shall have the right, but not the obligation, to designate one or more web page(s), including but not limited to any apps that we may introduce, to describe you and/or the Tommy’s Business, with such web page(s) to be located within our Website. You shall comply with our policies with respect to the creation, maintenance and content of any such web pages; and we shall have the right to refuse to post and/or discontinue posting any content and/or the operation of any web page.

(c) You shall not establish a separate Website related to the Proprietary Marks or the System without our prior written approval (which we shall not be obligated to provide). If approved to establish such a Website, you shall comply with our policies, standards and specifications with respect to the creation, maintenance and content of any such Website. You specifically acknowledge and agree that any such Website owned or maintained by you or for your benefit shall be deemed “advertising” under this Agreement and will be subject to (among other things) our approval under this Article 5.

(d) You understand and agree that you may not promote your Tommy’s Business or use any Proprietary Mark in any manner on social and/or networking Websites, including, but not limited to, Facebook, LinkedIn, Instagram and Twitter, without our prior written consent.

5.5 Advisory Council

We may, in our discretion, form one or more advisory councils to work with TOMMY’s to improve the System, the products and services offered by Tommy’s Businesses, advertising conducted by the Fund, and any other matters that we deem appropriate. If an advisory council is formed, it will act solely in an advisory capacity, and will not have decision making authority. The advisory council will include franchisee representatives and our representatives. The franchisee representatives may be chosen by TOMMY’s or may be elected by other franchisees in the System. If you participate in an advisory council, you will pay for any costs or expenses you incur related to your participation including, without limitation, travel and living expenses incurred to attend council meetings. We will have the right to form, change, merge or dissolve any advisory council.

ARTICLE 6

TRAINING AND TECHNICAL ASSISTANCE

6.1 Managerial Responsibility

It is agreed that at all times during the term of this Agreement, either you or a fully trained Manager, who is identified in writing to TOMMY’s and certified by TOMMY’s (the “Manager(s)”), shall:

(a) devote full time, attention and effort to the active management and operation of the Tommy's Business;

(b) irrespective of any delegation of authority, not inconsistent with clause (a), reserve and exercise ultimate authority and responsibility with respect to the management and operation of the business of the Tommy's Business; and

(c) represent you and act on your behalf in all dealings with TOMMY's.

If two (2) or more individuals are named in this Section, each of them shall fulfill the requirements of clause (a) and both or all of them shall jointly fulfill the requirements of clauses (b) and (c), and shall be identified to TOMMY's in writing on a form provided by TOMMY's.

6.2 Initial Training Program

Not later than six weeks before your Tommy's Business opens, you or a qualified onsite manager and up to two additional owners or employees (for a maximum of three trainees) must attend and complete, to our satisfaction, our mandatory training program. If you are a multi-unit developer, we reserve the right to provide our initial training program at no charge for your first two Tommy's Businesses only. If the managing member will not be the onsite operating manager, the managing member will be required to attend a 3-day owner orientation and training session at our headquarters in Holland, MI. This will begin prior to you breaking ground on your site. The orientation and training topics will include, but not limited to, sessions on what to expect during the construction phase, pre-opening marketing, and other best practices sessions to prepare new owners to operate car washes. Approximately twenty days of training will be held at our headquarters in Holland, Michigan and at an operating Tommy's Business or an affiliate-owned car wash. We reserve the right to designate alternative locations for the initial training program. All costs and expenses incurred by you and your trainees relating to such training program (including, without limitation, the cost of travel, lodging, meals and applicable wages) shall be paid by you. If you request that we provide our training program to additional trainees, whether before your Tommy's Business opens or while it is operating, you must pay our then-current training fee in addition to the trainees' expenses. If you do not satisfactorily complete our training program, we may permit you to re-take our training program at your expense, including our training fee, or we may terminate this Agreement.

6.3 Refresher Training; Franchisee Meetings

At your request, we will also provide you with additional on-site training or assistance at a mutually convenient time. You must pay TOMMY's our then-current per diem fee for each of our representatives providing assistance or training for each day the assistance or training continues. You must also pay all expenses of travel, lodging and meals incurred by our representatives.

In addition to the initial training program and any additional on-site assistance or training you request, as described above, we may offer refresher training programs or an annual meeting of our franchisees. We may designate that attendance at any refresher training program or annual meeting is mandatory, unless the absence is excused by TOMMY's. We may charge you a fee for any refresher training or franchisee meetings. You must also pay for the expenses of your trainees/attendees, including travel, lodging, meals and wages.

6.4 Hiring and Training of Employees by You

You shall hire and train, at your expense, except as may be set forth in Sections 6.2 or 6.3, all employees of the Tommy's Business, and shall be exclusively responsible for the terms of their employment and compensation. You shall not employ anyone who refuses or fails to complete such training program.

You shall at all times maintain a sufficient number of trained employees to service your customers, but at least the minimum number specified by TOMMY's.

6.5 Operating Assistance

We shall make available to you such operating assistance and training on a continuing basis as we consider appropriate and which may consist of advice and guidance with respect to:

- (a) methods and procedures for the purchase, storage, display and sale of Approved Products and Services;
- (b) such additional services and products as we may approve, from time to time, to be used or offered for sale by franchisees;
- (c) the purchase, operation, maintenance and use of displays, uniforms, materials and supplies;
- (d) formulating and implementing advertising and promotional programs using such merchandising, marketing and advertising research data and advice as may, from time to time, be developed by TOMMY's and deemed by TOMMY's to be helpful in the operation of the Tommy's Business;
- (e) the establishment and implementation of administrative, bookkeeping, accounting, inventory control and general operating procedures for the proper operation of the Tommy's Business; and
- (f) the operation, cleanliness and efficiency of the Tommy's Business.

ARTICLE 7 **OUR DUTIES**

7.1 Our Duties

During the term of this Agreement, we shall offer to you the following:

- (a) an initial training program in System standards, specifications, methods and techniques as provided for in Section 6.2 hereof;
- (b) such periodic continuing individual or group advice, consultation, and assistance, rendered in person, by periodic correspondence (electronic or otherwise), or telephone or written communications made available from time to time to all franchisees of the System, as we may deem necessary or appropriate to assist you in conforming to the requirements of the System. Such continuing advice will include, but not be limited to, such topics as products and services to be offered to customers, improvements and developments in operating a Tommy's Business, pricing, and administrative, bookkeeping, accounting and inventory control procedures;
- (c) subject to Section 11.1 hereof, to lend to you one (1) copy of the Confidential Operations Manual and one (1) copy of any other manuals designated for use with the System, as well as such additions and modifications thereto as we may, in our sole discretion, issue from time to time, which manuals may be provided to you electronically, such as via CD-ROM or a password protected Website;
- (d) new, modified or supplemented standards for the System that, in our sole discretion, are beneficial or necessary to maintain the uniformity and goodwill of the System utilized by all franchisees; and

7.2 Products and Services

Upon request and at your expense, we shall offer to you, during the term of this Agreement, any of the following services and products which we are then offering to other franchisees and on the same terms and conditions:

- (a) supplies of signs, equipment, accessories, printed business forms and other materials and supplies used in the operation of the Tommy's Business;
- (b) on-site assistance by a person employed or retained by TOMMY's at mutually convenient times; and
- (c) periodic supplemental training, as set forth in Section 6.3 hereof.

7.3 System Maintenance

We shall continue our efforts to maintain uniform standards of quality, cleanliness, appearance and service at all Tommy's Businesses in the System, to promote, protect and enhance the public image and reputation of the System, and to increase the demand for the services and products offered by all System franchisees and to that end we shall:

- (a) review all materials prepared by you for use in local marketing and promotion pursuant to Section 5.1 hereof; and
- (b) conduct periodic inspections of the services and products provided to the public by your Tommy's Business.

7.4 Inspection

We or our representatives or agents shall have the right at any time during normal business hours, and without prior notice to you, to enter and inspect the Premises and all aspects of the operation of the Tommy's Business together with all records, books of account, tax returns and other documents and materials in your possession or under your control relating to the business of the Tommy's Business, you and the subject matter and terms of this Agreement, including, without limitation, all of your records required to be maintained pursuant to applicable law, to ascertain that you are operating the Tommy's Business in accordance with the System, the terms of this Agreement and the Confidential Operations Manual. We or our representatives or agents shall be allowed to make extracts from or copies of any such material and to take samples of any products sold at the Tommy's Business and immediately remove any unauthorized products from the Tommy's Business without any liability to TOMMY's, including, but not limited to, payment for such unauthorized products. In the event that we give notice to you of any deficiency detected during such inspection, you shall diligently correct such deficiency as soon as possible, but in any event within five (5) days after receipt of such notice. If you fail to correct such deficiency within such five (5) day period, we shall have the right (but not the obligation) to correct such deficiency on your behalf of and at your sole expense, and in such case you shall reimburse TOMMY's for all costs incurred by TOMMY's (including, without limitation, a reasonable charge for the time of any of our personnel) in connection therewith.

ARTICLE 8

YOUR DUTIES

In order to maintain the high quality and uniform standards associated with the System and the Proprietary Marks, and to promote and protect the goodwill associated therewith, you shall perform the following duties.

8.1 Compliance with Standards and Specifications

You shall at all times comply strictly, and cause the Tommy's Business to comply strictly, with all standards, specifications, processes, procedures, requirements and reasonable instructions of ours regarding the operation of the Tommy's Business, whether they now exist or are hereafter established from time to time. You shall adopt as a standard for performance and operation of your Tommy's Business our standards and conform to all specifications relating to construction, décor, design, equipment, packaging, products, services, uniforms, signs, displays or decorations, and other identifying materials, uniform record keeping practices, days and hours of operation and such other matters as may be in any administrative bulletins, and other confidential manuals or materials developed by TOMMY's, or otherwise, as any of same may be modified from time to time by TOMMY's. To insure the conformance and compliance by you with our standards of performance, you will permit TOMMY's, our officers, employees and designated representatives to enter your Tommy's Business at any time and from time to time to conduct an inspection to ascertain whether or not the uniform standards are being met.

The Franchised Business and everything located therein must be maintained in first-class condition and repair and must be kept clean, neat and sanitary. It must be adequately lighted and must be operated in a clean, wholesome and sanitary manner consistent with our requirements. All maintenance, repairs and replacements requested by TOMMY's or needed in connection with the Tommy's Business must be made promptly. All of your employees must be clean and neat and must wear the required uniform, if any, at all times. Mandatory specifications, standards, and operating procedures prescribed from time to time by TOMMY's, or otherwise communicated to you in writing, will constitute provisions of this Agreement as if fully set forth in this Agreement. All references to "this Agreement" include all such mandatory specifications, the TOMMY'S Franchise Disclosure Document, standards and operating procedures.

8.2 Maintenance of Premises

You shall at all times keep and maintain the Tommy's Business Premises and the equipment and furnishings in a neat, clean, orderly and sanitary condition, and in good repair. In connection therewith, you shall from time to time abide by any reasonable requirement of ours with regard to the remodeling and upgrading of the Tommy's Business to comply with standards then applicable to new "Tommy's" franchisees, including, but not limited to, replacing equipment. If at any time during the Initial Term or any renewal thereof any of the equipment and furnishings become obsolete or depreciated, then to the extent that they require replacement in accordance with our standards, you will replace the same with items required by our then-current standards and specifications.

You shall not attach or exhibit any signs, displays, or posters on or in the interior of the Premises other than signs, displays or posters then currently supplied, required, or authorized in writing by TOMMY's, nor shall you permit or suffer others to do so. To maintain a modern, progressive, sanitary, and uniform operational image, at any time during the Initial Term or any renewal thereof, we shall have the right to require you to perform such remodeling, repairs, replacements and redecoration in and upon the Tommy's Business Premises, improvements, equipment and furnishings used by you which are reasonably necessary and practical to bring such Tommy's Business Premises, improvements, equipment and furnishings up to our then-current standards; provided, however, that we shall not make this request more frequently than every five (5) years and the improvements shall not exceed \$100,000. In the event the

improvements exceed One Hundred Thousand Dollars (\$100,000), you have the right to make those improvements over an eighteen (18) month period. You will bear the entire cost of any remodeling, repairs, replacements, redecoration or other maintenance or refurbishing required hereunder. You acknowledge that possible additional investment may be required pursuant to this Section. If you fail to make or begin to make any required remodeling, repairs, replacements, redecoration or other maintenance or refurbishing required hereunder within ten (10) days after receipt of notice from TOMMY's of the actions required to be taken, we may, but are not required to, arrange for the completion of all required actions on your behalf and you shall reimburse TOMMY's upon demand for all costs incurred.

8.3 Sale of Approved Products and Services

You shall offer for sale all the Approved Products and Services and only the Approved Products and Services, as same exist from time to time. All Approved Products and Services must be offered for sale on a continuous basis at the Tommy's Business at the time and in the manner required by TOMMY's. No sale of any product except Approved Products and Services may be solicited, accepted or made at or from the Tommy's Business. If requested by TOMMY's on at least thirty (30) days' notice as part of a general program or standardization effort by TOMMY's, the marketing of an Approved Product or Service must be discontinued. In such an event, such product ceases to be an Approved Product or Service.

(i) You must at all times maintain an inventory of Approved Products and Services sufficient in quantity and variety to realize the full potential of the Tommy's Business.

(ii) We may, from time to time, conduct market research and testing to determine consumer trends and salability of new products and services. You must cooperate by participating in our market research programs, test marketing new products and services and providing timely reports and other relevant information regarding marketing research. In connection with such test marketing, you must purchase a reasonable quantity of products to be tested and effectively promote and make a reasonable effort to sell such products and services.

(iii) You must at all times comply with our policies and standards relating to customer service and product warranties.

In the event you sell any products or perform any services that we have not prescribed, approved or authorized, you shall, immediately upon notice from TOMMY's: (i) cease and desist offering or providing the unauthorized or unapproved product or from performing such services and (ii) pay to TOMMY's, on demand, a prohibited product or service fine equal to Two Hundred Fifty Dollars (\$250) per day for each day such unauthorized or unapproved product or service is offered or provided by you after written notice from TOMMY's. The prohibited product or service fine shall be in addition to all other remedies available to TOMMY's under this Agreement or at law.

8.4 Advertising and Signage

You shall, at your own expense, promotionally display in and upon the Premises "Tommy's" advertising signs of such nature, form, color, number, location, size and containing such material as we shall direct or approve in writing. Only signs or advertising media approved by TOMMY's shall be displayed by you in or upon the Tommy's Business Premises or elsewhere. All signs must be purchased from suppliers approved by TOMMY's. You shall install and maintain such signs at your own expense for the period that such signs remain in your possession. Upon termination of this Agreement for whatever reason, the signs shall become our property, and you shall promptly remove and procure any such signs and deliver them to TOMMY's according to our direction.

8.5 Approved Suppliers

You shall adhere to our minimum quality standards and specifications for all facets of the “Tommy’s” franchise, including equipment, signage, layout design, decor, furniture, fixtures, furnishings, inventory supplies, advertising and sales promotion materials and other products or materials used in the operation of a Tommy’s Business. Such standards and specifications have been established by TOMMY’s for uniformity, quality control and to protect, maintain and foster our reputation, goodwill and public acceptance. Information regarding our standards and specifications is contained in the Confidential Operations Manual. The Confidential Operations Manual is incorporated in this Agreement by reference and you agree to comply with all provisions therein. All such standards and specifications may be modified at any time by TOMMY’s. We will afford you the opportunity to purchase in sufficient quantity, and in a timely manner to meet your reasonable needs, such proprietary products and supplies as we or our affiliated companies are in the business of selling.

(i) We have and will continue to periodically approve suppliers and distributors of the products, materials and supplies used in the operation of a Tommy’s Business that meet our standards and requirements, including, without limitation, standards and requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations and customer relations. You must purchase all products, materials and supplies only from distributors and other suppliers approved by TOMMY’s from time to time.

(ii) We may approve a single distributor or other supplier (collectively “supplier”) for any product and may approve a supplier only as to certain products. We may concentrate purchases with one (1) or more suppliers to obtain lower prices or the best advertising support or services for any group of Tommy’s Businesses. We may, if we choose, take advantage of discounts offered by a supplier in connection with the acquisition of large quantities of products and resell said products to franchisees at a profit. Approval of a supplier may be conditioned on requirements relating to the frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier from time to time.

(iii) If you desire to purchase any unapproved product or from any unapproved supplier, you must submit to TOMMY’s a written request for approval of the proposed product or supplier and obtain our written approval of the product or supplier prior to purchasing any such products or from said supplier. We may inspect the proposed supplier’s facilities and require product samples from the proposed supplier to be delivered at our option either directly to TOMMY’s or to any independent entity which we designate for testing. You agree to reimburse our reasonable costs in conducting our evaluation of the proposed product or supplier, not to exceed Five Hundred Dollars (\$500), which evaluation and ultimate approval or rejection shall be completed within ninety (90) days of submission. We reserve the right to periodically re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier does not continue to meet any of our criteria. You understand and acknowledge that nothing in this Agreement requires TOMMY’s to approve any product or supplier you propose. We reserve the right to direct that any supplier rebates, refunds, advertising allowances or other consideration payable or paid as a result of your purchases of non-proprietary goods, services or equipment be paid to us or any affiliate that we may designate. If we do so, then you hereby acknowledge that you will not assert any interest in such monies.

8.6 Compliance with Applicable Laws

You shall secure and maintain in force in its name all required licenses, permits and certificates relating to the operation of the Tommy’s Business. You must operate the Tommy’s Business in full

compliance with all applicable laws, ordinances and regulations, including, without limitation, all government regulations relating to workers' compensation insurance, unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales taxes. All necessary and appropriate measures must be taken to avoid unsatisfactory safety, sanitation or health ratings at all times from government authorities. Conditions or practices disapproved by any such authorities must be corrected promptly except that, after consultation between you and TOMMY's, you may contest in good faith the action by such authority as being arbitrary, capricious, unfair or unlawful. All marketing conducted by you must be completely factual, in good taste (in our judgment), and must conform to the highest standards of ethical advertising. You must in all dealings with TOMMY's, our affiliates, your customers, suppliers, and public officials adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You must refrain from any business or advertising practice which may be harmful to our business, the goodwill associated with the Proprietary Marks or other Tommy's Businesses. You must notify TOMMY's in writing within five (5) days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental unit, which may adversely affect the operation or financial condition of you or the Tommy's Business, or of any notice of violation of any law, ordinance or regulation relating to health or safety.

8.7 Business Management; No Employment Interference

You shall assure that at all times the Tommy's Business will be under the direct, on-premises supervision of a Manager who has satisfactorily completed our training program. You shall staff the Tommy's Business with the number of Managers, assistant managers or other key personnel as we specify from time to time. You shall hire all employees of the Tommy's Business and be exclusively responsible for the terms of their employment, their compensation, and for the proper training of the employees in the operation of the Tommy's Business and shall require all such personnel to execute our Confidentiality and Non-Competition Agreement in the form annexed hereto as Attachment 4. You and all of your owners shall also execute the Confidentiality and Non-Competition Agreement. You must establish at the Tommy's Business a training program for all employees that meets our standards.

8.8 Payments to Us or Our Affiliates

You shall provide that payment for all products and services purchased from TOMMY's or our affiliates by you shall be due and payable within fifteen (15) days after receipt of an invoice therefor, unless otherwise specified in the Confidential Operations Manual. All other supplies, forms, documents and equipment required for the operation of the Tommy's Business and not required to be purchased from TOMMY's or our designees may be purchased from TOMMY's or from any source or supplier approved or designated in writing by TOMMY's or from any other source or supplier, provided that we shall have first approved in writing such other source or supplier, which approval shall not be unreasonably withheld so long as the standards of the System are met.

8.9 Forms of Payment; Club/Gift Cards

You shall maintain at all times such arrangements with (and only with) such credit card issuers or sponsors, and shall implement and at all times operate such point-of-sale systems and credit verification systems, as we may designate from time to time. We may develop a gift card program for Tommy's Businesses, and you shall be obligated to participate in such program. We may also develop a "club card" program for Tommy's Businesses, and you shall be obligated to participate in such program. If and when developed, gift and club cards will be available for sale or redemption at all Tommy's Businesses in the System. Our gift and club card programs will operate as set forth in our Confidential Operations Manual. We reserve the right to alter the terms and conditions of any gift card or loyalty programs, including reserving the right to apply changes retroactively to benefits already accrued under such programs.

8.10 Training Requirements

You shall assure that your Manager(s) and other personnel of the Tommy's Business as we may direct shall attend and participate at such additional or supplemental training courses, seminars and franchisee meetings as may be specified by TOMMY's from time to time. You shall be responsible to pay all travel, accommodation, meal and other expenses of you and your Manager(s) and other personnel in respect of attending and completing such courses, seminars or meetings.

8.12 Innovations to System

Should you, or anyone affiliated with you, develop any innovations, ideas, products or discoveries related to Tommy's Businesses or any of the concepts, Approved Products and Services or anything else associated with them, you shall advise TOMMY's promptly of the innovation, idea, product or discovery. We have sole discretion over the decision to implement such innovation, idea, product or discovery. You shall not use such innovation, idea, product or discovery without prior authorization from TOMMY's.

All innovations, ideas, products and discoveries developed or used in connection with the System or with the Tommy's Businesses become our property, whether developed by you, by TOMMY's, an affiliate of yours, or any other franchisee. We shall not be obligated to provide payment or reward to you, any affiliate of yours or any franchisee in the System if any innovation, idea, product or discovery is developed by any such person, whether or not implemented into the System.

8.13 Mystery Shopper

You shall participate in any independent evaluation service designated by TOMMY's to conduct a "mystery shopper" quality control and evaluation program with respect to TOMMY's or affiliate-owned and/or franchised Tommy's Businesses. You agree that the Tommy's Business will participate in such mystery shopper program, as prescribed and required by TOMMY's, provided that Tommy's Businesses owned by TOMMY's, our affiliates, and our franchisees also will participate in such program to the extent we have the right to require such participation. We shall have the right to require you to pay the then-current charges imposed by such evaluation service with respect to inspections of the Tommy's Business, and you agree that you shall promptly pay such charges.

ARTICLE 9 **PROPRIETARY MARKS**

9.1 Proprietary Marks

When used in this Agreement, "Proprietary Marks" mean the "Tommy's" trademark and service marks which are used now or in the future to identify Tommy's Businesses and the Approved Products and Services, and to distinguish it from that of any other business, and the trademarks, service marks, trade names, logos and commercial symbols as may be designated by TOMMY's from time to time for use in connection with the System.

9.2 License of Proprietary Marks

You are licensed to use the Proprietary Marks, goodwill and trade secrets in the operation of the Tommy's Business only at the Premises. Nothing in this Agreement shall be construed as authorizing or permitting their use at any other location or for any other purpose, except as may be authorized in writing by TOMMY's. During the term of this Agreement and any renewal or extension hereof, you shall identify yourself as the independent owner of the Tommy's Business in conjunction with any use of the Proprietary Marks, including, but not limited to, on invoices, order forms, receipts, business stationery, contracts with

all third parties or entities, as well as the display of such notices in such content and form and at such conspicuous locations as we may designate in writing.

9.3 Ownership of Proprietary Marks

You acknowledge that, as between you and TOMMY's, the ownership of all of the Proprietary Marks, goodwill and trade secrets remains solely with TOMMY's or an affiliate of TOMMY's, and that you shall not register or attempt to register the Proprietary Marks or to assert any rights in them other than as specifically granted in this Agreement. You acknowledge that we are the licensee of the owner of the Proprietary Marks, and we have the authority to grant to you and other franchisees a sub-license to use such Proprietary Marks.

9.4 Use of Proprietary Marks

You shall only use the Proprietary Marks, logos, trade styles, color combinations, designs, signs, symbols and slogans, and only in the manner and to the extent specifically permitted by this Agreement or in the Confidential Operations Manual or any other manuals, directives or memos prepared by TOMMY's.

9.5 Approval of Items Using Proprietary Marks

We reserve the right to approve all signs, memos, stationery, business cards, advertising material, forms and all other objects and supplies using the Proprietary Marks. All advertising, publicity, point of sale materials, signs, decorations, furnishings, equipment, or other materials employing the word "Tommy's" shall be in accordance with this Agreement and the Confidential Operations Manual, and you shall obtain our approval prior to such use.

9.6 Cessation of Use after Expiration, Termination or Non-Renewal

Upon the expiration, termination or non-renewal of this Agreement, you shall immediately cease using the Proprietary Marks, color combinations, designs, symbols or slogans; and we may cause you to execute such documents and take such action as may be necessary to evidence this fact. After the effective date of expiration, termination or non-renewal, you shall not represent or imply that you are associated with TOMMY's. To this end, you irrevocably appoint TOMMY's or our nominee to be your attorney-in-fact to execute on your behalf any document or perform any legal act necessary to protect the Proprietary Marks from unauthorized use. You acknowledge and agree that the unauthorized use of the Proprietary Marks will result in irreparable harm to TOMMY's for which we shall be entitled to obtain injunctive relief, monetary damages, reasonable attorneys' fees and costs.

9.7 Notification of Infringement

You shall immediately notify TOMMY's of any apparent infringement of or challenge to your use of the Proprietary Marks, or any claim, demand, or suit based upon or arising from the unauthorized use of, or any attempt by any other person, firm, or corporation to use, without authorization, or any infringement of or challenge to, any of the Proprietary Marks. You also agree to immediately notify TOMMY's of any other litigation instituted by any person, firm, corporation or governmental entity against TOMMY's or you.

9.8 Our Right to Defend

We shall undertake the defense or prosecution of any litigation concerning you that relates to any of the Proprietary Marks or that, in our judgment, may affect the goodwill of the System; and we may, in such circumstances, undertake any other action which we deem appropriate. We shall have sole and complete discretion in the conduct of any defense, prosecution or other action we choose to undertake. In that event, you shall cooperate and execute those documents and perform those acts which in our opinion

are necessary for the defense or prosecution of the litigation or for such other action as may be undertaken by TOMMY's.

9.9 You Shall Use Only Designated Proprietary Marks

In order to develop and maintain high uniform standards of quality and service and to protect our reputation and goodwill, you shall do business and advertising using only the Proprietary Marks designated by TOMMY's. You shall not do business or advertise using any other name. You are not authorized to and shall not use the word "Tommy's" by itself, as a part of the legal name of any corporation, partnership, proprietorship or other business entity to which you are associated, or with a bank account, trade account or in any legal or financial connection.

9.10 Inspection

In order to preserve the validity and integrity of the Proprietary Marks, and to assure that you are properly employing them in the operation of your Tommy's Business, we and our agents shall have the right at all reasonable times to inspect your business and operations. You shall cooperate with and assist our representative in such inspection.

9.11 Trademark Symbols

You shall be required to affix the ®, TM or SM symbol upon all advertising, publicity, signs, decorations, furnishings, equipment or other printed or graphic material employing the word "Tommy's" or any other of the Proprietary Marks, whether presently existing or developed in the future.

9.12 No Right to Deny Use of Proprietary Marks

You acknowledge that you do not have any right to deny the use of the Proprietary Marks to any other "Tommy's" franchisees. In consideration therefor, you shall execute all documents and take such action as may be requested to allow TOMMY's or other "Tommy's" franchisees to have full use of the Proprietary Marks.

9.13 Avoidance of Conflict

If during the term of this Agreement there is a claim of prior use of the "Tommy's" name or any other of the Proprietary Marks in the area in which you are doing business or in another area or areas, you shall so use our other Proprietary Marks in such a way and at our discretion in order to avoid a continuing conflict.

9.14 Indemnification

We agree to indemnify you against, and to reimburse you for, all damages, costs, reasonable attorneys' fees and expenses for which you are held liable in any proceeding in which your use of any Proprietary Mark pursuant to and in compliance with this Agreement is held to constitute trademark infringement, unfair competition or dilution, and for all costs reasonably incurred by you in the defense of any such claim brought against you or in any such proceedings in which you are named as a party, provided that you have timely notified TOMMY's of such claim or proceedings, have otherwise complied with this Agreement and have tendered complete control of the defense of such to TOMMY's. If we defend such claim, we shall have no obligation to indemnify or reimburse you with respect to any fees or disbursements of any attorney retained by you.

9.15 Limited License

You understand and agree that the limited license to use the Proprietary Marks granted hereby applies only to such Proprietary Marks as are designed by TOMMY's, and which are not subsequently designated by TOMMY's as being withdrawn from use, together with those which may hereafter be designated by TOMMY's in writing. You expressly understand and agree that you are bound not to represent in any manner that you have acquired any ownership or equitable rights in any of the Proprietary Marks by virtue of the limited license granted hereunder, or by virtue of your use of any of the Proprietary Marks.

If it becomes advisable at any time, in our discretion, to modify or discontinue use of any Proprietary Mark and/or to adopt or use one or more additional or substitute Proprietary Marks, then you shall be obligated to comply with any such instruction by TOMMY's. We shall not be required to reimburse you for any expenses of compliance, such as changing signs, stationery, etc. You waive any claim arising from or relating to any Proprietary Mark change, modification or substitution and we will not be liable to you for any expenses, losses or damages sustained by you as a result of any Proprietary Mark addition, modification, substitution or discontinuation. You covenant not to commence or join in any litigation or other proceeding against TOMMY's for any of these expenses, losses or damages.

9.16 Name Registrations

Before commencing business at the Tommy's Business, you must supply evidence satisfactory to TOMMY's that you have complied with all applicable laws regarding the use of fictitious or assumed names. You must take such steps as we approve in writing to register the trade name "Tommy's" to be able to operate the Tommy's Business under such name within the town or state where the Premises are located. Except for registration of a "d/b/a" or assumed name or other fictitious name certificate in connection with the operation of the Tommy's Business, you must not register or attempt to register our names or the Proprietary Marks in your own name or that of any other entity, nor shall you make any attempt to register a domain name, whether or not they include domain derivatives, outlaw websites, or the Proprietary Marks.

ARTICLE 10 **OPERATIONS MANUAL AND CONFIDENTIALITY**

10.1 Confidential Operations Manual

We have developed and will lend to you during the term of this Agreement an operating manual for the Tommy's Business (herein referred to as the "Confidential Operations Manual") containing mandatory specifications, standards, methods, techniques and procedures for the operation of the Tommy's Business prescribed from time to time by TOMMY's for our franchisees, and containing information relative to your other obligations hereunder. All such specifications, standards and operating procedures shall be consistent with this Agreement and all applicable laws. Specifications, standards and operating procedures prescribed from time to time by TOMMY's in the Confidential Operations Manual or otherwise communicated to you in writing shall constitute provisions of this Agreement as if fully set forth herein and shall be kept confidential by you at all times during the term of this Agreement and after the termination or expiration thereof for any reason. You shall operate your Tommy's Business strictly in accordance with the Confidential Operations Manual. We shall have the right to add to, and otherwise modify, the Confidential Operations Manual from time to time to reflect changes in Approved Products and Services, the System, or the operation of the Tommy's Business; provided, however, no such addition or modification shall alter your fundamental status and rights under this Agreement. You covenant to accept, implement and adopt any such modifications at your own cost. You shall keep the Confidential Operations Manual up to date with replacement pages and insertions as instructed by TOMMY's, if the Confidential Operations Manual is provided to you in hard copy format. You acknowledge that the Confidential Operations Manual

contains our proprietary information and you agree to keep the Confidential Operations Manual and its contents confidential at all times and not to make any copies thereof. The Confidential Operations Manual shall at all times remain our property, and you shall promptly return the Confidential Operations Manual to TOMMY's upon our request, and in any event upon the termination or expiration of this Agreement for any reason. In the event a dispute arises as to the contents of the Confidential Operations Manual, the master copy maintained by TOMMY's shall be controlling.

10.2 Confidentiality

You shall not, during the term of this Agreement or at any time thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association or corporation any confidential information or know-how concerning the methods of operation of the System hereunder which may be communicated to you, or of which you may become apprised, by virtue of the operation of the Tommy's Business under this Agreement ("confidential information"). You shall divulge such confidential information only to such of your employees who must have access to it in order to operate the Tommy's Business. Any and all information, knowledge, and know-how, including, without limitation, the materials, equipment, specifications, techniques, and other data which we designate as confidential, shall be deemed confidential for purposes of this Agreement, except information which you can demonstrate came to your attention prior to disclosure thereof by TOMMY's; or which, at the time of disclosure by TOMMY's to you, had become a part of the public domain through publication or communication by others; or which, after disclosure to you by TOMMY's, becomes a part of the public domain through publication or communication by others.

At our request, you shall require any personnel having access to any confidential information provided by TOMMY's to execute covenants that they will maintain the confidentiality of information they received in connection with their employment by you at the Tommy's Business. Such covenants shall be in the form of Confidential and Non-Competition Agreement attached hereto as Attachment 4, and which will include, without limitation, specific identification of TOMMY's as a third-party beneficiary of such covenants with the independent right to enforce them.

You acknowledge that any failure to comply with the requirements of this Article 10 will cause TOMMY's irreparable injury, and you agree to pay all court costs and reasonable attorneys' fees incurred by TOMMY's when we seek to obtain specific performance of or an injunction against violation of the requirements of this Article 10.

10.3 Return of Confidential Operations Manual

You shall keep the Confidential Operations Manual in your Tommy's Business at all times and promptly return all copies to TOMMY's upon the expiration or termination of this Agreement, and shall refrain from making any copies thereof or otherwise reproducing it either in whole or in part at any time.

ARTICLE 11 **INSURANCE**

11.1 Prior to opening the Tommy's Business for business, you must obtain the insurance coverages we specify in the Confidential Operations Manual or otherwise in writing. The insurance policies must be issued by the insurance carrier(s) that we designate or, if we do not designate a specific insurance carrier, by carriers having an A.M. Best rating of "A-" or better. As of the date of this Agreement, you agree to purchase and maintain the following insurance coverages:

- Builder's risk insurance. Including "soft cost" coverage based on the completed value of the facility,

- General liability coverage. Comprehensive coverage \$1 million per occurrence, \$2 million annual aggregate.
- Umbrella liability insurance. \$2 million per occurrence, \$2 million annual aggregate.
- Equipment breakdown coverage. Limits based on the full replacement value.
- Special Form property damage coverage. All perils coverage with limits of not less than the full replacement value of the Tommy's Business facility and all property located at the facility.
- Automobile coverage. Coverage for any vehicles used in the franchised business – whether owned or non-owned. You are required to comply with state requirements for underinsured or uninsured coverage.
- Business interruption coverage. Insurance to recover lost income for up to 12 months in the event the franchised business is unable to operate.
- Money and Securities. \$10,000 per occurrence – inside or outside
- Worker's compensation insurance and any other coverage that may be required by applicable law or statute.
- Cyber Insurance (recommended) min, \$500,000
- Employer Practices Liability Insurance (recommended) min. \$500,000
- Any other insurance coverages we may require in the future.

11.2 You must maintain all required policies in force during the entire term of this Agreement and any renewals thereof. We may periodically increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances. Each insurance policy we specify must name TOMMY's (and, if we so request, our directors, employees or shareholders) as additional insureds and must provide TOMMY's with thirty (30) days' advance written notice of any material modification, cancellation, or expiration of the policy.

11.3 Not later than fifteen (15) days before your Tommy's Business opens for business, and thereafter upon renewal of each insurance policy, you must furnish TOMMY's with a Certificate of Insurance for each policy to be maintained for the upcoming term, along with evidence of the payment of the premium for each. If you do not maintain the required insurance coverage, or do not furnish TOMMY's with satisfactory evidence of the required insurance coverage and the payment of the premiums for same, we may obtain, at our option and in addition to our other rights and remedies under this Agreement, any required insurance coverage on your behalf. If we do that, you agree to fully cooperate with TOMMY's in our effort to obtain the insurance policies, promptly execute all forms or instruments required to obtain or maintain the insurance, allow any inspections of the Franchised Business which are required to obtain or maintain the insurance and pay to TOMMY's, on demand, any costs and premiums we incur plus a ten percent (10%) administrative fee.

11.4 Your obligation to maintain insurance coverage, as described in this Agreement, will not be reduced in any manner by reason of any separate insurance we maintain on our own behalf, nor will our maintenance of that insurance relieve you of any obligations under this Article 11.

11.5 If you fail or refuse to purchase or maintain the prescribed insurance coverage, or to comply with any other requirement set forth in this Article 11, we shall have the right, without waiver of any other remedies, to secure such insurance on your behalf, at your expense, through agents and insurance companies of our choosing, and to take all other action necessary to protect our interests hereunder, or in the alternative, we shall have the right to terminate this Franchise Agreement. If we elect to secure insurance on your behalf, you shall reimburse TOMMY's for our costs and expenses in so acting plus a ten percent (10%) administrative fee.

ARTICLE 12 **TERMINATION**

12.1 Automatic Termination – No Opportunity to Cure

This Agreement shall immediately terminate at the end of the term hereof, unless you exercise your renewal rights as described above, and shall also terminate without notice if:

(a) you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a *supersedeas* bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the Premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable;

(b) you permit or suffer the lease for the Premises to expire or be terminated;

(c) you make an assignment, transfer or sale of the franchise or ownership in the franchise as defined in Article 15 hereof without first complying with the provisions of this Agreement;

(d) you or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation;

(e) you abandon or surrender or transfer control of the operation of the Tommy's Business or fail to actively carry on business from the Premises without our prior written consent and such condition continues for two (2) days after notice of such default is given, provided, however, we shall not terminate this Agreement solely as a result of your abandoning the associated with the Tommy's Business due to death without first giving ten (10) days' prior written notice to your trustee, executor, administrator or next of kin as shown in our files;

(f) you submit on two (2) or more occasions at any time during the term of this Agreement a report, financial statement, tax return, schedule or other information or supporting record which understates your Gross Sales by two percent (2%) or more, unless you demonstrate that such understatement resulted from inadvertent error;

(g) you fail or refuse to submit any report, financial statement, tax return, schedule or other information or supporting records required herein, or submit such reports more than five (5) days late on two (2) or more occasions during the term of this Agreement;

(h) repeated and frequent justifiable complaints are made by your customers;

(i) you willfully or fraudulently misrepresent any fact, condition or report required to be made by this Agreement;

(j) you commit breaches hereof such that, during any consecutive twelve (12) month period, we give to you notices of three (3) or more different breaches, or three (3) or more similar breaches committed on different occasions, whether such breaches are subsequently cured or not;

(k) any franchise agreement or other agreement to which you (or any affiliate of yours or any person beneficially owning greater than fifty percent (50%) of the voting and equity rights and interests in you) and we or our affiliates are parties is terminated;

(l) you incur three (3) insufficient funds fees in any twelve (12) month period; or

12.2 Termination By Us – After Notice and Opportunity to Cure

We shall have the right to terminate this Agreement effective immediately (in the notice of termination with a specified time period for the opportunity to cure) upon delivery of notice of termination to you if:

(a) you operate the business associated with the Tommy's Business in a manner that presents a health or safety hazard to your customers, employees or the public and such manner of operation continues uncorrected after notice from TOMMY's or the landlord of the Premises to correct same;

(b) you fail or refuse to pay any amount owed to TOMMY's or any company affiliated with TOMMY's for any debt whatsoever within ten (10) days after a demand for payment, or you repeatedly and consistently pay any amount due hereunder after its due date;

(c) you sell or offer for sale any unauthorized product or service after notice from TOMMY's to cease doing the same;

(d) you fail to comply with any other provision of this Agreement or any other specification, standard or operating procedure prescribed by TOMMY's and do not correct such failure within thirty (30) days after written notice of such failure to comply (which notice shall describe the action that you must take) is delivered to you; or

(e) you violate any law, ordinance, rule or regulation of any governmental agency in connection with the operation of the Tommy's Business and do not correct such violation within the period required by such governmental agency.

12.4 Loss of Occupancy

In the event you lose the right to possession of the Premises without your fault, in our reasonable judgment, we shall not terminate this Agreement, provided that you relocate and reopen your Tommy's Business at a location mutually agreeable to you and TOMMY's and under occupancy terms acceptable to TOMMY's. In this relocation, you agree to comply with our then-current location, leasing, design, construction and opening requirements. In addition, such relocation shall occur, and your business must be open to the public, within ninety (90) days from the date on which the prior lease terminated.

In the event this Agreement is terminated as a result of your being unable to relocate your Tommy's Business as discussed in this Section 12.4, and provided that you have made a good faith effort to relocate your Tommy's Business within the required time period and have not refused to accept any new site that we may have found for said Tommy's Business, the termination of this Agreement will not be deemed to be a termination because of a default and the liquidated damages provisions of Section 13.7 of this Agreement will not apply.

12.5 Cross-Defaults; Non-Exclusive Remedies, etc.

Any default by you (or any person/company affiliated with you) under this Agreement may be regarded as a default under any other agreement between TOMMY's (or any of our affiliates) and you (or any of your affiliates). Any default by you (or any person/company affiliated with you) under any other agreement, including, but not limited to, any lease and/or sublease, between TOMMY's (or any of our affiliates) and you (or any person/company affiliated with you), and any default by you (or any person/company affiliated with you) under any obligation to TOMMY's (or any of our affiliates) may be regarded as a default under this Agreement. Any default by you (or any person/company affiliated with you) under any lease, sublease, loan agreement, security interest or otherwise, whether with TOMMY's, any of our affiliates and/or any third party may be regarded as a default under this Agreement and/or any other agreement between TOMMY's (or any of our affiliates) and you (or any of your affiliates).

In each of the foregoing cases, we (and any of our affiliates) will have all remedies allowed at law, including termination of your rights (and/or those of any person/company affiliated with you) and our (and/or our affiliates') obligations. No right or remedy which we may have (including termination) is exclusive of any other right or remedy provided under law or equity and we may pursue any rights and/or remedies available.

12.6 Our Right to Discontinue Services to You

If you are in breach of any obligation under this Agreement, and we deliver to you a notice of termination pursuant to this Article 12, we have the right to suspend our performance of any of our obligations under this Agreement including, without limitation, the sale or supply of any services or products for which we are an approved supplier to you and/or suspension of your webpage on our Website, until such time as you correct the breach.

12.7 Amendment Pursuant to Applicable Law

Notwithstanding anything to the contrary contained in this Article, if any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this franchise and the parties hereto shall limit our rights of termination under this Agreement or shall require longer notice periods than those set forth above, this Agreement is deemed amended to satisfy the minimum notice periods or restrictions upon such termination required by such laws and regulations; provided, however, that such constructive amendment shall not be deemed a concession by TOMMY's that the grounds for termination set forth in this Agreement do not constitute "good cause" for termination within the meaning ascribed to that term by any applicable law or regulation. We shall not be precluded from contesting the validity,

enforceability or application of such laws or regulations in any action, hearing or proceeding relating to this Agreement or the termination of this Agreement.

ARTICLE 13

RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION

13.1 Payment of Amounts Owed to Us and Other Creditors

You agree to pay, within seven (7) days of the effective date of termination or expiration of this Agreement, all amounts owed to TOMMY's and any company affiliated with TOMMY's and your trade and other creditors which are then unpaid. All periodic payments shall be deemed to accrue daily and shall be adjusted accordingly.

13.2 Return of Manuals and Retention of Records

You agree that, within fifteen (15) days of the effective date of termination, non-renewal or expiration of this Agreement for any reason, you will immediately return to TOMMY's all copies of the Confidential Operations Manual and all promotional or other materials of a proprietary nature or which bears any of the Proprietary Marks. You shall retain all business records for at least three (3) years following the expiration or termination of this Agreement and shall keep TOMMY's advised of the location of such records.

13.3 Cancellation of Assumed Names; Transfer of Website Listings and Phone Numbers

You agree, upon termination, non-renewal or expiration of this Agreement for any reason, to take such action as may be required to cancel all registrations relating to the use of any of the Proprietary Marks and will not directly or indirectly at any time or in any manner identify any premises or any business as a franchise, or yourself as a franchisee, of ours; and you shall not, in any manner or for any purpose, use any of the Proprietary Marks or any colorable imitation thereof. You shall notify your internet service provider, the telephone company and all listing agencies of the termination or expiration of your right to use any Website domain name or uniform resource locator (whether or not created in contravention of this Agreement), telephone number and any classified or other telephone directory listings associated with such names and to authorize the transfer of same to TOMMY's or our designee. You acknowledge that, as between TOMMY's and you, we have the sole rights to and interest in all domain names, uniform resource locators, telephone numbers and directory listings associated with the Proprietary Marks. You will provide TOMMY's, on execution of this Agreement, with undated assignments of Websites and listings and the telephone number and related listings to TOMMY's, in the form annexed hereto as Attachment 5.

13.4 De-identification of the Tommy's Business

Unless you are transferring the Franchised Business, you agree to immediately, upon request from TOMMY's, make such alterations and removals or changes in signs and colors as we may reasonably request so as to distinguish effectively the Tommy's Business from its former appearance and from the then-prevailing Tommy's Business image.

13.5 Continuing Obligations

All obligations of the parties hereto which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect, notwithstanding such expiration or termination. In particular, but without limiting the generality of the foregoing, the provisions of Articles 9, 10, and 14 hereof shall survive termination or expiration of this Agreement.

13.6 Our Option to Purchase Assets

Upon expiration, non-renewal or termination of this Agreement, we shall have the option, exercisable by written notice to you within thirty (30) days after expiration, non-renewal or termination of this Agreement, to purchase from you for cash all or a portion of the tangible assets of the Tommy's Business. If you have signed a lease directly or mortgage for the Premises, we will also be entitled to an assignment of such lease or mortgage. If an assignment is prohibited, we shall be entitled to an assignment of the sublease for the full remaining term of the lease and on the same terms and conditions as your lease. Nothing in this Agreement requires TOMMY's to purchase any assets of the Tommy's Business upon the expiration or termination of this Agreement.

The purchase price for said assets shall be fair market value as agreed upon by you and TOMMY's. In the event you and we cannot agree on a purchase price within a reasonable time, the purchase price shall be determined by an independent appraiser selected as follows: we and you shall each select one (1) appraiser and those two (2) appraisers shall select a third appraiser who shall determine the purchase price. The decision of the third appraiser shall be binding on all parties. We and you shall each pay the cost of our respective appraisers, and the cost of the third appraiser shall be divided equally between TOMMY's and you. In determining the purchase price, no value shall be included for intangibles, goodwill or going concern value.

The closing of our purchase of the assets (the "Closing") shall occur at a time and place designated by TOMMY's, but in no event later than sixty (60) days after determination of the purchase price.

If we exercise the repurchase option set forth herein, we shall have the right, pending the Closing, to appoint a manager to maintain the operation of the Tommy's Business. Alternatively, we may require you to close the Tommy's Business during such time period without removing any assets. We have an unrestricted right to assign the option to repurchase set forth herein.

13.7 Liquidated Damages

Upon termination of this Agreement by TOMMY's for cause, you agree to pay to TOMMY's, within fifteen (15) days after the effective date of this Agreement's termination, in addition to the amounts owed hereunder, liquidated damages equal to the average monthly value of the Royalty Fees you paid during the twelve (12) months of operation preceding the effective date of termination multiplied by either 120 months, or \$500,000, whichever is greater.

The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages we would incur from this Agreement's termination and the loss of cash flow from Royalty Fee due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalty Fee would have grown over what would have been this Agreement's remaining term. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages.

If this Agreement is terminated before the Franchised Business opens for business, you must pay TOMMY's \$500,000 as liquidated damages.

The liquidated damages provision only covers our damages from the loss of cash flow from the Royalty Fee. It does not cover any other damages, including damages to our reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than the Royalty Fee section. You and each of your owners agree that the liquidated damages provision does not give TOMMY's an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fee section.

ARTICLE 14

NON-COMPETITION

14.1 Non-Competition During Agreement

During the term of this Agreement, you shall not individually nor in conjunction with any person, firm, partnership, corporation or other third party as principal, agent, shareholder, director, officer, employee, consultant or guarantor or in any other manner whatsoever, directly or indirectly, carry on or be engaged in or concerned with or interested in, financially or otherwise, or advise in the establishment or operation of, any business which offers car washing and detailing products and services (a “Competitive Business”).

14.2 Non-Competition Following Termination, Expiration or Transfer

In the event of the expiration, non-renewal or termination of this Agreement for any reason whatsoever, or in the event this Agreement is transferred pursuant to Section 15.2, 15.4 or 15.7 hereof, you (or, in the case of a Transfer among the individuals comprising you pursuant to Section 15.4, the Transferor individual(s)) shall not, without our prior written consent, at any time during the period of two (2) years from the date of such expiration or termination or transfer, either individually or in conjunction with any person, firm, partnership or corporation or other third party as principal, agent, shareholder, director, officer, employee, consultant, guarantor or in any other manner whatsoever, directly or indirectly carry on, be engaged in or be concerned with or interested in, financially or otherwise, or advise in the operation of a Competitive Business that is within a radius in any direction of twenty (20) miles of any Tommy’s Business as of the date of this Agreement.

14.3 Interference with Employment Relations

During the term of this Agreement and for a period of three (3) years after the termination or expiration of this Agreement for any reason whatsoever, or the transfer of this Agreement pursuant to Section 15.2, 15.4 or 15.7 hereof, you (or, in the case of a Transfer among the individuals comprising you pursuant to Section 15.4, the Transferor individual(s)) shall not solicit for employment any person who is, at the time of such solicitation, employed by TOMMY’s or by any other franchisee of ours, nor shall you directly or indirectly induce any such person to leave his or her employment.

14.4 Amendment of Restrictive Covenants

You acknowledge that the provisions of this Article 14 have been inserted for our sole benefit and that we shall have the right, from time to time during the term of this Agreement in our sole discretion, to waive in whole or in part or otherwise reduce the scope of any covenant set forth in this Article 14 or any portion thereof without your consent, effective upon our giving notice thereof to you.

14.5 Other Covenants

You covenant that after termination, non-renewal or expiration of this Agreement, regardless of the cause of termination or expiration, you shall not, without our prior written consent, directly or indirectly:

(a) adopt, use, employ or trade under any of the Proprietary Marks, nor adopt, use, employ or trade under any other name, mark or symbol that constitutes a reproduction, counterfeit, copy, imitation or variation thereof, or which is confusingly similar thereto;

(b) adopt, use, employ or trade under any description or representation that falsely suggests or indicates a connection or association with TOMMY’s;

(c) copy, communicate or otherwise use for the benefit of you or of any other person any information deemed confidential pursuant to Article 10 hereof; or

(d) contest or aid others in contesting the validity or enforceability of the Proprietary Marks or the System, contrary to Article 9 hereof.

14.6 Power of Attorney

You hereby irrevocably appoint TOMMY's as your true and lawful attorney to take any action, execute any document, or do any other act or things required by Articles 9 and 13 hereof at your sole risk and expense upon your failure or refusal to comply fully therewith within ten (10) days after termination, non-renewal or expiration of this Agreement; and you further consent and agree that we or our designated agents shall have the right to enter the Tommy's Business at any time, at your sole risk and expense and without liability for trespass, tort or other act, to make any alterations thereto required by Section 13.4 hereof upon your failure or refusal to do so within ten (10) days after the termination, non-renewal or expiration of this Agreement, and you hereby covenant and agree for your successors and assigns to allow, ratify and confirm whatever we shall do by virtue of the foregoing power of attorney. You hereby declare that the powers of attorney herein granted may be exercised during any subsequent legal incapacity on your part.

ARTICLE 15

ASSIGNMENT, TRANSFER AND SALE

15.1 By Tommy's

We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations; and (ii) the assignee shall expressly assume and agree to perform such obligations.

You expressly affirm and agree that we may sell our assets, our rights to the Proprietary Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Proprietary Marks (or any variation thereof) and/or the loss of association with or identification of "TOMMY'S EXPRESS LLC" as Franchisor. Nothing contained in this Agreement shall require TOMMY's to remain in the car wash industry or to offer the same products and services, whether or not bearing the Proprietary Marks, in the event that we exercise our right to assign our rights in this Agreement.

15.2 By You

You shall not, in whole or in part, voluntarily or involuntarily, directly or indirectly, pledge, encumber, mortgage, assign, subdivide, subfranchise or otherwise transfer any interest in this Agreement, or any interest in the Tommy's Business or the franchise granted hereunder (including, without limitation, by your personal representatives in the event of your death, by will, declaration of, or transfer in, trust or the laws of intestate succession), or any interest in you or in any proprietorship, partnership or corporation which owns any interest in this Agreement or in the Tommy's Business or the franchise granted hereunder

or in you, nor offer, permit or suffer the same without our prior written approval, which approval shall not be unreasonably withheld. If such approval is granted, it shall be conditional upon:

- (a) your being then in full compliance herewith and settling and paying to TOMMY's or our affiliates and all trade creditors of the Tommy's Business all outstanding debts;
- (b) the transferee being an individual having adequate financial resources and otherwise meeting all the criteria for "Tommy's" franchisees;
- (c) the transferee executing our then-current Tommy's Business franchise agreement (which shall have a term equal to the remainder of the term hereof) and such other ancillary agreements, instruments and documents then customarily used by TOMMY's to grant Tommy's Business franchises;
- (d) you and your officers, directors and shareholders, if a corporation, executing a general release of TOMMY's, our officers, directors and employees;
- (e) the transferee purchasing all of your assets used in the business of the Tommy's Business in accordance with all applicable bulk sales legislation and assuming all of your business liabilities;
- (f) our being paid a transfer fee for the administration of such transfer and the preparation, execution and filing of all documentation required by TOMMY's in connection with such transfer. If the transfer is to a new franchisee for the System, the transfer fee payable to TOMMY's is fifty percent (50%) of the then-current initial franchise fee. If the transfer is to an existing franchisee in the System, the transfer fee payable to TOMMY's shall be equal to twenty-five percent (25%) of the then-current initial franchise fee; and
- (g) you and transferee entering into a written agreement of purchase and sale, the form and content of which shall be subject to our approval.

15.3 Assignment to Corporate Entity

Notwithstanding Section 15.2, if you are comprised of one (1) or more individuals and after obtaining our written consent, the franchise granted hereunder may, subject to Section 16.1, be assigned by you without charge, once only, to a newly formed corporate entity (such as a corporation, partnership or limited liability company) which shall conduct no business other than the franchise granted hereunder, which is actively managed by you and in which all of the individuals shall own and control the same percentage ownership interests as they held as individuals. You and such entity shall execute a Transfer of Franchise agreement in our standard form contained in Attachment 6 and each of your owners shall execute guarantees in our favor.

In the event of such an assignment by you of the franchise granted hereunder to a corporate entity which you control, you agree, as a condition of being permitted to make such assignment, forthwith to cause the entity and its directors/managers and owners to acknowledge this Agreement and to agree in writing to be bound by the provisions hereof, cause the entity in its articles of organization to provide in effect that its object or business is confined exclusively to the operation of a Tommy's Business as provided in this Agreement, and cause the entity to restrict the issue of, and its directors/managers and owners to restrict the transfer of, ownership interests of the entity.

15.4 Transfer Among Franchisees

In the event that you comprise two (2) or more individuals, we shall not unreasonably withhold our consent to a sale, assignment or transfer of any kind (a “Transfer”) of the interest of one (1) such individual (the “Transferor”) in the franchise hereunder to the other individual or individuals comprising you, if but only if:

(a) the Transferor transfers the whole of such interest in this Agreement and all other agreements relating to the franchise hereunder;

(b) the Transfer shall not relieve the Transferor of the Transferor’s obligations hereunder to TOMMY’s;

(c) the Transfer shall be completed in accordance with all applicable bulk sales legislation;

(d) the Transferor shall have given TOMMY’s at least thirty (30) days’ prior written notice of the proposed Transfer, together with all reasonable details thereof which we may demand;

(e) the Transferor and the remaining individual(s) with an interest in you execute such documents as may be required by TOMMY’s in connection with such Transfer; and

(f) the remaining individual(s) with an interest in you is (are), in our opinion, capable of operating the business associated with the Tommy’s Business without the Transferor.

15.5 Our Right of First Refusal

If you shall at any time decide to sell the Tommy’s Business or the ownership interest therein, you shall obtain a bona fide, executed written offer to purchase the Tommy’s Business, together with all real or personal property, leasehold improvements and other assets used by you in connection with the Tommy’s Business, from a responsible and fully disclosed purchaser and shall submit an exact copy of such offer to TOMMY’s. We shall, for a period of thirty (30) days from the date of delivery of such offer, have the right, but not the obligation, exercisable by written notice to you, to purchase all of the Tommy’s Business and the said assets for the price and on the terms and conditions contained in such offer, provided that we may substitute cash for any form of payment proposed in such offer and there shall be deducted from the purchase price the amount of any commission or fee that would otherwise have been payable to any broker, agent or other intermediary in connection with such sale. During said thirty (30) day period, we shall have the right to inspect all of your books and records relating to the Tommy’s Business’s operation, specifically including all financial records and statements for the three (3) full fiscal years preceding the date on which the thirty (30) day right of first refusal commences, and if you are a corporate entity, all corporate minute books and transfer records. If we do not exercise our right of first refusal, you may complete the sale of the Tommy’s Business to such purchaser on the same terms offered to TOMMY’s subject to the provisions of Section 15.2 hereof. If the sale to such purchaser is not completed within sixty (60) days after the expiration of our thirty (30) day right of first refusal period, or if the terms of the offer change, we shall again have the right of first refusal herein provided.

15.6 Temporary Operation of Business by Us

For the purposes of this Section 15.6, “you” shall include the controlling shareholder of a corporate entity. In the event that you:

(a) fail to keep the Tommy's Business open for business during the hours required by TOMMY's (whether pursuant to the Confidential Operations Manual or otherwise) or the lease for the Premises;

(b) are absent from the Tommy's Business for more than five (5) consecutive days or for more than thirty (30) days in any consecutive ninety (90) day period, or abandon the Premises; or

(c) die or become incapacitated, which shall be defined as the inability to operate the Tommy's Business for a period of thirty (30) consecutive days, and your heirs or personal representatives have not yet, or do not, assume control of the business of the Tommy's Business by means of an assignment (with our approval) pursuant to Sections 15.2 and 15.7 hereof, then, unless and until we terminate this Agreement pursuant to Article 12 or Section 15.7 hereof, we shall be entitled to enter onto the Premises and to operate and manage the business associated with the Tommy's Business for your (or your estate's) account until the franchise hereunder is terminated, assigned to a party acceptable to TOMMY's or until you resume control over the business associated with the Tommy's Business and operate it in accordance herewith. In the event that we so operate the business associated with the Tommy's Business, we shall account to you (or your estate) for all net income from such operation, less our reasonable expenses incurred in, and a reasonable management fee not to exceed twenty percent (20%) of Gross Sales for, our operation of the Tommy's Business.

15.7 Step-In Rights

If we determine in our sole judgment that the operation of your business is in jeopardy, or if a default occurs, then in order to prevent an interruption of the Franchised Business which would cause harm to the System and thereby lessen its value, you authorize TOMMY's to operate your Franchised Business for as long as we deem necessary and practical, and without waiver of any other rights or remedies which we may have under this Agreement. In our sole judgment, we may deem you incapable of operating the Franchised Business if, without limitation, you are absent or incapacitated by reason of illness or death; you have failed to pay when due or have failed to remove any and all liens or encumbrances of every kind placed upon or against your Franchised Business; or we determine that operational problems require that we operate your Franchised Business for a period of time that we determine, in our sole discretion, to be necessary to maintain the operation of the business as a going concern.

We shall keep in a separate account all monies generated by the operation of your Franchised Business, less the expenses of the Franchised Business, including reasonable compensation and expenses for our representatives. In the event of our exercise of the Step-In Rights, you agree to hold harmless TOMMY's and our representatives for all actions occurring during the course of such temporary operation. You agree to pay all of our reasonable attorneys' fees and costs incurred as a consequence of our exercise of the Step-In Rights. Nothing contained herein shall prevent TOMMY's from exercising any other right which we may have under this Agreement, including, without limitation, termination pursuant to Article 12 above.

15.8 Transfer Upon Death or Incapacity

For the purposes of this Section 15.8, "you" shall include the controlling equity holder of a corporate entity. If you die or become incapacitated (which shall be deemed to include, in our reasonable opinion, your inability, by reason of physical or mental illness or disability, to operate the business of the Tommy's Business in the ordinary course for a period of thirty (30) days or more in any consecutive ninety (90) day period) so that you (or, in the case of your incapacity only, the Manager(s)) are not able to devote full time and attention to the operation of the business of the Tommy's Business, then the rights granted hereunder may be transferred to your heirs or personal representatives, if our prior written consent is obtained, within twelve (12) months from the beginning of the disability or from the date of death. In no

event will we be willing to provide our consent to such transfer unless the conditions set forth in Section 15.2 hereof are satisfied. In the event that such conditions are not satisfied, we shall have the right in our sole discretion to terminate this Agreement by notice, in the case of death, to your estate and, in the case of your incapacity, to you.

ARTICLE 16

PARTNERSHIP, LIMITED LIABILITY AND CORPORATE FRANCHISEES

If you or any successor thereof is a partnership, limited liability company, corporation or other limited liability entity, or if the franchise granted hereunder is assigned to such an entity pursuant to Article 15 hereof:

(a) upon the execution of this Agreement (or, in the case of an assignment, upon such assignment) and subject to the provisions of Article 15 hereof, upon each transfer of an interest in this Agreement or in you, all holders of an interest in you shall execute a written agreement with TOMMY's in the form required by TOMMY's individually undertaking to be bound, jointly and severally, by all of the terms of this Agreement;

(b) the organizational documents and governing documents shall recite that the issuance and transfer of any interest therein is restricted by the terms of Article 15 of this Agreement and copies thereof shall be furnished to TOMMY's at our request. You shall also submit to TOMMY's, at any time upon request, a list of all directors, officers, managers and partners or beneficial equity holders reflecting their respective interests in you and other information regarding you, in such form as we may require; and

(c) you, if you are a corporation, shall maintain stop transfer instructions against the transfer on your records of any securities with voting rights subject to the restrictions of Article 15 hereof and shall issue no such securities, nor permit any issued securities to remain outstanding, upon the face of which the following printed legend does not legibly and conspicuously appear: "The transfer of the shares represented by this certificate is subject to the terms and conditions of a Franchise Agreement with TOMMY'S EXPRESS LLC dated _____."

ARTICLE 17

TAXES, PERMITS AND INDEBTEDNESS

17.1 Responsibility for Taxes

You shall be solely responsible for all expenses of the business franchised by this Agreement and shall promptly pay when due all taxes levied or assessed and all indebtedness to TOMMY's or to others incurred by you in connection with the conduct of such business.

In addition to Royalty Fees, we have the right to collect from you the cost of all income taxes, sales taxes and other taxes arising as a result of our licensing of intellectual property to you in the state where your Tommy's Business is located, as well as any assessment on the Royalty Fees, and any other income we receive from you. This fee is payable with the Royalty Fees and only imposed if a state collects these taxes or assessments.

17.2 Compliance with Laws

You shall comply with all federal, provincial and local by-laws, rules and regulations, and shall timely obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the

business franchised by this Agreement, including, without limitation, licenses to do business, name registrations and sales tax permits.

17.3 Notice of Litigation

You shall notify TOMMY's in writing within five (5) days of the commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other government instrumentality which may adversely affect the operation or financial condition of the business associated with the Tommy's Business.

ARTICLE 18 **CUSTOMER RELATIONS**

18.1 Cooperation

You shall cooperate with TOMMY's and all other franchisees of ours in promoting good public and customer relations with the public generally and with customers and potential customers of the Tommy's Business. You shall comply with all of our policies relating to customer service, including, but not limited to, our policies relating to customer refunds and satisfaction.

18.2 Notice to Us

You shall forthwith forward to TOMMY's copies of all correspondence received from customers containing complaints or compliments regarding service received or products purchased from you or from any other franchisee of ours.

18.3 Customer Complaints

You shall promptly advise and provide TOMMY's with copies of all complaints received from customers. We shall be entitled to respond to any customer complaints or to require you to respond to any customer complaints.

ARTICLE 19 **RELATIONSHIP AND INDEMNIFICATION**

19.1 Independent Parties

This Agreement is purely a contractual relationship between the parties and does not appoint or make you an agent, legal representative, joint venturer, partner, employee, servant or independent contractor of ours for any purpose whatsoever. You may not represent or imply to third parties that you are an agent of ours, and you are in no way authorized to make any contract, agreement, warranty or representation on our behalf, or to create any obligation, express or implied, on our behalf. During the term of this Agreement, and any extension or renewal hereof, you shall hold yourself out to the public only as a franchisee and an independent owner of the Franchised Business operating the Franchised Business pursuant to a franchise from us.

You understand and agree that you are and will be our independent contractor under this Agreement. Nothing in this Agreement may be construed to create a partnership, joint venture, agency, employment or fiduciary relationship of any kind. None of your employees will be considered to be our employees. Neither you nor any of your employees whose compensation you pay may in any way, directly or indirectly, expressly or by implication, be construed to be our employee for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. We will not

have the power to hire or fire your employees. You expressly agree, and will never contend otherwise, that our authority under this Agreement to certify certain of your employees for qualification to perform certain functions for your Franchised Business does not directly or indirectly vest in us the power to hire, fire or control any such employee.

You acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities and elements of your Franchised Business and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement, whether set forth in our Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Franchised Business, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your Tommy's Business .

You may not, without our prior written approval, have any power to obligate us for any expenses, liabilities or other obligations, other than as specifically provided in this Agreement. Except as expressly provided in this Agreement, we may not control or have access to your funds or the expenditure of your funds or in any other way exercise dominion or control over your Tommy's Express Business. Except as otherwise expressly authorized by this agreement, neither party will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between us and you is other than that of franchisor and franchisee. We do not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement. We will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to your operation of the Tommy's Express Business

19.2 Sole and Exclusive Employer of Your Employees

You hereby irrevocably affirm, attest and covenant your understanding that your employees are employed exclusively by you and in no fashion are any such employee employed, jointly employed or co-employed by us. You further affirm and attest that each of your employees is under the exclusive dominion and control of you and never under the direct or indirect control of us in any fashion whatsoever. You alone hire each of your employees; sets their schedules; establishes their compensation rates; and, pays all salaries, benefits and employment-related liabilities (workers' compensation insurance premiums/payroll taxes/Social Security contributions/ unemployment insurance premiums). You alone have the ability to discipline or terminate your employees to the exclusion of us, which has no such authority or ability. You further attest and affirm that any minimum staffing requirements established by us are solely for the purpose of ensuring that your Tommy's Express Business is at all times staffed at those levels necessary to operate your Tommy's Express Business in conformity with the System and the products, services, standards of quality and efficiency, and other Tommy's Express brand attributes known to and desired by the consuming public and associated with the Proprietary Marks. You affirm, warrant and understand that you may staff your Tommy's Express Business with as many employees as you desire at any time so long as our minimal staffing levels are achieved. You also affirm and attest that any recommendations you may receive from us regarding salaries, hourly wages or other compensation for employees are recommendations only, designed to assist it to efficiently operate your Tommy's Express Business, and that you are entirely free to disregard our recommendations regarding such employee compensation. Moreover, you affirm and attest that any training provided by us for your employees is geared to impart to those employees, with your ultimate authority, the various procedures, protocols, systems and operations of a Tommy's Express Business and in no fashion reflects any employment relationship between us and such employees. Finally, should it ever be asserted that we are the employer, joint employer or co-employer of any of your employees in any private

or government investigation, action, proceeding, arbitration or other setting, you irrevocably agree to assist us in defending said allegation, including (if necessary) appearing at any venue requested by us to testify on our behalf (and, as may be necessary, submitting itself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that we are the employer, joint employer or co-employer of any of your employees). To the extent we are the only named party in any such investigation, action, proceeding, arbitration or other setting to the exclusion of you, should any such appearance by you be required or requested by us, we will recompense you the reasonable costs associated with your appearing at any such venue.

19.3 You are Not Authorized

You understand and agree that nothing in this Agreement authorizes you or any of the Controlling Principals to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and that we shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of you or any of the Controlling Principals or any claim or judgment arising therefrom.

19.4 Indemnification by Us

We shall, during the term of this Agreement only, indemnify you and hold you harmless from and against all expenses and costs (including your attorney and customer costs, travel, investigation and living expenses and witness fees, but not for lost business or any type of damages, including, but not limited to, consequential, punitive and incidental damages) for which you are held liable or which you incur in the defense of any litigation commenced against you as a direct result of your proper use of the Proprietary Marks in accordance herewith, provided that you have timely notified TOMMY's of such litigation or threatened litigation. We shall have the right to participate in and to control such litigation or proceeding (including the right to compromise or settle such litigation or proceeding) to the extent that we deem necessary or advisable, and you shall fully cooperate with TOMMY's and execute such documents and do such acts and things as, in our opinion, may be necessary.

19.5 Indemnification by You

You shall, during the term of this Agreement and after the termination or expiration of this Agreement and in addition to your obligations contained in Article 11 hereof, indemnify TOMMY's and our officers, directors and employees, and hold them harmless from and against all damages, losses, claims, actions, liability, expenses and costs for which they are held liable or which they incur (including attorneys' fees, travel, investigation and living expenses of employees and witness fees) in any litigation or proceeding as a result of or arising out of:

- (a) a breach by you of this Agreement, or any other lease, sublease, agreement or contract to which we or our affiliates and you are parties;
- (b) any injury to, or loss of property of, any person in or on the Premises;
- (c) your taxes, liabilities, costs or expenses of your business;
- (d) losses, claims or damages incurred by persons, other than you, due to errors or omissions contained in financial statements prepared by you pursuant to Article 4 hereof, even if caused by the negligence of you, your employees, agents, contractors, or others for whom you are, in law, responsible;

(e) any negligent or willful act or omission of you, your employees, agents, servants, contractors or others for whom you are, in law, responsible; and

(f) any advertising or promotional material distributed, broadcast or in any way disseminated by you or on your behalf, unless such material has been produced or approved in writing by TOMMY's.

ARTICLE 20

SECURITY INTERESTS

20.1 Collateral

You grant to TOMMY's a security interest ("Security Interest") in all of the furniture, fixtures, equipment, signage, and realty (including your interests under all real property and personal property leases) of the Tommy's Business, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Tommy's Business. All items in which a security interest is granted are referred to as the "Collateral".

20.2 Indebtedness Secured

The Security Interest is to secure payment of the following (the "Indebtedness"):

- (a) All amounts due under this Agreement or otherwise by you;
- (b) All sums which we may, at our option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness;
- (c) All expenses, including reasonable attorneys' fees, which we incur in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting our rights under the Security Interest and this Agreement; and
- (d) All other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and indebtedness of you to TOMMY's or third parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not you execute any extension agreement or renewal instruments.

Our security interest, as described herein, shall be subordinated to any financing related to your operation of the Tommy's Business, including, but not limited to, a real property mortgage and equipment leases.

20.3 Additional Documents

You will from time to time as required by TOMMY's join with TOMMY's in executing any additional documents and one or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to TOMMY's.

20.4 Possession of Collateral

Upon default and termination of your rights under this Agreement, we shall have the immediate right to possession and use of the Collateral.

20.5 Our Remedies in Event of Default

You agree that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at our option and without notice, become due and payable immediately, and we shall then have the rights, options, duties, and remedies of a secured party under, and you shall have the rights and duties of a debtor under, the Uniform Commercial Code of Michigan (or other applicable law), including, without limitation, our right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by TOMMY's in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to you pursuant to the notice provisions set forth above.

20.6 Special Filing as Financing Statement

This Agreement shall be deemed a Security Agreement and a Financing Statement. This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

ARTICLE 21

DISPUTE RESOLUTION

21.1 Mediation and Arbitration

(a) We and you acknowledge that during the term of this Agreement disputes may arise between the parties that may be resolvable through mediation. To facilitate such resolution, we and you agree that each party shall submit the dispute between them for non-binding mediation at a mutually agreeable location before commencing an arbitration proceeding under Section 21.1(c). If we and you cannot agree on a location, the mediation will be conducted in the county where we have our headquarters. The mediation will be conducted by one (1) mediator who is appointed under the American Arbitration Association's Commercial Mediation Rules and who shall conduct the mediation in accordance with such rules. We and you agree that statements made by TOMMY's, you or any other party in any such mediation proceeding will not be admissible in any arbitration or other legal proceeding. Each party shall bear its own costs and expenses of conducting the mediation and share equally the costs of any third parties who are required to participate in the mediation.

(b) If any dispute between the parties cannot be resolved through mediation within forty-five (45) days following the appointment of the mediator, the parties agree to submit such dispute to arbitration subject to the terms and conditions of Section 21.1(c).

(c) Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation or mediation will be settled by binding arbitration within five (5) miles of our headquarters under the authority of Michigan Statutes. The arbitrator(s) will have a minimum of five (5) years' experience in franchising or distribution law and will have the right to award specific performance of this Agreement. If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the Michigan Statutes. The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration

provision or the Michigan Statutes. The decision of the arbitrator(s) will be final and binding on all parties. This Section will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement.

21.2 Litigation, Waiver of Jury Trial; Limitation of Damages, etc.

The parties agree that any litigation between you and TOMMY's (and/or involving any principal of yours or which could be brought by you or on your behalf and including matters involving any of our related entities or otherwise), whether involving any litigation, dispute, controversy, claim, proceeding or otherwise between or involving you and TOMMY's or otherwise, will be held exclusively before a court in the most immediate state or federal judicial district and court encompassing our headquarters and having subject matter jurisdiction, the parties consenting to the exclusive jurisdiction of such court(s) and WAIVING ALL RIGHTS TO TRIAL BY JURY.

THE PARTIES AGREE THAT IN ANY LITIGATION BETWEEN US AND YOU (AND/OR ANY PRINCIPAL OF YOURS OR WHICH COULD BE BROUGHT BY YOU OR ON YOUR BEHALF) THE PARTIES KNOWINGLY WAIVE ALL RIGHTS TO TRIAL BY JURY. IN ANY ARBITRATION, LITIGATION OR OTHERWISE, THE PARTIES WAIVE ALL RIGHTS TO PUNITIVE, EXEMPLARY, MULTIPLE, PAIN-AND-SUFFERING, MENTAL DISTRESS OR SIMILAR DAMAGES AND AGREE THAT THE PARTIES MAY ONLY RECOVER ACTUAL FINANCIAL LOSSES.

21.3 Prior Notice of Claims by You

Prior to your taking any legal or other action against TOMMY's, whether for arbitration, damages, injunctive, equitable or other relief (including but not limited to rescission) and whether by way of claim, counterclaim, cross-complaint, raised as an affirmative defense or otherwise, based on any alleged act or omission of ours, you will first give TOMMY's sixty (60) days' prior written notice and opportunity to cure such alleged act or omission.

21.4 Periods In Which to Make Claims

21.4.1 The parties agree that, except as provided below, no arbitration proceeding, action or suit (whether by way of claim, counterclaim, cross-complaint, raised as an affirmative defense or otherwise) by either party will lie against the other (nor will any action or suit by you against any person and/or entity affiliated with TOMMY's), whether for damages, rescission, injunctive or any other legal and/or equitable relief, in respect of any alleged breach of this Agreement, or any other claim of any type, unless such party will have commenced such arbitration proceeding, action or suit before the expiration of the earlier of:

(a) One hundred eighty (180) days after the date upon which the state of facts giving rise to the cause of action comes to the attention of, or should reasonably have come to the attention of, such party; or

(b) One (1) year after the initial occurrence of any act or omission giving rise to the cause of action, whenever discovered.

21.4.2 Notwithstanding the foregoing limitations, where any federal, state or provincial law provides for a shorter limitation period than above described, whether upon notice or otherwise, such shorter period will govern.

21.4.3 The foregoing limitations may, where brought into effect by our failure to commence an action within the time periods specified, operate to exclude our right to sue for damages but will in no case, even upon expiration or lapse of the periods specified or referenced above, operate to prevent TOMMY's from terminating your rights and our obligations under this Agreement as provided herein and under applicable law nor prevent TOMMY's from obtaining any appropriate court judgment, order or otherwise which enforces and/or is otherwise consistent with such termination.

21.4.4 The foregoing limitations shall not apply to our claims arising from or related to: (1) your under-reporting of revenue; (2) your under-payment or non-payment of any amounts owed to TOMMY's or any affiliated or otherwise related entity; (3) indemnification by you; (4) your confidentiality, non-competition or other exclusive relationship obligations; and/or (5) your unauthorized use of the Proprietary Marks.

21.5 Withholding Consent

In no event will you make any claim, whether directly, by way of setoff, counterclaim, defense or otherwise, for money damages or otherwise, by reason of any withholding or delaying of any consent or approval by TOMMY's. Your sole remedy for any such claim is to submit it to mediation and arbitration as described in this Agreement and, if mediation fails to resolve such matter, for the arbitrator to order TOMMY's to grant such consent.

21.6 Injunctive Relief

Notwithstanding anything to the contrary contained in this Article 21, we and you each have the right, in a proper case, to seek injunctions, restraining orders and orders of specific performance from a court of competent jurisdiction, provided that we agree to contemporaneously submit our dispute for arbitration on the merits as provided herein.

You agree that we will not be required to post a bond to obtain any injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction if warranted upon due hearing. All claims for damages by reason of the wrongful issuance of such injunction are hereby expressly waived. If we secure any such injunction or order of specific performance, you agree to pay to TOMMY's an amount equal to the aggregate of our costs of obtaining such relief including, without limitation, reasonable legal fees, costs and expenses as provided in this Section and any damages incurred by TOMMY's as a result of the breach of any such provision.

21.7 Applicable Law

This Agreement shall be interpreted and construed under the laws of the State of Michigan except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 et seq.).

ARTICLE 22 **GENERAL**

22.1 Survival and Construction

Each provision of this Article 22, together with the provisions of Article 21, will be deemed to be self-executing and continue in full force and effect subsequent to and notwithstanding the expiration, termination, setting aside, cancellation, rescission, unenforceability or otherwise of this Agreement (or any part of it) for any reason, will survive and will govern any claim for rescission or otherwise. Each provision of this Agreement will be construed as independent of, and severable from, every other provision; provided that if any part of this Agreement is deemed unlawful in any way, the parties agree that such provision will

be deemed interpreted and/or modified to the minimum extent necessary to make such provision lawful or, if such construction is not permitted or available, the remainder of this Agreement will continue in full force and effect. Each party reserves the right to challenge any law, rule or judicial or other construction which would have the effect of varying or rendering ineffective any provision of this Agreement.

22.2 Costs and Attorneys' Fees

Except as expressly provided otherwise in this Agreement with respect to appeal of an arbitration award, each party shall be responsible to pay its own costs of enforcement and/or defense (including but not limited to attorneys' fees) in any claim or dispute between the parties (including your and/or our affiliates, related persons/entities, etc.).

22.3 Validity and Execution

This Agreement will become valid when executed and accepted by TOMMY's at our headquarters.

22.4 Binding Effect

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

22.5 Construction

Nothing in this Agreement is intended, nor will be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto. Except where this Agreement expressly provides otherwise, we have the right to condition, withhold and/or refuse, in our sole and absolute discretion, any request by you and our approval of, or consent to, any action or omission by you. The headings of the several articles and sections hereof are for convenience only and do not define, limit, or construe the contents of such articles or sections. The term "attorneys' fees" will include, without limitation, legal fees, whether incurred prior to, in preparation for or in contemplation of the filing of any written demand or claim, action, hearing or proceeding to enforce the obligations of this Agreement. References to a "controlling interest" in you will mean more than fifty percent (50%) of the voting control of you, if you are a corporation or limited liability company, and any general partnership interest, if you are a partnership. The term "Franchisee" as used herein is applicable to one or more persons, a corporation or a partnership, as the case may be. The singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If two (2) or more persons are at any time you hereunder, whether or not as partners or joint venturers, their obligations and liabilities to TOMMY's will be joint and several. This Agreement will be executed in multiple copies, each of which will be deemed an original. Each of the provisions of this Article 21 shall apply to any claim brought (or which could be brought) by any principal of yours or by or on your behalf.

22.6 Joint and Several

If two (2) or more parties shall sign or be subject to the terms and conditions of this Agreement as Franchisee, the liability of each such party to make the payments to be made and to perform all other obligations to be performed under or pursuant to this Agreement shall be deemed to be joint and several. A breach hereof of one (1) such party or you shall be deemed to be a breach of both or all.

22.7 Rights Cumulative

No right or remedy conferred upon or reserved to TOMMY's or you by this Agreement is intended to be, nor shall such right or remedy be deemed to be, exclusive of any other right or remedy herein or by law or equity provided or permitted and each shall be cumulative of every other right or remedy.

22.8 Entire Agreement and Amendments

This Agreement, the Schedules and Attachments hereto and any documents incorporated by reference herein, contain the entire understanding and agreement of the parties hereto concerning the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions with respect to the subject matter hereof, whether oral or written; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by TOMMY's in the Disclosure Document that was furnished to you by TOMMY's. Except as provided herein, you acknowledge and agree that there are no warranties, representations, statements, promises or inducements, express or implied, or collateral, whether oral or written, about this Agreement by TOMMY's or our officers, directors, shareholders, employees or agents that are contrary to the terms of this Agreement or the documents referred to herein. Nothing in this or any related agreement, however, is intended to disclaim the representations made by Franchisor in the Franchise Disclosure Document that was furnished to Franchisee by Franchisor.

22.9 Non-Waiver

No waiver by TOMMY's of any breach, failure or default in performance by you and no failure, refusal or neglect of ours to exercise any right hereunder or to insist upon strict compliance with or performance of your obligations hereunder shall constitute a waiver of the provisions of this Agreement with respect to any subsequent breach, failure or default and shall not constitute a waiver by TOMMY's of rights at any time or thereafter to require strict compliance with the provisions hereof.

22.10 Invalid Provisions; Substitution of Valid Provisions

If any provision of this Agreement relating to the payment of fees to TOMMY's, to non-competition during the term of this Agreement, or to the preservation of any of the Proprietary Marks or confidential information disclosed pursuant to this Agreement is declared invalid or unenforceable, and if, as a result, we believe in our sole opinion that the continuation of this Agreement would not be in the best interests of the System, we have the right to terminate this Agreement on written notice to you. If any state or federal law requires renewal of this Agreement, you agree to enter into our then-current form of Franchise Agreement. To the extent that any restrictive covenant contained in this Agreement is deemed unenforceable because of its scope in terms of area, business activity prohibited, or length of time, you agree that the invalid provision will be deemed modified or limited to the extent or manner necessary to make that particular provision valid and enforceable to the greatest extent possible in light of the intent of the parties expressed in that provision under the laws applied in the forum in which we are seeking to enforce it.

If any lawful requirement or court order of any jurisdiction (1) requires a greater advance notice of the termination or non-renewal of this Agreement than is required under this Agreement, or the taking of some other action which is not required by this Agreement, or (2) makes any provision of this Agreement or any specification, standard or operating procedures prescribed by TOMMY's invalid or unenforceable, the advance notice and/or other action required or revision of the specification, standard or operating procedure will be substituted for the comparable provisions of this Agreement in order to make the modified provision enforceable to the greatest extent possible. You agree to be bound by the modification to the greatest extent lawfully permitted.

22.11 Time of Essence

Time shall be of the essence in this Agreement.

22.12 Gender

Whenever a personal pronoun is used herein, it is understood that such usage shall include both singular and plural, masculine, feminine and neuter, and refer in appropriate cases to corporations or other legal entities as well as to individuals.

22.13 Notice

All notices and reports to TOMMY's or you, if not personally served, shall be deemed so delivered one (1) business day after sending by facsimile or comparable electronic system or two (2) business days after deposit with Federal Express or a comparable overnight courier company or five (5) business days after being placed in the U.S. mail by Registered or Certified Mail, return receipt requested. All notices shall be sent postage prepaid and addressed to the respective party as follows, or as either party may from time to time designate in writing:

To Franchisor at: TOMMY'S EXPRESS LLC
240 East 8th Street
Holland, Michigan 49423
Attention: Ryan Essenburg, President
ryane@tommycarwash.com

with a copy to: Spadea Lignana LLC
Harold L. Kestenbaum, Esq.
175 Broadhollow Road, Suite 175
Melville, New York 11747
hkestenbaum@spadealaw.com

To the Franchisee at: _____

22.14 Impossibility of Performance

Notwithstanding anything to the contrary contained in this Agreement, if either party hereto is bona fide delayed or hindered in or prevented from the performance of any term, covenant or act required hereunder by reason of strikes, labor troubles, inability to procure materials or services, power failure, restrictive governmental laws or regulations, riots, insurrection, sabotage, acts of God or other reasons beyond the control of such party, whether all of a like nature or not, which is not the fault of the party delayed in performing work or doing acts required under the terms of this Agreement, then the performance of such term, covenant or act is excused for the period of the delay and the party so delayed shall be entitled to perform such term, covenant or act within the appropriate time period after the expiration of the period of such delay. However, the provisions of this Section shall not in any way operate to excuse you from the prompt payment of any fees or other sums required to be paid to TOMMY's or our affiliates by the terms of this Agreement, or from the prompt performance of any of your other obligations hereunder where such prompt performance is delayed, hindered or prevented by reason of lack of funds.

22.15 Further Assurances

Each of the parties covenants and agrees to execute and deliver such further and other agreements, assurances, undertakings, acknowledgments or documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence and do and perform and cause to be done and performed any further and other acts and things as may be necessary or desirable in order to give full effect

to this Agreement and every part hereof. You shall, within the time and from time to time forthwith upon our request, provide TOMMY's with a statutory declaration confirming any matter provided for in this Agreement. You shall, at any time and from time to time forthwith upon our request, provide TOMMY's with access to your corporate records to confirm your compliance with the terms of this Agreement.

22.16 Enforcement

You acknowledge that your failure to comply herewith could cause TOMMY's irreparable harm which may not be compensable by way of damages, and, therefore, we shall be entitled to apply to a court of competent jurisdiction to have ourselves appointed as the receiver of your business and to obtain (without bond) declarations, temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement relating to your use of the Proprietary Marks, relating to your obligations upon termination or expiration of this Agreement, and relating to assignment of the franchise hereunder and ownership interests in you, and to prohibit any act or omission by you or your employees that constitutes a violation of any applicable law, by-law or regulation, is dishonest or misleading to your customers or prospective customers, or constitutes a danger to employees, customers, or to the public, or which may impair the goodwill associated with the Proprietary Marks. If we secure any such injunction, declaration or order of specific performance, you agree to pay to TOMMY's any damages incurred by TOMMY's as a result of your breach of any provision, our full attorneys' fees and all expenses we may have incurred to enforce this Agreement (including a reasonable allowance for our employees' time spent).

22.17 You May Not Withhold Payments

You agree that you will not, on grounds of an alleged non-performance by TOMMY's of any of our obligations or for any other reason, withhold payment of any amount due whatsoever to TOMMY's or our affiliates. No endorsement or statement on any check or payment of any sum less than the full sum due to TOMMY's shall be construed as an acknowledgment of payment in full or an accord and satisfaction, and we may accept and cash such check or payment without prejudice to our right to recover the balance due or pursue any other remedy provided herein or by law. We may apply any payments made by you as we may see fit. We may set off against any payment due by you to TOMMY's, and may, at our option, pay your trade creditors.

22.18 Changes and Modifications

You understand and agree that the System must not remain static if it is to meet (without limitation) presently unforeseen changes in technology, competitive circumstances, demographics, populations, consumer trends, societal trends and other marketplace variables, and if it is to best serve the interests of TOMMY's, you and all other franchisees. Accordingly, you expressly understand and agree that we may from time to time change the components of the System including, but not limited to, altering the products, programs, services, methods, standards, forms, policies and procedures of that System; abandoning the System altogether in favor of another system in connection with a merger, acquisition, other business combination or for other reasons; adding to, deleting from or modifying those products, programs and services which your Tommy's Business is authorized and required to offer; modifying or substituting entirely the building, premises, equipment, signage, trade dress, decor, color schemes and uniform specifications and all other unit construction, design, appearance and operation attributes which you are required to observe hereunder; and changing, improving, modifying or substituting the Proprietary Marks. You expressly agree to comply with any such modifications, changes, additions, deletions, substitutions or alterations.

You shall accept, use and effectuate any such changes or modifications to, or substitution of, the System as if they were part of the System at the time that this Agreement was executed.

We shall not be liable to you for any expenses, losses or damages sustained by you as a result of any of the modifications contemplated hereby. You hereby covenant not to commence or join in any litigation or other proceeding against TOMMY's or any third party complaining of any such modifications or seeking expenses, losses or damages caused thereby. Finally, you expressly waive any claims, demands or damages arising from or related to the foregoing activities including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

22.19 Compliance With Anti-Terrorism Laws

You and your owners agree to comply, and to assist TOMMY's to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your owners otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your owners, or any blocking of your or your owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement, as provided in Section 12.1 above.

22.20 Acknowledgments

YOU ACKNOWLEDGE THAT YOU HAVE CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS FRANCHISED HEREUNDER AND RECOGNIZE THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISKS AND THAT ITS SUCCESS WILL BE LARGELY DEPENDENT UPON YOUR ABILITY AS AN INDEPENDENT BUSINESSPERSON. WE EXPRESSLY DISCLAIM THE MAKING OF, AND YOU ACKNOWLEDGE THAT YOU HAVE NOT RECEIVED, ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS, OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT.

YOU ACKNOWLEDGE THAT YOU HAVE RECEIVED, READ, AND UNDERSTOOD THIS AGREEMENT, INCLUDING THE ATTACHMENTS HERETO; THAT WE HAVE FULLY AND ADEQUATELY EXPLAINED THE PROVISIONS OF EACH TO YOUR SATISFACTION; AND THAT WE HAVE ACCORDED YOU AMPLE TIME AND OPPORTUNITY TO CONSULT WITH ADVISORS OF YOUR OWN CHOOSING ABOUT THE POTENTIAL BENEFITS AND RISKS OF ENTERING INTO THIS AGREEMENT.

YOU ACKNOWLEDGE THAT YOU HAVE RECEIVED THE DISCLOSURE DOCUMENT REQUIRED BY THE TRADE REGULATION RULE OF THE FEDERAL TRADE COMMISSION ENTITLED "DISCLOSURE REQUIREMENT AND PROHIBITIONS CONCERNING FRANCHISING AND BUSINESS OPPORTUNITY VENTURES" AT LEAST FOURTEEN (14) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED OR ANY MONEY WAS PAID TO US OR ANY AFFILIATE.

YOU ARE AWARE OF THE FACT THAT SOME FRANCHISEES OF OURS MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENTS AND, CONSEQUENTLY, THAT OUR OBLIGATIONS AND RIGHTS IN RESPECT TO OUR VARIOUS FRANCHISEES MAY DIFFER MATERIALLY IN CERTAIN CIRCUMSTANCES.

YOU ACKNOWLEDGE THAT UNDER APPLICABLE U.S. LAW, INCLUDING, WITHOUT LIMITATION, EXECUTIVE ORDER 13224, SIGNED ON SEPTEMBER 23, 2001 ("ORDER"), WE ARE PROHIBITED FROM ENGAGING IN ANY TRANSACTION WITH ANY PERSON ENGAGED IN, OR WITH A PERSON AIDING ANY PERSON ENGAGED IN, ACT OF TERRORISM, AS DEFINED IN THE ORDER.

ACCORDINGLY, YOU REPRESENT AND WARRANT TO US THAT AS OF THE DATE OF THIS AGREEMENT, NEITHER YOU NOR ANY PERSON HOLDING ANY OWNERSHIP INTEREST IN YOU, CONTROLLED BY YOU, OR UNDER COMMON CONTROL WITH YOU IS DESIGNATED UNDER THE ORDER AS A PERSON WITH WHOM BUSINESS MAY NOT BE TRANSACTED BY US, AND THAT YOU (1) DO NOT, AND HEREAFTER SHALL NOT, ENGAGE IN ANY TERRORIST ACTIVITY; (2) ARE NOT AFFILIATED WITH AND DO NOT SUPPORT ANY INDIVIDUAL OR ENTITY ENGAGED IN, CONTEMPLATING, OR SUPPORTING TERRORIST ACTIVITY; AND (3) ARE NOT ACQUIRING THE RIGHTS GRANTED UNDER THIS AGREEMENT WITH THE INTENT TO GENERATE FUNDS TO CHANNEL TO ANY INDIVIDUAL OR ENTITY ENGAGED IN, CONTEMPLATING, OR SUPPORTING TERRORIST ACTIVITY, OR TO OTHERWISE SUPPORT OR FURTHER ANY TERRORIST ACTIVITY.

YOU FURTHER ACKNOWLEDGE THE TRUTHFULNESS OF THE STATEMENTS CONTAINED IN ATTACHMENT 7 HERETO. YOUR ACKNOWLEDGMENTS ARE AN INDUCEMENT FOR US TO ENTER INTO THIS AGREEMENT. YOU SHALL IMMEDIATELY NOTIFY US, PRIOR TO ACKNOWLEDGMENT, IF ANY STATEMENT IN ATTACHMENT 7 IS INCOMPLETE OR INCORRECT.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal as of the day and year first above written.

SIGNED, SEALED AND DELIVERED
in the presence of:

TOMMY'S EXPRESS LLC

WITNESS

By: _____
Name: _____
Title: _____

FRANCHISEE:

WITNESS

By: _____
Name: _____
Title: _____

ATTACHMENT 1 TO THE FRANCHISE AGREEMENT

PREMISES and TERRITORY

The Premises of the Tommy's Business shall be:_____

The Territory of the Tommy's Business shall be:_____

FRANCHISEE:

FRANCHISOR:

TOMMY'S EXPRESS, LLC

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

PRINCIPALS:

Name:_____

Name:_____

ATTACHMENT 2 TO THE FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned (“Assignor”) assigns, transfers and sets over to TOMMY’S EXPRESS LLC, a Michigan limited liability company (“Assignee”), all of Assignor’s right and title to and interest in that certain “Lease” a copy of which is attached as Exhibit A respecting premises commonly known as _____. This assignment is for collateral purposes only and except as specified in this document Assignee will have no liability or obligation of any kind whatsoever arising from or in connection with this assignment or the Lease unless and until Assignee takes possession of the premises the Lease demises according to the terms of this document and assumes Assignor’s obligations under the Lease.

Assignor represents and warrants to Assignee that it has full power and authority to assign the Lease and that Assignor has not previously assigned or transferred and is not otherwise obligated to assign or transfer any of its interest in the Lease or the premises it demises.

Upon Assignor’s default under the Lease or under the “Franchise Agreement” for a retail business between Assignee and Assignor or in the event Assignor defaults under any document or instrument securing the Franchise Agreement Assignee has the right to take possession of the premises the Lease demises and expel Assignor from the premises. In that event Assignor will have no further right and title to or interest in the Lease but will remain liable to Assignee for any past due rental payments or other charges Assignee is required to pay Lessor to effectuate the assignment this document contemplates.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without Assignee’s prior written consent. Throughout the term of the Franchise Agreement Assignor agrees that it will elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days before the last day upon which the option must be exercised unless Assignee agrees otherwise in writing. Upon Assignee’s failure to agree otherwise in writing and upon Assignor’s failure to elect to extend or renew the Lease as required Assignor appoints Assignee as its true and lawful attorney-in-fact with the authority to exercise the extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting the extension or renewal.

ASSIGNEE:

TOMMY’S EXPRESS LLC

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

ASSIGNOR:

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

CONSENT TO COLLATERAL ASSIGNMENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the Lease:

(a) Agrees to notify Assignee in writing of and upon Assignor's failure to cure any default by Assignor under the Lease;

(b) Agrees that Assignee will have the right, but not the obligation, to cure any default by Assignor under the Lease within thirty (30) days after Lessor's delivery of notice of the default under section (a) above;

(c) Consents to the Collateral Assignment and agrees that if Assignee takes possession of the premises the Lease demises and confirms to Lessor that it has assumed the Lease as tenant, Lessor will recognize Assignee as tenant under the Lease, provided that Assignee cures within the thirty (30) day period noted in section (b) above Assignor's defaults under the Lease; and

(d) Agrees that Assignee may further assign the Lease to or enter into a sublease with a person, firm or corporation who agrees to assume the tenant's obligations under the Lease and is reasonably acceptable to Lessor and that upon that assignment Assignee will have no further liability or obligation under the Lease as assignee, tenant or otherwise, other than to certify that the additional assignee or sublessee operates the premises the Lease demises as a Tommy's Business.

Dated: _____

_____, Lessor

ATTACHMENT 3 TO THE FRANCHISE AGREEMENT

**AUTHORIZATION TO HONOR CHARGES DRAWN BY AND
PAYABLE TO TOMMY'S EXPRESS LLC ("COMPANY")**

Depositor hereby authorizes and requests _____ (the "Depository") to initiate debit and deposit entries to Depositor's ☐ checking or ☐ savings account (select one) indicated below, drawn by and payable to the order of TOMMY'S EXPRESS LLC, by Electronic Funds Transfer, provided there are sufficient funds in said account to pay the amount upon presentation. Company is authorized to make deposits to Depositor's account.

Depositor agrees that the Depository's rights with respect to each debit charge shall be the same as if it were a check drawn by the Depository and signed by Depositor. Depositor further agrees that if any such charge is dishonored, whether with or without cause and whether intentionally or inadvertently, the Depository shall be under no liability whatsoever.

Depository Name: _____

City: _____ State: _____ Zip Code: _____

Transit/ABA Number: _____ Account Number: _____

This authority is to remain in full force and effect until Company has received written notification from me (or either of TOMMY's) of its termination in such time and in such manner to afford Company and Depository a responsible opportunity to act on such request.

Depositor: (Please Print)

Date Signed

Signature(s) of Depositor, as Printed Above

Please attach a voided blank check, for purposes of setting up Bank and Transit Numbers.

ATTACHMENT 4 TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT **(for trained employees, owners, shareholders, officers, directors, general partners, members and managers of Franchisee)**

In consideration of my being a _____ of _____ (“Franchisee”), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. Pursuant to a Franchise Agreement dated _____, 20____ (the “Franchise Agreement”), Franchisee has acquired the right and franchise from TOMMY’S EXPRESS LLC (the “Company”) to establish and operate a Tommy’s Business (the “Franchised Business”) and the right to use in the operation of the Franchised Business the Company’s trade names, service marks, trademarks, logos, emblems, and indicia of origin (the “Proprietary Marks”), as they may be changed, improved and further developed from time to time in the Company’s sole discretion, only at the following authorized and approved location: _____ (the “Approved Location”).

2. The Company, as the result of the expenditure of time, skill, effort and resources has developed and owns a distinctive format and system (the “System”) relating to the establishment and operation of Franchised Businesses, which feature and offer for sale to the public car washing and detailing products and services. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes certain proprietary trade secrets, methods, techniques, formats, specifications, systems, procedures, methods of business practices and management, sales and promotional techniques and knowledge of, and experience in, the operation of the Franchised Business (the “Confidential Information”).

3. Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

4. As _____ of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me training programs, the Company’s Confidential Operations Manuals (the “Manuals”), and other general assistance during the term of the Franchise Agreement.

5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term of the Franchise Agreement, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as _____ of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

7. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, either directly or indirectly for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any retail business or e-commerce business which: (a) is the same as, or substantially similar to, a Franchised Business; or (b) offers to sell or sells any products or services which are the same as, or substantially similar to, any of the products and services offered by a Franchised Business (a "Competitive Business"); and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for termination, or upon the expiration, termination, transfer, or assignment of the Franchise Agreement, whichever occurs first, and continuing for two (2) years thereafter, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any Competitive Business that is, or is intended to be, located at or within:

7.1 The Territory, as defined in the Franchise Agreement;

7.2 Twenty (20) miles of the Territory; or

7.3 Twenty (20) miles of any Franchised Business operating under the System and the Proprietary Marks.

The prohibitions in this Paragraph 7 do not apply to my interests in or activities performed in connection with a Franchised Business. This restriction does not apply to my ownership of less than five percent (5%) beneficial interest in the outstanding securities of any publicly held corporation.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

9. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

10. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate or justify any violation of this Agreement.

11. This Agreement shall be construed under the laws of the State of Michigan. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

Signature

Name

Address

Title

ACKNOWLEDGED BY FRANCHISEE

By: _____

Name: _____

Title: _____

ATTACHMENT 5 TO THE FRANCHISE AGREEMENT

INTERNET ADVERTISING, SOCIAL MEDIA AND TELEPHONE ACCOUNT AGREEMENT

THIS INTERNET ADVERTISING, SOCIAL MEDIA AND TELEPHONE ACCOUNT AGREEMENT (the “Agreement”) is made and entered into this day of _____ (the “Effective Date”) by and between Tommy’s Express, LLC, a Michigan limited liability company (the “Franchisor”), and _____, a _____ (the “Franchisee”).

WHEREAS, Franchisee desires to enter into a franchise agreement with Franchisor for a Tommy’s Express car wash business (“Franchise Agreement”) which will allow Franchisee to conduct internet-based advertising, maintain social media accounts, and use telephone listings linked to the Tommy’s Express brand.

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee’s agreement to enter into, comply with, and be bound by all the terms and provisions of this Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions**

All terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Franchise Agreement. “Termination” of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **Internet Advertising and Telephone Accounts**

2.1 **Interest in Websites, Social Media Accounts and Other Electronic Listings.** Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of Franchise Agreement, certain right, title, or interest in and to certain domain names, social media accounts, hypertext markup language, uniform resource locator addresses, access to corresponding internet websites, and the right to hyperlink to certain websites and listings on various internet search engines (collectively, “Electronic Advertising”) related to the Franchised Business or the Marks.

2.2 **Interest in Telephone Numbers and Listings.** Franchisee has or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, internet page, and other telephone directory listings (collectively, the “Telephone Listings”) related to the Franchised Business or the Marks.

2.3 **Transfer.** On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately:

2.3.1 direct all internet service providers, domain name registries, internet search engines, social media companies, and other listing agencies (collectively, the “Internet Companies”) with which Franchisee has Electronic Advertising: (i) to transfer all of Franchisee’s interest in such Electronic Advertising to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Electronic

Advertising, Franchisee will immediately direct the Internet Companies to terminate such Electronic Advertising or will take such other actions with respect to the Electronic Advertising as Franchisor directs; and

2.3.2 direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the “Telephone Companies”) with which Franchisee has Telephone Listings: (i) to transfer all Franchisee’s interest in such Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Listings or will take such other actions with respect to the Telephone Listings as Franchisor directs.

2.4 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor’s benefit under the Franchise Agreement and this Agreement or otherwise, with full power of substitution, as Franchisee’s true and lawful attorney-in-fact with full power and authority in Franchisee’s place and stead, and in Franchisee’s name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.4.1 Direct the Internet Companies to transfer all Franchisee’s interest in and to the Electronic Advertising to Franchisor, or alternatively, to direct the Internet Companies to terminate any or all of the Electronic Advertising;

2.4.2 Direct the Telephone Companies to transfer all Franchisee’s interest in and to the Telephone Listings to Franchisor, or alternatively, to direct the Telephone Companies to terminate any or all of the Telephone Listings; and

2.4.3 Execute such standard assignment forms or other documents as the Internet Companies and/or Telephone Companies may require in order to affect such transfers or terminations of Franchisee’s interest.

2.5 Certification of Termination. Franchisee hereby directs the Internet Companies and Telephone Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor’s written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.6 Cessation of Obligations. After the Internet Companies and the Telephone Companies have duly transferred all Franchisee’s interests as described in paragraph 2.3 above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations with respect to the particular Electronic Advertising and/or Telephone Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies and Telephone Companies for the respective sums Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.

3. **Miscellaneous**

3.1 **Release.** Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and/or Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertible in, or in any way related to this Agreement.

3.2 **Indemnification.** Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Agreement.

3.3 **No Duty.** The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's interest in any matter hereunder.

3.4 **Further Assurances.** Franchisee agrees that at any time after the date of this Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Agreement.

3.5 **Successors, Assigns, and Affiliates.** All Franchisor's rights and powers, and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Agreement.

3.6 **Effect on Other Agreements.** Except as otherwise provided in this Agreement, all provisions of the Franchise Agreement and attachments and schedules thereto shall remain in effect as set forth therein.

3.7 **Survival.** This Agreement shall survive the Termination of the Franchise Agreement.

3.8 **Governing Law.** This Agreement shall be governed by and construed under the laws of the State of Michigan, without regard to the application of Michigan conflict of law rules.

-Remainder of Page Intentionally Blank-

The undersigned have executed or caused their duly authorized representatives to execute this Internet Advertising, Social Media and Telephone Account Agreement as of the Effective Date.

FRANCHISEE:

FRANCHISOR:

TOMMY’S EXPRESS, LLC

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

ATTACHMENT 6 TO THE FRANCHISE AGREEMENT

**TRANSFER OF FRANCHISE TO A CORPORATION
OR LIMITED LIABILITY COMPANY**

This Transfer Agreement hereby amends that certain Franchise Agreement dated _____, 20__ between TOMMY'S EXPRESS LLC ("Franchisor") and _____ ("Franchisee").

The undersigned, an Officer, Director and Owner of a majority of the issued and outstanding voting stock of the corporation set forth below, or Members of the issued and outstanding Interests of the Limited Liability Company set forth below and the Franchisee of the Tommy's Business under a Franchise Agreement executed on the date set forth below, between himself or herself and Franchisor, granting him/her a franchise to operate at the location set forth below, and the other undersigned Directors, Officers and Shareholders of the Corporation, or the Members of the Limited Liability Company, who together with Franchisee constitute all of the Shareholders of the Corporation, or the Members of the Limited Liability Company, in order to induce Franchisor to consent to the assignment of the Franchise Agreement to the Corporation, or Limited Liability Company in accordance with the provisions of Article 15, agree as follows:

1. The undersigned Franchisee shall remain personally liable in all respects under the Franchise Agreement and all the other undersigned Officers, Directors and Shareholders of the Corporation, or the Members of the Limited Liability Company, intending to be legally bound hereby, agree jointly and severally to be personally bound by the provisions of the Franchise Agreement including the restrictive covenants contained in Article 14 thereof, to the same extent as if each of them were the Franchisee set forth in the Franchise Agreement and they jointly and severally personally guarantee all of the Franchisee's obligations set forth in said Agreement.

2. The undersigned agree not to transfer any stock in the Corporation or any interest in the Limited Liability Company without the prior written approval of the Franchisor and agree that all stock certificates representing shares in the Corporation, or all certificates representing interests in the Limited Liability Company shall bear the following legend:

"The shares of stock represented by this certificate are subject to the terms and conditions set forth in a Franchise Agreement dated _____, 20__, between and TOMMY'S EXPRESS LLC."

or

"The ownership interests represented by this certificate are subject to the terms and conditions set forth in a Franchise Agreement dated _____, 20__, between and TOMMY'S EXPRESS LLC."

3. _____ or his designee shall devote his best efforts to the day-to-day operation and development of the Franchised Tommy's Business.

4. _____ hereby agrees to become a party to and to be bound by all of the provisions of the Franchise Agreement executed on the date set forth below between Franchisee and Franchisor to the same extent as if it were named as the Franchisee therein.

Date of Franchise Agreement: _____

Location of Tommy's Business: _____

WITNESS:

As to Paragraph 3:

[Name]

As to Paragraph 4:

[Name]

ATTEST:

Name of Corp. or Limited Liability Company

By: _____ (SEAL)
Title: _____

In consideration of the execution of the above Agreement, TOMMY'S EXPRESS LLC hereby consents to the above referred to assignment on this _____ day of _____, 20____.

TOMMY'S EXPRESS LLC

By: _____
Name: _____
Title: _____

ATTACHMENT 7 TO THE FRANCHISE AGREEMENT

FRANCHISEE ACKNOWLEDGMENT STATEMENT

You hereby acknowledge the following:

1. You have conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of operating the Franchised Business. You further acknowledge that, except as may be set forth in our Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to you by us and you and any and all Principals hereby waive any claim against us for any business failure you may experience as a franchisee under this Agreement.

Initial

2. You have conducted an independent investigation of the business contemplated by this Agreement and understand and acknowledge that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of you and your efforts as an independent business operation.

Initial

3. You agree that no claims of success or failure have been made to you prior to signing the Franchise Agreement and that you understand all the terms and conditions of the Franchise Agreement. You further acknowledge that the Franchise Agreement contains all oral and written agreements, representations and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

Initial

4. You have no knowledge of any representations by us or our officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement that are contrary to the terms of the Franchise Agreement or the documents incorporated herein. You acknowledge that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement. You represent, as an inducement to our entry into this Agreement, that you have made no misrepresentations in obtaining the Franchise Agreement.

Initial

5. You expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement.

Initial

6. You acknowledge that our approval or acceptance of your Franchised Business' location does not constitute a warranty, recommendation or endorsement of the location for the Franchised Business, nor any assurance by us that the operation of the Franchised Business at the premises will be successful or profitable.

Initial

7. You acknowledge that you have received the Tommy's Express, LLC Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement was executed. You further acknowledge that you have read such Franchise Disclosure Document and understand its contents.

Initial

8. You acknowledge that you have had ample opportunity to consult with your own attorneys, accountants and other advisors and that the attorneys for us have not advised or represented you with respect to the Franchise Agreement or the relationship thereby created.

Initial

9. You, together with your advisers, have sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.

Initial

10. You are aware of the fact that other present or future franchisees of ours may operate under different forms of agreement(s), and consequently that our obligations and rights with respect to our various franchisees may differ materially in certain circumstances.

Initial

11. It is recognized by the parties that we are also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that we do not warrant that such products will not be sold within your Territory by others who may have purchased such products from us.

Initial

12. BY EXECUTING THE FRANCHISE AGREEMENT, YOU AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF YOUR AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE TOMMY'S EXPRESS, LLC, VQ, INC., AND ANY OF EITHER'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF.

Initial

Acknowledged this day of _____.

PRINCIPAL:

FRANCHISEE:

Signature

Name: _____

By: _____

Name: _____

Title: _____

EXHIBIT D TO THE DISCLOSURE DOCUMENT
MULTI-UNIT DEVELOPMENT AGREEMENT

TOMMY'S EXPRESS LLC

MULTI-UNIT DEVELOPMENT AGREEMENT

MULTI-UNIT DEVELOPER

DATE

TABLE OF CONTENTS

ARTICLE 1	2
DEVELOPMENT RIGHTS AND OBLIGATIONS.....	2
ARTICLE 2	3
GRANT OF FRANCHISES TO YOU	3
ARTICLE 3	3
DEVELOPMENT FEE	3
ARTICLE 4	4
TERMINATION BY US	4
ARTICLE 5	5
EFFECT OF TERMINATION AND EXPIRATION	5
ARTICLE 6	6
ASSIGNMENT	6
ARTICLE 7	8
ENFORCEMENT	8
ARTICLE 8	10
DISPUTE RESOLUTION	10
ARTICLE 9	12
INDEPENDENT CONTRACTORS; INDEMNIFICATION	12
ARTICLE 10	12
NOTICES AND PAYMENTS	12
ARTICLE 11	13
ACKNOWLEDGMENTS	13
ARTICLE 12	13
MISCELLANEOUS.....	13

Attachments

- 1 – Development Area and Development Fee
- 2 – Development Schedule
- 3 – Transfer to a Corporation or Limited Liability Company
- 4 –Multi-Unit Developer Acknowledgement Statement

MULTI-UNIT DEVELOPMENT AGREEMENT

THIS MULTI-UNIT DEVELOPMENT AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 20__ by and between Tommy's Express LLC, a Michigan limited liability company, with its principal office at 240 East 8th Street, Holland, Michigan, 49423 ("TOMMY'S", "we", "us" or "our"), and _____, a _____ whose principal address is _____ ("you" or "your").

W I T N E S S E T H:

WHEREAS, you have entered into a Franchise Agreement with TOMMY's dated _____, 20__ (hereinafter referred to as the "Franchise Agreement") to operate a business (the "Tommy's Express Business" or "Franchised Business") using our plan and a system of uniform standards, methods, procedures, specifications, merchandising and advertising (hereinafter referred to as the "System") for the operation of a business offering establishment, development, and operation of an ultra-modern car wash, that does business under the name and marks "Tommy's," or "Tommy's Express," featuring a distinctive acrylic roof and equipment arches; innovative systems, equipment and designs, such as a modular control station and; an optimized layout that includes a flight deck control center to reduce labor ("Approved Products and Services");

WHEREAS, we are the licensee of the owner of the Proprietary Marks specified in the Franchise Agreement, or as may be hereafter designated as a part of the System and not thereafter withdrawn, and which we may hereafter acquire or develop for use with the System; and

WHEREAS, you wish to obtain the rights and license from TOMMY's for the use of the System and Proprietary Marks and, in association therewith, to own and operate additional Tommy's Express Businesses in the area described in Exhibit "A" attached hereto (hereinafter referred to as the "Development Area") and you understand and accept the terms, conditions and covenants set forth herein as those which are reasonably necessary to maintain our high and uniform standards of quality and service in order to protect the goodwill and enhance the public image of the System and the Proprietary Marks; and

WHEREAS, we identify the System and the business conducted in accordance with the System under certain trademarks, service marks, logos, emblems, and indicia of origin (hereinafter "Proprietary Marks" or "Marks"), including, but not limited to, the names and mark "Tommy's," and "Tommy's Express," (each a "Franchise Level") along with other such trade names, service marks, and trademarks as may be designated now or hereafter by TOMMY's (in our Confidential Operations Manual or otherwise in writing) for use in connection with the System;

WHEREAS, you and we understand that although you are committing to develop a certain number of Tommy's Express Businesses at specific Franchise Levels, you shall not be restricted from developing Tommy's Express Businesses at a different Franchise Level if a suitable location is available at a different Franchise Level; provided, however, that all initial franchise fees and other fees applicable to the Franchise Level of the approved location shall be paid; and

WHEREAS, you acknowledge that you have read this Agreement and our Disclosure Document and that you understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain our high standards of quality and service and the uniformity of those standards at all Tommy's Express Businesses in order to protect and preserve the goodwill of the Proprietary Marks; and

WHEREAS, we expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any warranty or guarantee, express or implied, as to the revenues, profits or success of the business venture contemplated by this Agreement. You acknowledge that you have not received or relied on any representations, written or oral, about the franchise by TOMMY's, or our officers, directors, employees or agents, that are contrary to the statements made in our Disclosure Document or to the terms herein, and you further represent to us, as an inducement to our entry into this Agreement, that you have made no misrepresentations, written or oral, to TOMMY's in the application for the multi-unit development rights granted hereunder.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE 1

DEVELOPMENT RIGHTS AND OBLIGATIONS

1.1 Subject to the provisions contained herein, this Agreement shall be for a term commencing on the date hereof and expiring upon the opening of the last Tommy's Express Business to be developed hereunder according to the schedule provided in Exhibit B, attached hereto and incorporated herein by reference ("Development Schedule").

1.2 We retain the right, in our sole discretion and without granting any rights to you: (a) to own and operate, or to grant other persons the right to own and operate, Tommy's Express Businesses at such locations outside the Development Area, and on such terms and conditions as we deem appropriate in our sole discretion; and (b) to sell outside the Development Area the services and products authorized for Tommy's Express Businesses under the Proprietary Marks or other trademarks, service marks and commercial symbols through dissimilar channels of distribution and pursuant to such terms and conditions as we deem appropriate.

1.3 Provided you: (i) are in full compliance with the terms and conditions contained in this Agreement, including, without limitation, the development obligations contained in Section 1.4; and (ii) are in full compliance with all obligations under all Franchise Agreements heretofore or hereafter entered into with TOMMY's; then during the Development Schedule, we (1) will grant to you, in accordance with the provisions of Article 2 hereof, franchises for the ownership and operation of Franchised Businesses located within the Development Area; and (2) will not operate (directly or through an affiliate), nor grant a franchise for the operation of, any Franchised Business to be located within the Development Area, except such franchises as are granted to you.

1.4 You agree, during the term of this Agreement, that you will at all times faithfully, honestly and diligently perform your obligations hereunder and that you will continuously exert your best efforts to promote and enhance the development of Franchised Businesses within the Development Area. Without limiting the foregoing obligation, you agree to have developed within the Development Area the cumulative number of Franchised Businesses according to the Development Schedule. If you fail at any time to meet any Development Schedule, we shall have the right to terminate this Agreement by delivering a notice to you stating that we elect to terminate this Agreement as a result of such failure. Such termination shall be effective upon delivery of such notice of termination. Our right to terminate this Agreement shall be our sole and exclusive remedy for your failure to meet a Development Schedule.

1.5 You understand and acknowledge that (a) this Agreement does not confer upon you the right or license to use the Proprietary Marks or the System, which right and license may only be granted pursuant to a Franchise Agreement with us; and (b) you shall not open a Franchised Business to the public

unless and until a fully executed Franchise Agreement is in place for such Franchised Business and all initial fees have been paid to TOMMY's.

ARTICLE 2

GRANT OF FRANCHISES TO YOU

2.1 Subject to the provisions of Article 1 hereof, we agree to grant franchises to you for the operation of Tommy's Express Businesses located within the Development Area, subject to the following: you shall submit to TOMMY's a complete site report (containing such demographic, commercial, and other information and photographs as we may reasonably require) for each site at which you propose to establish and operate a Tommy's Express Business and which you reasonably believe to conform to site selection criteria established by TOMMY's from time to time. Such proposed site shall be subject to our prior written approval, which will not be unreasonably withheld. In approving or disapproving any proposed site, we will consider such matters as we deem material, including, without limitation, demographic characteristics of the proposed site, traffic patterns, density of population, and other commercial characteristics (including the purchase price or rental obligations and other lease terms for the proposed site) and the size of premises, appearance, and other physical characteristics.

2.2 By delivery of written notice to you, we will approve or disapprove sites proposed by you for the operation of a Franchised Business. We agree to exert our best efforts to deliver such notification to you within thirty (30) days of receipt by us of the complete site reports and other materials requested by TOMMY's, containing all information reasonably required by us. If you shall have failed to obtain lawful possession of any approved site (through acquisition, lease, or sublease) within sixty (60) days after delivery of our approval thereof, we may, at our sole discretion, withdraw approval of such site. Our approval of a site is not a representation, warranty or guarantee that you will be successful at such site. Our approval only indicates that the site has met our criteria applied at the time of our review.

2.3 Provided you shall have obtained lawful possession of any approved site, we shall offer to you a franchise to operate a Franchised Business at such approved site by delivering to you a Franchise Agreement in form for execution by you. Such Franchise Agreement shall be executed by you and returned to TOMMY's within fifteen (15) days of our delivery thereof, with payment of the balance of the initial franchise fee and location required thereunder. If you fail to execute such Franchise Agreement and tender payment of the balance of the initial franchise fee and location as above provided, we may, at our sole discretion, terminate our offer to grant to you a franchise to operate a Franchised Business at such approved site and withdraw our approval of such site.

ARTICLE 3

DEVELOPMENT FEE

In the State of Minnesota, we will defer the payment of the initial franchise fee and any other initial payment until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

In the State of Illinois, we will defer the payment of the initial franchise fee, development fee and any other initial payment until all of our material pre-opening obligations have been satisfied

and until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

In the state of California, payment of all initial fees is postponed until after all of franchisor's initial obligations are complete and franchisee is open for business. The payment of the initial fee, development fee and all other fees under the Multi-Unit Development Agreement is postponed until the franchisor has completed its obligations under the agreement and developer opens its first outlet

Based upon our financial condition, the Maryland Securities Commissioner requires that we defer the payment of the initial franchise fee and all other initial payments until all of our material pre-opening obligations have been satisfied and until you open your business and it is operating. However, you must sign the Franchise Agreement before beginning training.

In the State of Washington, we will defer the payment of the initial franchise fee, development fee and any other initial payment until all of our pre-opening obligations have been satisfied and until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training. If you are a Multi-Unit Developer, the development fee will be released proportionally with respect to each Franchised Business. Thus if you choose to open three (3) outlets, then the Franchisor may not collect the \$90,000 Development Fee (\$50,000 for the first Franchised Business and \$20,000 each for the next two Franchised Businesses) at the time the franchisee signs the Franchise Agreement for each Franchised Business. Because the Franchisor credits these payments to the initial franchise fee for each Franchised Business, the Division will permit the Franchisor to collect the initial \$50,000 (plus any additional initial fees) upon the opening of each subsequent outlet.

In the State of South Dakota, we will defer the payment of the initial franchise fee, development fee and any other initial payment until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

Concurrently with the execution of this Agreement, you shall pay to TOMMY's a non-refundable Development Fee, which shall be deemed fully earned by us upon execution of this Agreement. The Development Fee payable hereunder will be determined based on (a) the number of Tommy's Express Businesses to be developed hereunder, and (b) the Franchise Level(s) of each location that you will develop. The Development Fee payable by you is as set forth on Exhibit A hereto.

For the first Tommy's Express Business to be developed hereunder, we will apply a portion of the Development Fee toward full payment of the initial franchise fee payable for such Franchised Business. Upon execution of a Franchise Agreement for each Franchised Business to be developed after the first, the balance of the reduced initial franchise fee as described on Exhibit A, shall be due to TOMMY's in a lump sum.

Because the Franchisor credits these payments to the initial franchise fee for each Franchised Business, the Division will permit the Franchisor to collect the initial \$40,000 (plus any additional initial fees) upon the opening of each subsequent outlet.

ARTICLE 4

TERMINATION BY US

In addition to our right to terminate under Section 1.4 hereof for your failure to meet the Development Schedule, we shall have the right to terminate this Agreement by delivering a notice to you

stating that we elect to terminate this Agreement as a result of any of the breaches set forth below. Such termination shall be effective upon delivery of such notice of termination or, if applicable, upon your failure to cure (to our satisfaction) any such breach by the expiration of any period of time within which such breach may be cured in accordance with the provisions set forth below. It shall be a material breach of this Agreement if:

(a) you, or any of your shareholders or members, make an unauthorized assignment or transfer of this Agreement or an ownership interest in you;

(b) you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a *supersedeas* bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable;

(c) a general partnership interest in you (if you are a limited partnership) is terminated for whatever reason or, if you are a corporation or limited liability company, such corporation or limited liability company is involuntarily dissolved by the Secretary of State (or similar authority) where such entity was formed;

(d) you or any of your shareholders or members have made any material misrepresentation or omission in your application for the development rights conferred by this Agreement or are convicted of or plead no contest to a felony or other crime or offense that may adversely affect the goodwill associated with the Proprietary Marks;

(e) you fail to comply with any other provision of this Agreement, and such breach is not cured within thirty (30) days after delivery to you of our notice of termination;

(f) you fail on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement, whether or not such failures to comply are corrected after notice thereof is delivered to you; or

(g) any other agreement between you and TOMMY's, including, but not limited to, a Franchise Agreement, is terminated in accordance with its terms and conditions as defined in such agreement.

ARTICLE 5

EFFECT OF TERMINATION AND EXPIRATION

5.1 All of our and your obligations under this Agreement which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement and until they are satisfied in full or by their nature expire.

5.2 Upon termination or expiration of this Agreement, you agree that for a period of three (3) years, commencing on the effective date of expiration or termination of this Agreement, you and your shareholders or partners will not have any interest as an owner, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any business that offers products or services similar to those offered at a Franchised Business located or operating within the Development Area or within twenty (20) miles of any Tommy's Express Business, except for Franchised Businesses operated under Franchise Agreements granted by TOMMY's and the ownership of securities in a publicly held company that represent less than five percent (5%) of that class of securities.

ARTICLE 6

ASSIGNMENT

6.1 We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations; and (ii) the assignee shall expressly assume and agree to perform such obligations.

You expressly affirm and agree that we may sell our assets, our rights to the Proprietary Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Proprietary Marks (or any variation thereof) and/or the loss of association with or identification of "Tommy's Express LLC" as Franchisor. Nothing contained in this Agreement shall require TOMMY's to remain in the car wash and detailing business or to offer the same products and services, whether or not bearing the Proprietary Marks, in the event that we exercise our right to assign our rights in this Agreement.

6.2 You understand and acknowledge that the rights and duties created by this Agreement are personal to you and that we have granted this Agreement in reliance upon the individual or collective character, skill, aptitude, attitude, business ability, and financial capacity of your owners. Therefore, neither this Agreement (or any interest therein) nor any part or all of the ownership of you may be voluntarily, involuntarily, directly or indirectly, assigned, sold, subdivided, sub-franchised, or otherwise transferred by you or your owners (including, without limitation, by consolidation or merger, by issuance of securities representing an ownership interest in you, by conversion of a general partnership to a limited partnership, by transfer or creation of an interest as a general partner of a limited partnership, by transfer of an interest in you, or in the event of death of you or an owner of you, by will, declaration of or transfer in trust or the laws of intestate succession), without our prior written approval. Any such assignment or transfer without such approval shall constitute a breach hereof and shall convey no rights to or interest in this Agreement to such assignee. You understand that this Agreement may not be pledged, mortgaged, hypothecated, given as security for an obligation or in any manner encumbered.

6.3 Upon the death or mental incapacity of any person with an interest of more than fifty percent (50%) in this Agreement or in you, the executor, administrator or personal representative of such person shall transfer his interest to a third party approved by us within twelve (12) months. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any *inter vivos* transfer. However, in the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions stated in Section 6.2 hereof, the personal representative of the deceased shall have a reasonable time, not to exceed twelve (12) months from the date

said personal representative is appointed, to dispose of the deceased's interest in you or in the development rights, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. It is understood and agreed, however, that notwithstanding the foregoing, the Development Schedule shall be complied with as though no such death or mental incapacity had occurred. In the event the interest described above is not disposed of within such time, we shall have the right to terminate this Agreement, provided such termination had not previously occurred for failure to perform pursuant to the Development Schedule, upon ninety (90) days' notice to your representative, or we shall have the right to re-purchase same at the same price being sought by your representative.

6.4 You have represented to TOMMY's that you are entering into this Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of the development rights hereunder. Therefore, you agree that any attempt to assign this Agreement, prior to the time that at least twenty-five percent (25%) of the Tommy's Express Businesses to be constructed hereunder are opened or under construction shall be deemed to be an event of default.

6.5 Except as provided in Section 6.4, if you receive from an unaffiliated third party and desire to accept a bona fide written offer to purchase your business, development rights and interests, we shall have the option, exercisable within thirty (30) days after receipt of written notice setting forth the name and address of the prospective purchaser, the price and terms of such offer, and a copy of such offer and the other information stated in this Section 6.5, to purchase such business, development rights and interests, including your right to develop sites within the Development Area, on the same terms and conditions as offered by said third party. In order that we may have information sufficient to enable TOMMY's to determine whether to exercise this option, we may require you to deliver to us certified financial statements as of the end of your most recent fiscal year and such other information about your business and operations as we may request. If we decline, or do not accept the offer in writing within thirty (30) days, you may, within thirty (30) days from the expiration of the option period, sell, assign and transfer your business, development rights and interest to said third party, provided we have consented to such transfer as required by this Article 6. Any material change in the terms of the offer prior to closing of the sale to such third party shall constitute a new offer, subject to the same rights of first refusal by TOMMY's or our nominee, as in the case of an initial offer. Our failure to exercise the option afforded by this Section 6.5 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Article with respect to the proposed transfer.

6.6 You acknowledge and agree that the restrictions on transfer imposed herein are reasonable and are necessary to protect the development rights, the System and the Marks, as well as our reputation and image, and are for the protection of TOMMY's, you and other multi-unit developers and franchisees. Any assignment or transfer permitted by this Article 6 shall not be effective until we receive a completely executed copy of all transfer documents, and we consent in writing thereto.

Except as provided in Section 6.5 hereof, we agree not to unreasonably withhold our consent to a sale, assignment or transfer by you hereunder. Consent to such transfer otherwise permitted or permissible as reasonable may be refused unless:

(a) All of your obligations created by this Agreement, all other franchise documents, including all Franchise Agreements, and the relationship created hereunder are assumed by the transferee. You understand and acknowledge that we may require you to transfer all Franchised Businesses developed hereunder to such transferee.

(b) All ascertained or liquidated debts of you to TOMMY's or our affiliated or subsidiary corporations are paid.

(c) You are not in default hereunder.

(d) We are reasonably satisfied that the transferee meets all of our requirements for new multi-unit developers, including but not limited to, good reputation and character, business acumen, operational ability, management skills, financial strength and other business considerations.

(e) Transferee executes or, in appropriate circumstances, causes all necessary parties to execute, our standard form of Multi-Unit Development Agreement, Franchise Agreements for all Franchised Businesses open or under construction hereunder, and such other then-current ancillary agreements being required by us of new multi-unit developers on the date of transfer.

(f) You execute a general release, in a form satisfactory to TOMMY's, of any and all claims against TOMMY's, our officers, directors, employees and principal stockholders of any and all claims and causes of action that you may have against us or any subsidiary or affiliated corporations in any way relating to this Agreement or the performance or non-performance thereof by TOMMY's.

(g) You or transferee pay to us a transfer of Twenty Thousand Dollars (\$20,000).

Our consent to a transfer of any interest in you or in the development rights pursuant to this Section shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferee.

6.7 In the event that you are a corporation or desire to conduct business in a corporate capacity, said corporate entity or assignment to a corporate entity (which may include a corporation, limited liability company or partnership) must receive our prior written approval and you agree to comply with the provisions hereinafter specified, including without limitation, personal guarantees by one or more equity owners of all of the obligations of said corporate entity or assignee corporate entity to TOMMY's and other parties designated by us. The corporate entity or assignee corporate entity shall not engage in any business activities other than those directly related to the operation of the Businesses pursuant to the terms and conditions of the Franchise Agreements with us, and all assets related to the operation of the Businesses shall be held by the corporate entity or assignee corporate entity. There shall be no transfer fee charged by TOMMY's for a one (1) time assignment to a corporate entity.

ARTICLE 7

ENFORCEMENT

7.1 To the extent that Section 5.2 is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, or length of time, but may be made enforceable by reductions of any or all thereof, you and we agree that same shall be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought.

7.2 If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required hereunder, or the taking of some other action not required hereunder, or if under any applicable and binding law or rule of any jurisdiction any provision of this Agreement or any specification, standard or operating procedure prescribed by TOMMY's is invalid or unenforceable, the prior notice and/or other action required by such law or rule shall be substituted for the comparable provisions hereof, and we shall have the right, in our sole discretion, to modify such invalid or unenforceable provision, specification, standard or operating procedure to the extent required to be valid and enforceable. You agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof as though it were separately articulated in and made a part of this Agreement that may result from striking from any of the provisions hereof, or

any specification, standard or operating procedure prescribed by TOMMY's, any portion or portions which a court may hold to be unenforceable in a final decision to which we are a party, or from reducing the scope of any promise or covenant to the extent required to comply with such court order. Such modifications to this Agreement shall be effective only in such jurisdiction unless we elect to give them greater applicability and this Agreement shall be enforced as originally made and entered into in all other jurisdictions.

7.3 We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other or such other effective date stated in the notice of waiver. Whenever this Agreement requires our prior approval or consent, you shall make a timely written request therefor, and such approval shall be obtained in writing.

7.4 We make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you by granting any waiver, approval, or consent to you, or by reason of any neglect, delay, or denial of any request therefor. Any waiver granted by TOMMY's shall be without prejudice to any other rights we may have, will be subject to our continuing review, and may be revoked, in our sole discretion, at any time and for any reason, effective upon delivery to you of ten (10) days' prior written notice.

7.5 We and you shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement (including, without limitation, the right to demand exact compliance with every term, condition and covenant herein, or to declare any breach thereof to be a default and to determine this Agreement prior to the expiration of its term) by virtue of any custom or practice of the parties at variance with the terms hereof; any failure, refusal, or neglect of TOMMY's or you to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations hereunder; any waiver, forbearance, delay, failure, or omission by us to exercise any right, power, or option, whether of the same, similar or different nature, with respect to any Franchised Business or any development or franchise agreements therefor; any grant of a Franchise Agreement to you; or the acceptance by TOMMY's of any payment from you after any breach of this Agreement.

7.6 Neither we nor you shall be liable for loss or damage or deemed to be in breach of this Agreement if our or your failure to perform its obligations results from: (1) compliance with any law, ruling, order, regulation, requirement, or instruction of any federal, state, or municipal government or any department or agency thereof; (2) acts of God; (3) acts or omissions of the other party; (4) fires, strikes, embargoes, war, or riot; or (5) any other similar event or cause. Any delay resulting from any of said causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable; provided, however, that in no event will a cause under this Section include your lack of available financing.

7.7 Nothing herein contained shall bar our right to obtain specific performance of the provisions of this Agreement and injunctive relief against threatened conduct that will cause TOMMY's loss or damages under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. You agree that we may have such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law.

7.8 Our and your rights hereunder are cumulative and no exercise or enforcement by TOMMY's or you of any right or remedy hereunder shall preclude the exercise or enforcement by us or you of any other right or remedy hereunder or which we or you are entitled by law or equity to enforce.

ARTICLE 8

DISPUTE RESOLUTION

8.1 (a) We and you acknowledge that during the term of this Agreement disputes may arise between the parties that may be resolvable through mediation. To facilitate such resolution, we and you agree that each party shall submit the dispute between them for non-binding mediation at a mutually agreeable location before commencing an arbitration proceeding under Section 8.1(c). If we and you cannot agree on a location, the mediation will be conducted in the county where we have our headquarters. The mediation will be conducted by one (1) mediator who is appointed under the American Arbitration Association's Commercial Mediation Rules and who shall conduct the mediation in accordance with such rules. We and you agree that statements made by TOMMY's, you or any other party in any such mediation proceeding will not be admissible in any arbitration or other legal proceeding. Each party shall bear its own costs and expenses of conducting the mediation and share equally the costs of any third parties who are required to participate in the mediation.

(b) If any dispute between the parties cannot be resolved through mediation within forty-five (45) days following the appointment of the mediator, the parties agree to submit such dispute to arbitration subject to the terms and conditions of Section 8.1(c).

(c) Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation or mediation will be settled by binding arbitration within five (5) miles of our headquarters under the authority of Michigan Statutes. The arbitrator(s) will have a minimum of five (5) years' experience in franchising or distribution law and will have the right to award specific performance of this Agreement. If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the Michigan Statutes. The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Michigan Statutes. The decision of the arbitrator(s) will be final and binding on all parties. This Section will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement.

8.2 The parties agree that any litigation between you and TOMMY's (and/or involving any principal of yours or which could be brought by you or on your behalf and including matters involving any of our related entities or otherwise), whether involving any litigation, dispute, controversy, claim, proceeding or otherwise between or involving you and us or otherwise, will be held exclusively before a court in the most immediate state or federal judicial district and court encompassing our headquarters and having subject matter jurisdiction, the parties consenting to the exclusive jurisdiction of such court(s) and **WAIVING ALL RIGHTS TO TRIAL BY JURY.**

THE PARTIES AGREE THAT IN ANY LITIGATION BETWEEN US AND YOU (AND/OR ANY PRINCIPAL OF YOURS OR WHICH COULD BE BROUGHT BY YOU OR ON YOUR BEHALF) THE PARTIES KNOWINGLY WAIVE ALL RIGHTS TO TRIAL BY JURY. IN ANY ARBITRATION, LITIGATION OR OTHERWISE, THE PARTIES WAIVE ALL RIGHTS TO PUNITIVE, EXEMPLARY, MULTIPLE, PAIN-AND-SUFFERING, MENTAL DISTRESS OR SIMILAR DAMAGES AND AGREE THAT THE PARTIES MAY ONLY RECOVER ACTUAL FINANCIAL LOSSES.

8.3 Prior to your taking any legal or other action against TOMMY's, whether for arbitration, damages, injunctive, equitable or other relief (including but not limited to rescission) and whether by way of claim, counterclaim, cross-complaint, raised as an affirmative defense or otherwise, based on any alleged act or omission of ours, you will first give us sixty (60) days' prior written notice and opportunity to cure such alleged act or omission.

8.4 (a) The parties agree that, except as provided below, no action or suit (whether by way of claim, counterclaim, cross-complaint, raised as an affirmative defense or otherwise) by either party will lie against the other (nor will any action or suit by you against any person and/or entity affiliated with TOMMY's), whether for damages, rescission, injunctive or any other legal and/or equitable relief, in respect of any alleged breach of this Agreement, or any other claim of any type, unless such party will have commenced such arbitration proceeding, action or suit before the expiration of the earlier of:

(i) One hundred eighty (180) days after the date upon which the state of facts giving rise to the cause of action comes to the attention of, or should reasonably have come to the attention of, such party; or

(ii) One (1) year after the initial occurrence of any act or omission giving rise to the cause of action, whenever discovered.

(b) Notwithstanding the foregoing limitations, where any federal, state or provincial law provides for a shorter limitation period than above described, whether upon notice or otherwise, such shorter period will govern.

(c) The foregoing limitations may, where brought into effect by our failure to commence an action within the time periods specified, operate to exclude our right to sue for damages but will in no case, even upon expiration or lapse of the periods specified or referenced above, operate to prevent TOMMY's from terminating your rights and our obligations under this Agreement as provided herein and under applicable law nor prevent us from obtaining any appropriate court judgment, order or otherwise which enforces and/or is otherwise consistent with such termination.

(d) The foregoing limitations shall not apply to our claims arising from or related to: (1) your under-payment or non-payment of any amounts owed to TOMMY's or any affiliated or otherwise related entity; (2) indemnification by you; (3) your confidentiality, non-competition or other exclusive relationship obligations; and/or (5) your unauthorized use of the Proprietary Marks or the System.

8.5 In no event will you make any claim, whether directly, by way of setoff, counter-claim, defense or otherwise, for money damages or otherwise, by reason of any withholding or delaying of any consent or approval by us.

8.6 Notwithstanding anything to the contrary contained in this Article 8, we and you each have the right, in a proper case, to seek injunctions, restraining orders and orders of specific performance from a court of competent jurisdiction, provided that we agree to contemporaneously submit our dispute for arbitration on the merits as provided herein.

You agree that we will not be required to post a bond to obtain any injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction if warranted upon due hearing. All claims for damages by reason of the wrongful issuance of such injunction are hereby expressly waived. If we secure any such injunction or order of specific performance, you agree to pay to TOMMY's an amount equal to the aggregate of our costs of obtaining such relief including, without

limitation, reasonable legal fees, costs and expenses as provided in this Section and any damages incurred by us as a result of the breach of any such provision.

ARTICLE 9
INDEPENDENT CONTRACTORS; INDEMNIFICATION

We and you are independent contractors. Neither we nor you shall be obligated by or have any liability under any agreements, representations, or warranties made by the other that are not expressly authorized hereunder, nor shall we be obligated for any damages to any person or property directly or indirectly arising out of your operation of your business conducted pursuant to this Agreement, whether or not caused by your negligent or willful action or failure to act. We shall have no liability for any sales, use, excise, income, gross receipts, property, or other taxes levied upon you or your assets or upon TOMMY's in connection with the business conducted by you, or any payments made by you to us pursuant to this Agreement or any Franchise Agreement. You agree to indemnify TOMMY's and our subsidiaries, affiliates, stockholders, directors, officers, employees, agents and assignees against and to reimburse them for all such obligations, damages, and taxes for which they are held liable and for all costs reasonably incurred by them in the defense of any such claim brought against them or in any action in which they are named as a party, including, without limitation, reasonable attorneys' and expert witness fees, cost of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses. We shall have the right to defend any such claim against TOMMY's. The indemnities and assumptions of liabilities and obligations herein shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

ARTICLE 10
NOTICES AND PAYMENTS

All notices and reports to TOMMY's or you, if not personally served, shall be deemed so delivered one (1) business day after sending by facsimile or comparable electronic system or two (2) business days after deposit with Federal Express or a comparable overnight courier company or five (5) business days after being placed in the U.S. mail by Registered or Certified Mail, return receipt requested. All notices shall be sent postage prepaid and addressed to the respective party as follows, or as either party may from time to time designate in writing:

To Franchisor:

Tommy's Express LLC
240 East 8th Street
Holland, Michigan 49423
Attention: Ryan Essenburg, President
Email: ryane@tommys-express.com

with a copy to:

Spadea Lignana LLC
Harold L. Kestenbaum, Esq.
175 Broadhollow Road, Suite 175
Melville, New York 11747
Facsimile: (516)745-0293

To Multi-Unit Developer:

Facsimile: _____

ARTICLE 11
ACKNOWLEDGMENTS

11.1 YOU ACKNOWLEDGE THAT THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES SUBSTANTIAL BUSINESS RISKS AND WILL BE TOTALLY AND COMPLETELY DEPENDENT UPON YOUR ABILITY AS AN INDEPENDENT BUSINESSPERSON. WE EXPRESSLY DISCLAIM THE MAKING OF, AND YOU ACKNOWLEDGE NOT HAVING RECEIVED, ANY WARRANTY OR GUARANTY, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT.

11.2 YOU ACKNOWLEDGE HAVING RECEIVED, READ AND UNDERSTOOD THIS AGREEMENT, THE EXHIBITS ATTACHED HERETO AND AGREEMENTS RELATING HERETO, IF ANY, AND THE DISCLOSURE DOCUMENT DELIVERED SIMULTANEOUSLY HERewith; AND WE HAVE ACCORDED YOU AMPLE TIME AND OPPORTUNITY TO CONSULT WITH ADVISORS OF YOUR OWN CHOOSING ABOUT THE POTENTIAL RISKS OF ENTERING INTO THIS AGREEMENT.

11.3 YOU ACKNOWLEDGE THAT YOU RECEIVED THE DISCLOSURE DOCUMENT REQUIRED BY THE TRADE REGULATION RULE OF THE FEDERAL TRADE COMMISSION ENTITLED "DISCLOSURE REQUIREMENTS AND PROHIBITIONS CONCERNING FRANCHISING AND BUSINESS OPPORTUNITY VENTURES" AT LEAST FOURTEEN (14) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED OR ANY PAYMENT WAS MADE TO US OR OUR AFFILIATES.

11.4 YOU AND EACH OF YOUR OWNERS EXPRESSLY ACKNOWLEDGE THAT NEITHER YOU NOR THEY HAVE RELIED UPON ANY EARNINGS CLAIMS, SUCH AS ORAL OR WRITTEN STATEMENTS OR SUGGESTIONS, MADE BY ANY REPRESENTATIVE OF OR ANY OTHER PERSON PURPORTING TO BE ACTING ON OUR BEHALF REGARDING THE POTENTIAL FUTURE SALES, REVENUES OR PROFITS WHICH MAY BE DERIVED FROM OPERATION OF TOMMY'S EXPRESS BUSINESSES OR DEVELOPMENT OF THE DESIGNATED AREA, EXCEPT AS MAY BE CONTAINED IN ITEM 19 OF THE DISCLOSURE DOCUMENT.

11.5 YOU FURTHER ACKNOWLEDGE THE TRUTHFULNESS OF THE STATEMENTS CONTAINED IN ATTACHMENT 4 HERETO. YOUR ACKNOWLEDGMENTS ARE AN INDUCEMENT FOR US TO ENTER INTO THIS AGREEMENT. YOU SHALL IMMEDIATELY NOTIFY US, PRIOR TO ACKNOWLEDGMENT, IF ANY STATEMENT IN ATTACHMENT 4 IS INCOMPLETE OR INCORRECT.

ARTICLE 12
MISCELLANEOUS

12.1 If we are required to enforce this Agreement in a judicial or arbitration proceeding, you shall reimburse us for our costs and expenses, including, without limitation, reasonable accountants', attorneys', attorney assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by you to comply with this Agreement, you shall reimburse TOMMY's for any of the above-listed costs and expenses incurred by us.

12.2 This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns, and successors in interest and shall not be modified except by written agreement signed by both you and TOMMY's.

12.3 Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto.

12.4 The preambles and exhibits to this Agreement are a part of this Agreement, which constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between TOMMY's and you relating to the subject matter of this Agreement; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by TOMMY's in the Disclosure Document that was furnished to you by us. Except as expressly stated herein, nothing in this Agreement is intended nor shall be deemed to confer any rights or remedies upon any person or legal entity not a party hereto. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit, or construe the contents of such sections or paragraphs. Nothing in this or any related agreement, however, is intended to disclaim the representations made by Franchisor in the Franchise Disclosure Document that was furnished to Franchisee by Franchisor. This Agreement shall be executed in multiple copies, each of which shall be deemed an original.

12.5 We and you agree to act reasonably in all dealings with each other pursuant to this Agreement. Whenever the consent or approval of either party is required or contemplated hereunder, the party whose consent is required agrees not to unreasonably withhold the same unless otherwise permitted to do so in this Agreement.

12.6 To the extent not inconsistent with applicable law, this Agreement and the offer or sale of this Agreement shall be governed by the substantive laws (and expressly excluding the choice of law) of the State of Michigan.

12.7 You and we agree that any action arising out of or relating to this Agreement (including, without limitation, the offer and sale of this Agreement) shall be instituted and maintained only in a state or federal court of general jurisdiction in Ottawa County, Michigan, and you irrevocably submit to the jurisdiction of such court and waive any objection you may have to either the jurisdiction or venue of such court.

12.8 The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit or construe the contents of such sections or paragraphs.

12.9 The term "Multi-Unit Developer" as used herein is applicable to one (1) or more persons, a corporation, limited liability company, or a partnership, as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If two (2) or more persons are at any time Multi-Unit Developer hereunder, their obligations and liabilities to the Franchisor shall be joint and several. References to "Multi-Unit Developer" and "assignee" which are applicable to an individual or individuals shall mean the owner(s) of the equity or operating control of Multi-Unit Developer or the assignee, if Multi-Unit Developer or the assignee is a corporation or partnership.

12.10 Time is of the essence of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed, sealed and delivered this Agreement on the day and year first above written.

TOMMY'S EXPRESS LLC

By:_____

Name:_____

Title:_____

MULTI-UNIT DEVELOPER

By:_____

Name:_____

Title:_____

ATTACHMENT 1 TO THE FRANCHISE AGREEMENT

DEVELOPMENT AREA AND DEVELOPMENT FEE

The Development Area referred to in Article 1 of the captioned agreement shall be: _____

The Development Fee referred to in Article 3 of the captioned agreement shall be equal to one hundred percent (100%) of the Initial Franchise Fee for the first Tommy's Express Business, plus a deposit of fifty percent (50%) of the Initial Franchise Fee applicable to the Franchise Level(s) selected for each additional Tommy's Express Business.

Development Fee: _____

A portion of the Development Fee shall be applied by TOMMY's toward full satisfaction of the Initial Franchise Fee due for the first Tommy's Business. The balance of the Initial Franchise Fee for each Tommy's Express Business developed after the first one is payable in a lump sum when you sign the applicable Franchise Agreement for such additional Tommy's Business.

In the State of Washington, we will defer the payment of the initial franchise fee, development fee and any other initial payment until all of our pre-opening obligations have been satisfied and until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training. If you are a Multi-Unit Developer, the development fee will be released proportionally with respect to each Franchised Business. Thus if you choose to open three (3) outlets, then the Franchisor may not collect the \$70,000 Development Fee (\$40,000 for the first Franchised Business and \$15,000 each for the next two Franchised Businesses) at the time the franchisee signs the Franchise Agreement for each Franchised Business.

In the State of South Dakota, we will defer the payment of the initial franchise fee, development fee and any other initial payment until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

Because the Franchisor credits these payments to the initial franchise fee for each Franchised Business, the Division will permit the Franchisor to collect the initial \$40,000 (plus any additional initial fees) upon the opening of each subsequent outlet.

Agreed and accepted by:

TOMMY'S EXPRESS LLC

By: _____

Name: _____

Title: _____

MULTI-UNIT DEVELOPER

By: _____

Name: _____

Title: _____

ATTACHMENT 2 TO THE FRANCHISE AGREEMENT

DEVELOPMENT SCHEDULE

The Agreement authorizes and obligates Multi-Unit Developer to establish and operate _____ (__) Tommy's Express Businesses pursuant to a Franchise Agreement for each Tommy's Express Business. The following is Multi-Unit Developer's Development Schedule:

Business #	To Be Opened By (Date)

TOMMY'S EXPRESS LLC

MULTI-UNIT DEVELOPER

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

ATTACHMENT 3 TO THE FRANCHISE AGREEMENT

TRANSFER TO A CORPORATION OR LIMITED LIABILITY COMPANY

This Transfer Agreement shall amend that certain Multi-Unit Development Agreement between _____ (“Multi-Unit Developer”), and Tommy’s Express LLC (“Franchisor”).

The undersigned, an Officer, Director and Owner of a majority of the issued and outstanding voting stock of the Corporation set forth below, or Members of the issued and outstanding Interests of the Limited Liability Company set forth below, and the Multi-Unit Developer of the Tommy’s Express Businesses under a Multi-Unit Development Agreement executed on the date set forth below, between himself or herself and Franchisor, granting him/her a franchise to operate in the Development Area set forth below, and the other undersigned Directors, Officers and Shareholders of the Corporation, or the Members of the Limited Liability Company, who together with Multi-Unit Developer constitute all of the Shareholders of the Corporation, or the Members of the Limited Liability Company, in order to induce Franchisor to consent to the assignment of the Multi-Unit Development Agreement to the Corporation or Limited Liability Company in accordance with the provisions of Article 6 of the Multi-Unit Development Agreement, agree as follows:

1. The undersigned Multi-Unit Developer shall remain personally liable in all respects under the Multi-Unit Development Agreement and all the other undersigned Officers, Directors and Shareholders of the Corporation, or the Members of the Limited Liability Company, intending to be legally bound hereby, agree jointly and severally to be personally bound by the provisions of the Multi-Unit Development Agreement including the restrictive covenants contained in Article 5 thereof, to the same extent as if each of them were the Multi-Unit Developer set forth in the Multi-Unit Development Agreement and they jointly and severally personally guarantee all of the Multi-Unit Developer’s obligations set forth in said Agreement.

2. The undersigned agree not to transfer any stock in the Corporation, or any interest in the Limited Liability Company without the prior written approval of the Franchisor and agree that all stock certificates representing shares in the Corporation, or all certificates representing interests in the Limited Liability Company shall bear the following legend:

“The shares of stock represented by this certificate are subject to the terms and conditions set forth in a Multi-Unit Development Agreement dated _____, 20__, between _____ and Tommy’s Express LLC.”

or

“The ownership interests represented by this certificate are subject to the terms and conditions set forth in a Multi-Unit Development Agreement dated _____, 20__, between _____ and Tommy’s Express LLC.”

3. _____ or his designee shall devote his best efforts to the day-to-day operation and development of the Tommy’s Express Businesses.

4. _____ hereby agrees to become a party to and to be bound by all of the provisions of the Multi-Unit Development Agreement executed on the date set forth below between Multi-Unit Developer and Franchisor, to the same extent as if it were named as the Multi-Unit Developer therein.

Date of Multi-Unit Development Agreement: _____

Development Area: _____

WITNESS:

As to Paragraph 3:

[Name]

As to Paragraph 4:

[Name]

ATTEST:

Name of Corp. or Limited Liability Company

By: _____
Title: _____

In consideration of the execution of the above Agreement, Tommy's Express LLC hereby consents to the above referred to assignment on this ____ day of _____, 20__.

TOMMY'S EXPRESS LLC

By: _____
Name: _____
Title: _____

ATTACHMENT 4 TO THE FRANCHISE AGREEMENT

DEVELOPER ACKNOWLEDGMENT STATEMENT

You hereby acknowledge the following:

1. You have conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of operating the Multi-Unit Development Business. You further acknowledge that, except as may be set forth in our Disclosure Document, no representations of performance (financial or otherwise) for the Multi-Unit Development Business provided for in this Agreement has been made to you by us and you and any and all Principals hereby waive any claim against us for any business failure you may experience as a multi-unit developer under this Agreement.

Initial

2. You have conducted an independent investigation of the business contemplated by this Agreement and understand and acknowledge that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of you and your efforts as an independent business operation.

Initial

3. You agree that no claims of success or failure have been made to you prior to signing the Multi-Unit Development Agreement and that you understand all the terms and conditions of the Multi-Unit Development Agreement. You further acknowledge that the Multi-Unit Development Agreement contains all oral and written agreements, representations and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

Initial

4. You have no knowledge of any representations by us or our officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Multi-Unit Development Agreement that are contrary to the terms of the Multi-Unit Development Agreement or the documents incorporated herein. You acknowledge that no representations or warranties are made or implied, except as specifically set forth in the Multi-Unit Development Agreement. You represent, as an inducement to our entry into this Agreement, that you have made no misrepresentations in obtaining the Multi-Unit Development Agreement.

Initial

5. You expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Multi-Unit Development Agreement.

Initial

6. You acknowledge that you have received the Tommy's Express, LLC Franchise Disclosure Document with a complete copy of the Multi-Unit Development Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement was executed. You further acknowledge that you have read such Franchise Disclosure Document and understand its contents.

Initial

7. You acknowledge that you have had ample opportunity to consult with your own attorneys, accountants and other advisors and that the attorneys for us have not advised or represented you with respect to the Multi-Unit Development Agreement or the relationship thereby created.

Initial

8. You, together with your advisers, have sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Multi-Unit Development Business granted by the Multi-Unit Development Agreement.

Initial

9. You are aware of the fact that other present or future multi-unit developers of ours may operate under different forms of agreement(s), and consequently that our obligations and rights with respect to our various franchisees may differ materially in certain circumstances.

Initial

10. It is recognized by the parties that we are also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that we do not warrant that such products will not be sold within your Territory by others who may have purchased such products from us.

Initial

11. BY EXECUTING THE FRANCHISE AGREEMENT, YOU AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF YOUR AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE TOMMY'S EXPRESS, LLC, VQ, INC., AND ANY OF EITHER'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF.

Initial

Acknowledged this day of _____.

PRINCIPAL:

MULTI-UNIT DEVELOPER:

Signature

Name: _____

By: _____

Name: _____

Title: _____

EXHIBIT E TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

(As of December 31, 2019)

ARKANSAS	
Franchisee	Location
<u>AWN, LLC</u> George Stem Nick Warren	1821 S. Caraway Rd. Jonesboro, Arkansas 72401 (870) 477-6069
<u>Wildcat Partners, LLC</u> Chris Michaels Scott Besch	4571 W. Sunset Avenue Springdale, Arkansas 72762 (479) 269-5794
CALIFORNIA	
Franchisee	Location
<u>Cal Cruz LLC</u> Michael Luders	30015 Winter Hawk Road Menifee, California 92584 (951) 723-5800
<u>Ramona Express Car Wash, Inc.</u> Jevan Chimayan	10805 Ramona Avenue Montclair, California 91763 (909) 417-4776
FLORIDA	
Franchisee	Location
<u>TX Florida, LLC*</u> Mark Mitchell	4615 South Tamiami Trail Sarasota, Florida 34231 (941) 217-8118
<u>TX Florida, LLC*</u> Mark Mitchell	1141 Front Place North Port, Florida 34287 (941) 876-8764
<u>RAS1, LLC*</u> Ray Sargenti	10951 Saxum Drive Fort Myers, Florida 33908 (239) 299-1990
<u>RAS1, LLC*</u> Ray Sargenti	10680 Colonial Blvd. Fort Myers, Florida 33913 (239) 217-6600
<u>J3 Wash Solutions*</u> Jeffrey Kent Hale	4205 US Hwy 19 New Port Richey, Florida 34652 (727) 810-8858
GEORGIA	
Franchisee	Location
<u>TX Holdings, LLC*</u> Mark Mitchell	8160 Tara Blvd. Jonesboro, Georgia 30236 (470) 502-0520
<u>Gulfsouth Holdings, LLC*</u> Richard Southerland Marty Holmes	2772 Riverside Drive Macon, Georgia 31204 (478) 227-2327
INDIANA	
Franchisee	Location
<u>RYJO Enterprises, LLC*</u>	7950 IN-66

Ryan Franks	Newburgh, Indiana 47630 (812) 203-0818
KANSAS	
Franchisee	Location
<u>Wildcat Partners, LLC</u> Chris Michael Scott Besch	510 Tuttle Creek Boulevard Manhattan, Kansas 66502 (785) 340-3399
<u>Wild Pines Ventures, LLC</u> Austin & Tamara Davis	3900 W. 6 th Street Lawrence, Kansas 66049 (785) 330-5132
<u>Vandyne Capital, LLC</u> Milton Wolf	455 South Ridge Road Wichita, Kansas 67209 (316) 500-3002
LOUISIANA	
Franchisee	Location
<u>Car Wash Revive, LLC</u> Jordan Williams	1810 N. Hwy 190 Covington, Louisiana 70433 (985) 400-2705
MICHIGAN	
Franchisee	Location
<u>JLB Car Wash Systems, Inc.</u> John Brokamp	4095 Plainfield Avenue NE Grand Rapids, Michigan 49525 (616) 256-0559
<u>Fit Express LLC*</u> Robert Morse	2283 44 th Street SE Grand Rapids, Michigan 49508 (616) 541-5332
MINNESOTA	
Franchisee	Location
<u>7201 Bass Lake, Inc.</u> Chris Robbins	7201 Bass Lake Road Minneapolis, Minnesota 55428 (763) 400-4955
MISSOURI	
Franchisee	Location
<u>Rockin' Bubbles</u> Chris Michael	1530 Rangeline Road Joplin, Missouri 64804 (417)553-9130
NEBRASKA	
Franchisee	Location
<u>Grayscale, Inc.*</u> Ray Anderson	4225 South 132 nd Street Omaha, Nebraska 68137 (402)204-4999
<u>Shiny & Dry, LLC*</u> David Shaner	2323 East 23 rd Avenue, South Fremont, Nebraska 68025 (402) 262-4860
NEVADA	
Franchisee	Location
<u>Cabral Car Wash Inc.</u> Mike Cabral	4555 W. Ann Road Las Vegas, Nevada 89031 (702) 780-6771
TEXAS	

Franchisee	Location
<u>Windmeer Enterprises, LLC*</u> Nicholaas Blom	23202 US Highway 281 North San Antonio, Texas 78259 (210) 971-6890
<u>L Docter Enterprises, LLC*</u> Lucas Docter	13915 Timber Forest Drive Houston, Texas 77044 (346) 297-2900
VIRGINIA	
Franchisee	Location
<u>BGC, LLC</u> Rob Worrell	7048 Forest Hill Avenue Richmond, Virginia 23225 (804) 362-9388

***Multi-Unit Developer**

FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED

(as of December 31, 2019)

ARKANSAS		
AWN LLC Nick Warren/George Stem PO Box 1654 Jonesboro AK 72403 870-273-2444		
CALIFORNIA		
Tahir Salim 4740 Green River Road Corona, TX 92880 951-543-8665	Brian and Kevin DeRenzis 5857 Pine Avenue, Suite A Chino Hills, CA 91709 909-263-3534	
COLORADO		
Dutchman Car Washes, LLC Calvin Prins 890 South Washington Holland, MI 49423 616-836-1106		
DELAWARE		
Blue Sky Dover, LLC Manpreet Mattu 12636 Blue Sky Drive Clarksburg, MD 20871 732-718-9812		
FLORIDA		

RAS 1, LLC Ray Sargenti 16951 Pine Ridge Road Fort Myers FL 33908 732-620-5239	Navarro Family Car Wash, LLC Joe Navarro 1612 W Cason Ct Lecanto, FL 34461 727-234-5239	RCH Holding, LLC Michael Ash 10980 S. Ocean Blvd. #814 Jensen Beach, FL 34957 919-995-3550
TX Florida, LLC Mark Mitchell 240 East 8th St Holland, MI 49423 616-218-1333	J3 Wash Solutions, LLC Jeffrey Kent Hale PO Box 776 Westfield, IN 46074 765-860-5212	
GEORGIA		
GulfSouth Holdings, LLC Richard Southerland 153 Spalsh Drive Dr Inlet Beach FL 32461 478-233-4479		
IDAHO		
Dutch Touch LLC Donald Vanderpoel 268 S 500 W Jerome, ID 83338 909-228-2762		
ILLINOIS		
Tommy's Orland, LLC Dan Eliot /Matt McCullough 21655 S 108 th Ave Frankfort, IL 60423 815-579-0955	Premier Wash Systems, LLC Kevin Christianson 4265 45 Street Fargo, SD 58104 701-361-7277	H2GoExpress, LLC Jim Gottfred 607 North Avenue Lombard, IL 60148 312-203-7469
IOWA		
Premier Wash Systems, LLC Kevin Christianson 4265 45 Street Fargo, SD 58104 701-361-7277	TCW Holding, LLC Michael Whalen 1501 River Drive Moline, IL 61265 (563) 343-4405	
LOUISIANA		
TEW of Louisiana, LLC Todd Burns 1225 Mercedes Benz Drive Shreveport, LA 71105 (318) 422-1700	Car Wash Revive, LLC Jordan Williams 19384 Country Club Lane Hammond, LA 70401 (985) 215-1449	

MARYLAND		
E&S Venture LLC Ed Gilmore/Steve 217 Old Mill Road Bottom Rd S Annapolis, MD 21409 240-417-8723		
MICHIGAN		
Brutus Capitol Management LLC Scott Ward/Jeff Schmitz 1306 North Eagle Lake Drive Kalamazoo, MI 49009 920-562-2452		
MINNESOTA		
Premier Wash Systems, LLC Kevin Christianson 4265 45 th St Fargo, SD 58104 701-361-7277		
MISSOURI		
Dowling Enterprises, LLC William Dowling 5 Birdie Lane Frontenac MO 63131 313-614-4294	SN Investment Group, LLC Sunny Sandhu 102 N. Belt Highway Saint Joseph, MO 64506 913-709-9089	
NEBRASKA		
Grayscale, Inc Ray Anderson 17002 Marcy St. #10 Omaha, NE 68118 (402) 891-6300	Precision Wash Holdings, LLC Craig and Paul Jones 6617 S 159 th Ave Omaha NE 68135 402-206-6766	Nebraska Tunnel Wash 1, LLC Matt Priester 2508 Timber Meadows Lane Norfolk, NE 68701 402-920-0826
NEVADA		
Scott and Krystal Robinson 5660 Mont Pelier Reno, NV 89511 775-338-5180	WashCo Inc David Daneshforooz 5455 S Fort Apache #108-18 Las Vegas, NV 89148 702-239-9999	
NEW MEXICO		
Phase 2 Corporation Joseph Bencomo 5700 N. Mesa Street El Paso, TX 79912 915-204-8274		

NORTH CAROLINA		
Columbia Development Group, LLC Coke Mann 1854 St. Julian Place Columbia, SC 29204 803-238-1799		
OHIO		
Golden Eagle, LLC Bill Singh 6142 N. McCall Ave. Clovis, CA 93619 559-301-6660	Scott Brown 2454 Shadow Ridge Lane Fairlawn, OH 44333 330-374-5414	
OKLAHOMA		
Wild Pines Ventures, LLC Austin & Tamara Davis 107 Layton St. Suite A Dodge City, IA 67801 620-225-1674		
PENNSYLVANIA		
Mid Atlantic Car Wash Group, LLC Donald Foss & Lee Wells 107 Layton St. Suite A Dodge City, IA 67801 620-225-1674		
SOUTH CAROLINA		
Columbia Development Group, LLC Coke Mann 1854 St. Julian Place Columbia, SC 29204 803-238-1799	Shine It On, LLC Dan Scheel 14 Kensington Place Columbia, SC 29209 803-269-1183	
TENNESSEE		
Scott and Anita Findlay 6885 Williams Road Christiana TN 37037 615-293-1084	Zadik Holdings, LLC Didacus Onodingene 25 Century Blvd., Suite 501 Nashville, TN 37214 615-424-1990	
TEXAS		
Cedar Ridge Express, LLC James Ocker 122222 Merit Drive, #1229 Dallas, TX 75251 214-797-3302	Precision Auto Wash of Texas, LLC John Fairleigh 207 East Bellevue Scott City, KS 67871 620-872-1111	Phase 2 Corporation Joseph Bencomo 5700 N. Mesa Street El Paso, TX 79912 915-204-8274
Hill Country Express Wash, Inc. Jeff Ottmers	Tahir Salim 4740 Green River Road	L Docter Enterprises, LLC Lucas Docter

1218 Sunset View San Antonio, TX 78258 765-710-5947	Corona, TX 92880 951-543-8665	16418 Pelican Beach Lane Houston, TX 77044 346-297-2900
VIRGINIA		
MOFO, LLC Mark O'Neil Tom Folliard 453 Rivergate Drive Richmond, VA 23238 913-568-6674		
WISCONSIN		
Stratton Management, LLC Raj Sundaram Rolly Lokre 3062 Village Park Drive Plover, WI 54467 805-455-2096		

EXHIBIT F TO THE DISCLOSURE DOCUMENT
FRANCHISEES WHO HAVE LEFT THE SYSTEM
(as of December 31, 2018)

None

EXHIBIT G TO THE DISCLOSURE DOCUMENT

TABLE OF CONTENTS OF OPERATIONS MANUAL

I.	Introduction.....	1
	A. Letter from the President	
	B. Vision Statement	
	C. Mission Statement	
	D. Value Statement	
	E. “We are in the cleaning business”	
	F. We Own It! Culture	
	G. Services of the Franchisor Organization	
	H. Responsibilities of a Tommy’s Car Wash Franchisee	
	I. Visits from the Corporate Office	
II.	Establishing a Tommy’s Express Car Wash Business.....	53
	A. Introduction	
	B. Selecting your business type	
	C. Your status as a franchisee	
	D. Required/Recommended Bank Accounts	
	E. Turnkey Equipment Package	
	F. Startup Protocol Schedule	
	G. Selecting and Developing your site	
	H. Adding Equipment and Supplies	
	I. Required Lease Inclusions	
	J. Required Insurance Coverages	
	K. Tommy’s Express Car Wash Décor Specifications	
	L. The Tommy’s Express Car Wash Brand Identity Standards Manual	
	M. Special Licenses and Permits	
	N. Contracting Utilities and Services	
	O. Franchise Opening Timeline	
	P. Paying Taxes	
III.	Personnel.....	81
	A. A Profile of the Ideal Tommy’s Express Car Wash Employee	
	B. The Recruitment and Selection Process	
	C. Opening Personnel Files	
	D. The Introductory Period	
	E. Establishing Personnel Policies	
	F. Job Descriptions	
	G. Orientation and Training of Personnel	
	H. New Employee Evaluation	
	I. Time Reporting Procedures	
	J. The Tommy’s Express Car Wash Dress Code	

	K. Evaluating Employees	
	L. Discipline and Termination	
IV.	Managerial	
	Procedures.....	124
	A. Introduction	
	B. Five Points of Management	
	C. Team Building	
	D. Communication with your staff	
	E. Customer Payment Methods	
	F. Customer Service	
	G. Customer Vehicle Damage Claims Procedures	
	H. Employee Scheduling	
	I. Ordering Equipment and Supplies	
	J. Approved Vendors and Sources	
	K. Generating Profit	
	L. Maintenance and Repair Practices	
	M. Pricing Services	
	N. Franchise Reporting Requirements and Procedures	
	O. Preparing Financial Statements	
V.	Operational	
	Procedures.....	167
	A. Overview	
	B. The Proactive Approach	
	C. Daily Opening and Closing Duties	
	D. Crew Opening Procedures	
	E. Manager/Operator/Owner Daily Agenda	
	F. Manager/Operator/Owner Paperwork	
	G. Crew Closing Procedures	
	H. Parking Attendant Procedures	
	I. Tommy Manager Application	
	J. Point of Sale System	
	K. Guest Check Procedures	
	L. Upselling	
	M. Gift Cards	
	N. Daily Cash Out Procedures	
	O. Preparing the Bank Deposit	
	P. Sample Menu	
	Q. Vehicle Safety Guidelines	
	R. Vacuum Center and Parking Lot Maintenance	
	S. Wash Bay List	
	T. Maintenance Intervals	
	U. Recommended Cleaning Procedures	
	V. Car Wash Safety Guidelines	

	W. Material Safety Data Sheet (M.S.D.S)
	X. Unit Security
	Y. Incidence Reports
VI.	Marketing and Advertising.....
	230
	A. Introduction
	B. The Tommy's Express Car Wash Advertising Program
	C. The Value of Marketing and Advertising
	D. Who is the Tommy's Express Car Wash Customer?
	E. Positive Attitudes Mean Positive Image
	F. Guidelines for Using Tommy's Express Car Wash Marks
	G. The Grand Opening
	H. Advertising Media

TOTAL NUMBER OF PAGES - 314

EXHIBIT H TO THE DISCLOSURE DOCUMENT
FINANCIAL STATEMENTS

TOMMY'S EXPRESS, LLC

FINANCIAL STATEMENTS

Years ended December 31, 2019 and 2018

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	3
BALANCE SHEETS	4
STATEMENTS OF OPERATIONS	5
STATEMENTS OF MEMBERS' EQUITY (DEFICIT)	6
STATEMENT OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8

INDEPENDENT AUDITORS' REPORT

Officers and Members
Tommy's Express, LLC
Holland, MI

We have audited the accompanying financial statements of Tommy's Express, LLC, which comprise the balance sheets as of December 31, 2019 and 2018, and the related statements of operations and members' equity (deficit) and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2019 the Company adopted new accounting guidance related to revenue from contracts with customers. Our opinion is not modified with respect to this matter.

Opinion

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

Beene Garter LLP

April 13, 2020
Grand Rapids, Michigan

FINANCIAL STATEMENTS

	<u>2019</u>	<u>2018</u>
ASSETS		
Current Assets		
Cash	\$ 2,521,793	\$ 580,169
Restricted cash	176,319	82,619
Accounts receivable - trade	31,841	90,792
Accounts receivable - related party	537,124	26,956
Current portion of deferred costs to obtain contracts	<u>35,450</u>	<u>-</u>
TOTAL CURRENT ASSETS	3,302,527	780,536
Property and Equipment	257,388	291,082
Other Assets		
Deferred costs to obtain contracts	626,917	-
Intangible assets (net of amortization)	<u>120,241</u>	<u>137,981</u>
	<u>\$ 4,307,073</u>	<u>\$ 1,209,599</u>

TOMMY'S EXPRESS, LLC**BALANCE SHEETS**

December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
LIABILITIES AND MEMBERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable	\$ 159,972	\$ 175,563
Credit cards payable	21,122	24,292
Franchise deposits	2,080,000	1,070,000
Deferred revenue	565,368	-
Unredeemed gift cards	268,496	81,562
Accrued payroll	84,248	-
Accrued vacation	14,816	-
Franchise distributions payable	-	83,424
TOTAL CURRENT LIABILITIES	3,194,022	1,434,841
Deferred Revenue	819,121	-
Equity (Deficit)		
Members' Equity (Deficit)	<u>293,930</u>	<u>(225,242)</u>
	<u>\$ 4,307,073</u>	<u>\$ 1,209,599</u>

See accompanying notes

TOMMY'S EXPRESS, LLC**STATEMENTS OF OPERATIONS**

Years Ended December 31, 2019 and 2018

	2019	2018
Revenues		
Initial franchise fees	\$ 371,460	\$ 1,300,000
Continuing franchise fees	1,040,267	106,600
Finder's fee income	1,200,000	-
Marketing fees	321,080	652,610
Total Revenues	2,932,807	2,059,210
General and Administrative Expenses		
Payroll	1,418,685	1,356,548
Payroll taxes	118,652	90,561
Employee benefits	99,502	59,048
Outside labor	20,120	6,433
Training and education	227,893	66,174
Travel	87,808	49,619
Meals & entertainment	13,520	31,753
Employee events	-	5,094
Tommy Club App development	-	338,894
Franchise management costs	21,479	31,043
Technology	20,448	-
Advertising	92,798	23,205
Brand Fund Marketing	272,552	-
Legal & professional fees	73,948	42,295
Consulting	-	15,133
Tradeshows	18,680	26,788
Occupancy	117,354	119,023
Office expenses	18,820	42,726
Insurance	13,813	8,564
Equipment expense	1,936	6,313
Depreciation	33,694	26,577
Amortization	17,740	26,327
Charitable contributions	36,084	16,227
New site opening	4,558	13,735
Dues & subscriptions	28,592	22,313
Bad debt	26,567	5,689
Miscellaneous	6,161	16,911
Total General and Administrative Expenses	2,791,404	2,446,993
Other income		
Gain on sale of assets	-	1,059
NET INCOME (LOSS)	\$ 141,403	\$ (386,724)

See accompanying notes

TOMMY'S EXPRESS, LLC

STATEMENTS OF MEMBERS' EQUITY (DEFICIT)

Years Ended December 31, 2019 and 2018

BALANCE - January 1, 2018	\$ 11,482
Members' contribution	150,000
Net loss	<u>(386,724)</u>
BALANCE - December 31, 2018	(225,242)
Adjustment to adopt revenue recognition accounting standard	(372,231)
Members' contribution	750,000
Net Income	<u>141,403</u>
BALANCE - December 31, 2019	<u>\$ 293,930</u>

See accompanying notes

TOMMY'S EXPRESS, LLC**STATEMENT OF CASH FLOWS**

December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities		
Net income (loss)	\$ 141,403	\$ (386,724)
Noncash items included in net loss		
Depreciation and amortization	51,434	52,904
Gain on sale of assets	-	(1,059)
Changes in operating assets and liabilities		
Accounts receivable - trade	58,951	(90,792)
Accounts receivable - related party	(510,168)	(15,095)
Accounts payable	(15,591)	93,351
Credit card payable	(3,170)	8,695
Accrued payroll	84,248	-
Accrued vacation	14,816	-
Deferred costs to obtain contracts	(190,550)	-
Customer deposits	1,010,000	820,000
Deferred Revenue	540,441	-
Brand development fund	-	(1,829)
Unredeemed gift cards	186,934	55,767
Franchise App payable	(83,424)	57,237
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,285,324	592,455
Cash Flows from Investing Activities		
Proceeds from sale of assets	-	6,000
Purchase of property and equipment	-	(317,600)
NET CASH USED BY INVESTING ACTIVITIES	-	(311,600)
Cash Flows from Financing Activities		
Members' contributions	750,000	150,000
NET INCREASE IN CASH AND RESTRICTED CASH	2,035,324	430,855
Cash and restricted cash at Beginning of Year	662,788	231,933
CASH AND RESTRICTED CASH AT END OF YEAR	\$ 2,698,112	\$ 662,788
Cash	\$ 2,521,793	\$ 580,169
Restricted cash	176,319	82,619
	<u>\$ 2,698,112</u>	<u>\$ 662,788</u>

See accompanying notes

December 31, 2019 and 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Business Activity**

Tommy's Express, LLC (Company) was formed in September 2015 in the State of Michigan. The Company is a franchisor of automatic exterior tunnel car washes under the Tommy's Express brand. The Company offers franchises throughout the United States.

Navigate Creative Works, a division of Tommy's Express, LLC, provides marketing, creative and strategic services. Fees are charged on a fixed fee and time and material basis.

There were thirty and ten total car wash locations in operation as of December 31, 2019 and 2018, respectively.

Revenues and Cost Recognition

Effective January 1, 2019, the Company adopted ASU 2014-09, Revenue from Contracts with Customers (Topic 606) ("ASU 2014-09") and ASU 2016-10, Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing ("ASU 2016-10"). ASU 2014-09 replaces the historical U.S. GAAP revenue recognition guidance and establishes a new control-based revenue recognition model, changes the basis for deciding when revenue is recognized over time or at a point in time, provides new and more detailed guidance on specific topics, and expands and improves disclosure about revenues. ASU 2016-10 updates the revenue guidance on identifying performance obligations and accounting for licenses of intellectual property, changing the FASB's previous proposals on right-of-use licenses and contractual restrictions. The Company adopted ASC 606 using the modified retrospective method for all contracts. Under the modified retrospective method, results for reporting periods beginning on or after January 1, 2019 are presented under the revenue guidance in these amendments, while prior period amounts are not adjusted and continue to be reported in accordance with our historic accounting treatment. The Company recognized the cumulative effect of adopting ASC 606 as an adjustment to the opening balance of members' equity.

The Company earns revenue from its franchised locations including royalties, franchise fees, brand development fees and technology fees. The Company sells franchisees the right to operate Tommy's car wash locations within a defined territory using the franchise name. The initial term of the franchise agreements is typically 20 years with an option to renew for a fee. Initial franchise revenues for the year ended December 31, 2019 and 2018 includes amounts for \$371,460 and \$1,300,000 new franchise agreements, respectively.

The franchise agreement includes three distinct performance obligations: the franchise right, training, and site selection.

December 31, 2019 and 2018

The Company's franchise agreements require the payment of various fixed and variable fees. Initial franchise and renewal franchise fees are due and typically paid when a franchise agreement is executed and are nonrefundable. These fees are collected prior to the satisfaction of the Company's performance obligation, resulting in the Company recognizing deferred revenue contract liabilities. Royalties and brand development fees are paid on a weekly basis, based upon a percentage of between 0% and 4% of franchisee gross sales. Additional weekly fees are also charged for technology support provided to the franchisees. As franchisee locations commence operations, the Company may at times choose to waive or discount royalties or fees.

The adoption of ASC 606 changed the timing of recognition of the franchise fees. Previously, the Company recognized franchise fees as revenues when the franchise location had opened and the Company had substantially completed their obligations to the franchisee relating to the opening of a location. The new guidance generally requires these fees to be allocated to the franchise right and recognized ratably over the term of the related franchise agreement. Further, previously the Company recognized sales commissions as expense when the franchise agreement was signed. The new guidance generally requires these commissions to be recognized ratably over the term of the related franchise agreement. This resulted in a transition adjustment of \$372,231 as of January 1, 2019.

Royalty fees are recognized as revenue on a weekly basis as the underlying sales occur. The revenue related to training and site selection services are recognized at the point in time when the services have been substantially completed.

The following table presents the aggregate amounts of revenue and expense the Company expects to recognize in future years as a result of satisfying the performance obligations associated with franchise agreements that have unsatisfied performance obligations as of December 31, 2019:

Years ending:

	<u>Franchise Revenue</u>	<u>Commission Expense</u>
2020	\$ 565,367	\$ 35,450
2021	46,260	35,450
2022	46,260	35,450
2023	46,260	35,450
2024	46,260	35,450
Thereafter	634,082	485,117
	<u><u>\$ 1,384,489</u></u>	<u><u>\$ 662,367</u></u>

TOMMY'S EXPRESS, LLC**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2019 and 2018

All franchisees are required to contribute to the brand development fund in accordance with policies established by the Company or stipulated in franchise agreements. Prior to the adoption of ASC 606, the surplus balance was included in current liabilities in the balance sheets. Contributions received from franchisees constituted agency transactions and were not recognized as revenues and expenses. Effective January 1, 2019, with the adoption of ASC 606, the Company's brand development fees are accounted for on a gross basis as revenue from franchisees and related advertising costs are accounted for separately under ASC 720-35, Advertising Costs. There is no cumulative effect change as of January 1, 2019 to member's equity as a result of the change in presentation from net to gross for the marketing fund. Brand development fees from the franchisees of \$256,819 for 2019 are included in "Continuing franchise fees" and brand fund marketing expenses of \$272,552 for 2019 are included in general and administrative expenses in the Statements of Operations.

The following tables outline the effects of the accounting change, as of January 1, 2019, as originally reported using the ASC 605 method, as compared to using the newly adopted ASC 606 method:

Statement of Operations

	Year Ended December 31, 2019		
	As Computed Under Previous Standard	As Reported Under New Standard	Effect of Adoption
Franchise fees	\$ 575,705	\$ 37,165	\$ (538,540)
General and administration expense	2,981,953	2,791,404	(190,549)
Net Income	489,394	141,403	(347,991)

Balance Sheet

	Year Ended December 31, 2019		
	As Computed Under Previous Standard	As Reported Under New Standard	Effect of Adoption
Deferred costs to obtain contracts	\$ -	\$ 662,367	\$ 662,367
Deferred revenue	-	1,384,489	1,384,489
Retained earnings	1,016,055	293,930	(722,125)

Cash Flows

	Year Ended December 31, 2019		
	As Computed Under Previous Standard	As Reported Under New Standard	Effect of Adoption
Net Income	\$ 489,394	\$ 141,403	\$ (347,991)
Changes in operating assets and liabilities	744,496	1,092,487	347,991
Net cash provided by operating activities	\$ 1,285,324	\$ 1,285,324	\$ -

December 31, 2019 and 2018

The Company recognizes marketing revenue as the services are provided and billed. Revenue from fixed fee projects may be billed in advance and is recognized as a liability under deferred revenue until earned.

During 2019, the Company entered into an agreement with a related party to charge fixed finder's fees for franchisee equipment sales. Finder's fee revenue is recognized when franchisees' equipment is shipped and the franchisee has paid for the equipment in accordance with the agreement.

Cash and Restricted Cash

The Company maintains cash balances at one bank. Accounts are insured by the Federal Deposit Insurance Corporation. From time to time, cash balances may exceed the federally insured limits.

Restricted cash represents funds collected and segregated for the purpose of funding unredeemed gift cards. A corresponding liability to recognize the obligation for the unredeemed gift cards is presented on the face of the balance sheets, net of management's estimate of card breakage.

During the year ended December 31, 2019, the Company adopted the requirements of ASU 2016-18, Statement of Cash Flows (Topic 230) – Restricted Cash to include all cash and restricted cash in the statement of cash flows. There has been no effect on the statement of cash flows for the years ended December 31, 2019 and 2018 as a result of the adoption of this standard.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method based on the estimated useful lives of the respective assets. Costs of repairs and maintenance are charged to expense when incurred.

Intangible Assets

Intangible assets subject to amortization include a trademark, development costs of the Tommy's Club app, and goodwill, which are being amortized on a straight-line basis. The trademark is being amortized over fifteen years. Development costs of the Tommy's Club app are being amortized over three years. The goodwill was acquired at the end of 2017 and represents the excess of cash paid over assets acquired. The Company elected the alternative method of accounting for goodwill as allowed by U.S. generally accepted accounting principles. Goodwill is being amortized over ten years.

December 31, 2019 and 2018

Long lived assets

Property, equipment and intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the expected future cash flow from the use of the asset and its eventual disposition is less than the carrying amount of the asset, an impairment loss is recognized and measured using the asset's fair value. No such losses were recognized during 2019 or 2018.

Income Taxes

The Company is organized as a limited liability company under provisions of the Internal Revenue Code. Under these provisions, all tax attributes are passed through to the members. Income taxes, if any, are payable by members based on their respective share of operations.

Tax positions taken are assessed for uncertainty and a provision may be recorded if a tax position is not likely to be sustained upon examination.

Advertising

The Company follows the policy of charging the costs of advertising to expense as incurred. Total advertising expenses were \$92,798 in 2019 and \$23,205 in 2018.

Subsequent Events

Management has evaluated significant events or transactions occurring subsequent to December 31, 2019, for potential recognition or disclosure in these financial statements. The evaluation was performed through April 13, 2020, the date the financial statements were available for issuance.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from the estimates used.

December 31, 2019 and 2018

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which provides guidance for accounting for leases. The new guidance requires companies to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. The ASU is effective for annual periods beginning after December 15, 2020. The Company is currently evaluating the impact this guidance will have on the Company's financial statements.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2019</u>	<u>2018</u>
Furniture and fixtures	\$ 165,877	\$ 165,877
Equipment	31,495	31,495
Leasehold improvements	<u>120,229</u>	<u>120,228</u>
	317,601	317,600
Accumulated depreciation	<u>(60,213)</u>	<u>(26,518)</u>
	<u><u>\$ 257,388</u></u>	<u><u>\$ 291,082</u></u>

NOTE 3 - INTANGIBLE ASSETS

Intangible assets are comprised of the following:

	<u>2019</u>	<u>2018</u>
Trademark	\$ 5,656	\$ 5,656
Tommy's Club App Development	34,348	34,348
Goodwill	<u>145,000</u>	<u>145,000</u>
Total	185,004	185,004
Less: Accumulated Amortization	<u>(64,763)</u>	<u>(47,023)</u>
Net Intangible Assets	<u><u>\$ 120,241</u></u>	<u><u>\$ 137,981</u></u>

December 31, 2019 and 2018

Amortization on the above intangible assets for the next five years is expected to be as follows:

Years ending:

2020	\$	14,877
2021		14,877
2022		14,877
2023		14,877
2024		14,877

NOTE 4 - FRANCHISE DEPOSITS

Franchise deposits held at December 31, 2019 and 2018 consist of deposits for 158 and 95 prospective franchise locations, respectively. Deposits are recognized as initial franchise revenue when each performance obligation has been met.

NOTE 5 - RELATED PARTY

Following is information regarding transactions with companies related by common ownership for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Marketing fees to related party	\$ -	\$ 177,745
Finders fee revenue from related party	1,200,000	-
Employee leasing through payroll	1,418,685	1,356,548
Payroll taxes associated with leased employees	118,652	90,561
Amounts payable to related party	45,986	103,851
Accrued payroll to a related party	84,248	-
Amounts receivable from related party	537,124	26,956

In addition, the Company has recognized initial franchise fees totaling approximately \$102,000 and \$110,000 in 2019 and 2018, respectively from an entity in which the majority member has a minor interest.

December 31, 2019 and 2018

NOTE 6 - LEASE

The Company leases office space for \$3,976 per month plus related occupancy costs from a company related through common ownership under a month-to-month arrangement. Total rent paid for 2019 and 2018 was \$101,026 and \$94,989, respectively, and is included in occupancy costs in the statement of operations.

NOTE 7 - BUY AND SELL AGREEMENTS

The Company's operating agreement provides for certain ownership transfers in the event that a member exits or otherwise divests of their ownership.

A member of the Company is permitted to withdraw from the Company only upon unanimous consent of the other members. Remaining members have the right to purchase the withdrawing member's entire membership interest or to dissolve and liquidate the Company. If the remaining members elect to purchase the membership interest of the withdrawing member, the purchase shall occur at the fair market value of the Company.

Upon the death, bankruptcy or incompetency of a member, the other members shall have the first option to purchase all or any portion of the shares held by the deceased, bankrupt or incompetent member. If the remaining members elect to purchase the membership interest of the withdrawing member, the purchase shall occur at the fair market value of the Company.

NOTE 8 - SUBSEQUENT EVENT

During March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic has significantly impacted the economic conditions in the U.S and globally. On March 23, 2020, the Governor of the State of Michigan issued an Executive Order to "stay in place and suspend nonessential activities". While the disruption is currently expected to be temporary, there is uncertainty around the duration. The circumstances surrounding this widespread outbreak of COVID-19 are likely to significantly disrupt the Company's operations, beginning March 2020. At this time, given the uncertainty of the lasting effect of this outbreak, the financial impact to the Company cannot be determined.

NOTE 9 - RECLASSIFICATIONS

Certain reclassifications were made to the 2018 financial statements in order to conform to the 2019 presentation

TOMMY'S EXPRESS, LLC

FINANCIAL STATEMENTS

Years ended December 31, 2018 and 2017

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	3
BALANCE SHEETS	4
STATEMENTS OF OPERATIONS	5
STATEMENTS OF MEMBERS' (DEFICIT) EQUITY	6
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8

INDEPENDENT AUDITORS' REPORT

Officers and Members
Tommy's Express, LLC
Holland, MI

We have audited the accompanying financial statements of Tommy's Express, LLC, which comprise the balance sheets as of December 31, 2018 and 2017, and the related statements of operations and members' (deficit) equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

Beene Garter LLP

March 29, 2019
Grand Rapids, Michigan

FINANCIAL STATEMENTS

TOMMY'S EXPRESS, LLC**BALANCE SHEETS**

December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets		
Cash	\$ 580,169	\$ 205,698
Restricted cash	82,619	26,235
Accounts receivable - trade	90,792	-
Accounts receivable - related party	26,956	11,861
TOTAL CURRENT ASSETS	780,536	243,794
Property and Equipment	291,082	5,000
Other Assets		
Intangible assets (net of amortization)	137,981	164,308
	<u>\$ 1,209,599</u>	<u>\$ 413,102</u>
LIABILITIES AND MEMBERS' (DEFICIT) EQUITY		
Current Liabilities		
Accounts payable	\$ 175,563	\$ 82,212
Credit cards payable	24,292	15,597
Franchise deposits	1,070,000	250,000
Brand development fund	-	1,829
Unredeemed gift cards	81,562	25,795
Franchise distributions payable	83,424	26,187
TOTAL CURRENT LIABILITIES	1,434,841	401,620
(Deficit) Equity		
Members' (Deficit) Equity	(225,242)	11,482
	<u>\$ 1,209,599</u>	<u>\$ 413,102</u>

See accompanying notes and accountants' report

TOMMY'S EXPRESS, LLC

STATEMENTS OF OPERATIONS

Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenues		
Initial franchise fees	\$ 1,300,000	\$ 500,000
Continuing franchise fees	106,600	30,667
Marketing fees	652,610	-
Total Revenues	2,059,210	530,667
General and Administrative Expenses		
Payroll	1,356,548	260,101
Payroll taxes	90,561	15,424
Employee benefits	59,048	22,263
Outside labor	6,433	-
Tommy Club App development	338,894	255,217
Franchise management costs	31,043	23,528
Advertising	23,205	25,400
Training and education	66,174	2,035
Legal & professional fees	42,295	43,470
Consulting	15,133	-
New site opening	13,735	-
Tradeshows	26,788	20,871
Travel	49,619	22,426
Meals & entertainment	31,753	7,016
Occupancy	119,023	21,974
Office expenses	42,726	1,667
Insurance	8,564	5,637
Equipment expense	6,313	-
Depreciation	26,577	-
Amortization	26,327	11,826
Charitable contributions	16,227	6,226
Employee events	5,094	-
Dues & subscriptions	22,313	826
Bad debt	5,689	-
Miscellaneous	16,911	891
Total General and Administrative Expenses	2,446,993	746,798
Other income		
Gain on sale of assets	1,059	-
NET LOSS	\$ (386,724)	\$ (216,131)

See accompanying notes and accountants' report

TOMMY'S EXPRESS, LLC

STATEMENTS OF MEMBERS' (DEFICIT) EQUITY

Years Ended December 31, 2018 and 2017

BALANCE - January 1, 2017	\$ 77,613
Members' contribution	150,000
Net loss	<u>(216,131)</u>
BALANCE - December 31, 2017	11,482
Members' contribution	150,000
Net loss	<u>(386,724)</u>
BALANCE - December 31, 2018	<u>\$ (225,242)</u>

See accompanying notes and accountants' report

TOMMY'S EXPRESS, LLC**STATEMENTS OF CASH FLOWS**

December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities		
Net loss	\$ (386,724)	\$ (216,131)
Noncash items included in net loss		
Depreciation and amortization	52,904	11,826
Gain on sale of assets	(1,059)	-
Changes in operating assets and liabilities		
Accounts receivable - trade	(90,792)	-
Accounts receivable - related party	(15,095)	(11,861)
Accounts payable	93,351	4,039
Credit card payable	8,695	12,309
Customer deposits	820,000	220,000
Brand development fund	(1,829)	1,829
Unredeemed gift cards	55,767	25,795
Franchise App payable	57,237	15,299
NET CASH PROVIDED BY OPERATING ACTIVITIES	592,455	63,105
Cash Flows from Investing Activities		
Cash paid for business acquisition	-	(150,000)
Proceeds from sale of assets	6,000	-
Purchase of property and equipment	(317,600)	-
NET CASH USED BY INVESTING ACTIVITIES	(311,600)	(150,000)
Cash Flows from Financing Activities		
Members' contributions	150,000	150,000
NET INCREASE IN CASH	430,855	63,105
Cash at Beginning of Year	231,933	168,828
CASH AT END OF YEAR	\$ 662,788	\$ 231,933
Cash	\$ 580,169	\$ 205,698
Restricted cash	82,619	26,235
	\$ 662,788	\$ 231,933

See accompanying notes and accountants' report

December 31, 2018 and 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activity

Tommy's Express, LLC (Company) was formed in September 2015 in the State of Michigan. The Company is a franchisor of automatic exterior tunnel car washes under the Tommy's Express brand. The Company offers franchises throughout the United States.

Navigate Creative Works, a division of Tommy's Express, LLC, provides marketing, creative and strategic services. Fees are charged on a fixed fee and time and material basis.

There were ten and four total car wash locations in operation as of December 31, 2018 and 2017, respectively.

Revenues and Cost Recognition

Initial franchise fee revenue from the sale of franchises is recognized when all material conditions of the sale have been substantially performed. Initial franchise revenues for the years ended December 31, 2018 and 2017 included amounts for 36 and 13 new franchise agreements, respectively.

Franchisees are required to pay a royalty of 4% of sales to the Company as the franchisor. Royalty revenues are recognized by the Company when earned, as sales are made by the franchisees. Additional weekly fees are also charged for technology support provided to the franchisees. As franchisee locations commence operations the Company may at times choose to waive or discount royalties or fees.

Additionally, there is a 1% brand development fee, which directly offsets costs that the Company incurs to market specific franchisee locations and the Tommy's Express brand. These costs are initially recorded as a liability and are used to offset marketing costs as they are incurred by the Company on behalf of franchisees.

The Company recognizes marketing revenue as the services are provided and billed. Revenue from fixed fee projects may be billed in advance and is recognized as a liability under deferred revenue until earned.

Cash and Restricted Cash

The Company maintains cash balances at one bank. Accounts are insured by the Federal Deposit Insurance Corporation. From time to time, cash balances may exceed the federally insured limits.

See accountants' report

December 31, 2018 and 2017

Restricted cash represents funds collected and segregated for the purpose of funding unredeemed gift cards. A corresponding liability to recognize the obligation for the unredeemed gift cards is presented on the face of the balance sheets, net of management's estimate of card breakage.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method based on the estimated useful lives of the respective assets. Costs of repairs and maintenance are charged to expense when incurred.

Intangible Assets

Intangible assets subject to amortization include a trademark, development costs of the Tommy's Club app, and goodwill, which are being amortized on a straight-line basis. The trademark is being amortized over fifteen years. Development costs of the Tommy's Club app are being amortized over three years. The goodwill was acquired at the end of 2017 and represents the excess of cash paid over assets acquired. The Company elected the alternative method of accounting for goodwill as allowed by U.S. generally accepted accounting principles. Goodwill is being amortized over ten years.

Long lived assets

Property, equipment and intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the expected future cash flow from the use of the asset and its eventual disposition is less than the carrying amount of the asset, an impairment loss is recognized and measured using the asset's fair value. No such losses were recognized during 2018 or 2017.

Income Taxes

The Company is organized as a limited liability company under provisions of the Internal Revenue Code. Under these provisions, all tax attributes are passed through to the members. Income taxes, if any, are payable by members based on their respective share of operations.

Tax positions taken are assessed for uncertainty and a provision may be recorded if a tax position is not likely to be sustained upon examination.

Advertising

The Company follows the policy of charging the costs of advertising to expense as incurred. Total advertising expenses were \$23,205 in 2018 and \$25,400 in 2017.

See accountants' report

December 31, 2018 and 2017

Subsequent Events

Management has evaluated significant events or transactions occurring subsequent to December 31, 2018, for potential recognition or disclosure in these financial statements. The evaluation was performed through March 29, 2019, the date the financial statements were available for issuance.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from the estimates used.

Recently Issued Accounting Pronouncements

In May 2014 and in subsequent amendments, the FASB issued ASU No. 2014-09 which amended Revenue from Contracts with Customers (Topic 606) of the Accounting Standards Codification. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. The guidance will be effective for the Company for annual periods beginning after December 15, 2018. The revenue recognition standard will not impact the recognition of royalty fees from franchisees. The new pronouncement will change the way initial fees from franchisees for new locations are recognized. The Company's current accounting policy is to recognize revenue when all material conditions of the sale have been substantially performed. In accordance with the new guidance, a portion of the initial franchise fee specifically related to services that are distinct from the continuing rights and services offered during the term of the franchise agreement will be recognized once performance obligations relating to these services have been met. The remaining initial fee will be recognized over the franchise agreement term and any unamortized portion will be recorded as deferred revenue in the balance sheet.

The standard will also have an impact on transactions currently presented net and not included in revenues and expenses such as franchisee contributions to and expenditures from the Company's brand development fund. Management has determined that the Company is the principal in these arrangements, and as such, contributions to and expenditures from the brand development fund will be recorded on a gross basis within the statement of operations. While this change will materially impact the gross amount of reported revenues and expenses, the impact will be largely offsetting and management does not expect there to be a material impact on reported net earnings.

Management is continuing to evaluate the impact that this pronouncement will have on related disclosures.

See accountants' report

December 31, 2018 and 2017

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which provides guidance for accounting for leases. The new guidance requires companies to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. The ASU is effective for annual periods beginning after December 15, 2019. The Company is currently evaluating the impact this guidance will have on the Company's financial statements.

In November 2016, the FASB issued ASU No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash, which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. The amendments in this update require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in this update do not provide a definition of restricted cash or restricted cash equivalents. The guidance will be effective for the Company for annual periods ending December 31, 2019. The Company is currently evaluating the impact on its financial statements.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2018	2017
Furniture and fixtures	\$ 165,877	\$ 5,000
Equipment	31,495	-
Leasehold improvements	120,228	-
	317,600	5,000
Accumulated depreciation	(26,518)	-
	<u>\$ 291,082</u>	<u>\$ 5,000</u>

See accountants' report

December 31, 2018 and 2017

NOTE 3 - INTANGIBLE ASSETS

Intangible assets are comprised of the following:

	<u>2018</u>	<u>2017</u>
Trademark	\$ 5,656	\$ 5,656
Tommy's Club App Development	34,348	34,348
Goodwill	<u>145,000</u>	<u>145,000</u>
Total	185,004	185,004
Less: Accumulated Amortization	<u>(47,023)</u>	<u>(20,696)</u>
Net Intangible Assets	<u>\$ 137,981</u>	<u>\$ 164,308</u>

Amortization on the above intangible assets for the next five years is expected to be as follows:

Years ending:

2019	\$ 17,739
2020	14,877
2021	14,877
2022	14,877
2023	14,877

NOTE 4 - FRANCHISE DEPOSITS

Franchise deposits held at December 31, 2018 and 2017 consist of deposits for 95 and 13 prospective franchise locations, respectively. Deposits are recognized as initial franchise revenue when all material conditions of the sale have been substantially performed.

See accountants' report

December 31, 2018 and 2017

NOTE 5 - RELATED PARTY

Following is information regarding transactions with companies related by common ownership for the years ended December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Marketing fees to related party	\$ 177,745	\$ -
Employee leasing through payroll	1,356,548	260,101
Payroll taxes associated with leased employees	90,561	15,424
Amounts payable to related party	103,851	49,291
Amounts receivable from related party	26,956	11,861

In addition, the Company has received initial franchise fees and deposits totaling \$110,000 and \$80,000 for 2018 and 2017, respectively from an entity in which the majority member has a minor interest.

NOTE 6 - LEASE

In 2017, the Company began leasing office space for \$4,270 per month plus related occupancy costs from a company related through common ownership under a month-to-month arrangement. Total rent paid for 2018 and 2017 was \$94,989 and \$21,350, respectively, and is included in occupancy costs in the statement of operations.

NOTE 7 - BUSINESS ACQUISITIONS

On December 31, 2017, the Company acquired assets from Navigate Creative Works. The purchase price of \$150,000 was allocated to the assets purchased based upon their estimated fair value at the date of acquisition. The excess of the purchase price over the estimated fair value of the net tangible assets acquired of approximately \$145,000 was recorded as goodwill.

The purchase price was allocated as follows:

Property and Equipment	\$ 5,000
Goodwill	<u>145,000</u>
Total Purchase Price	<u><u>\$ 150,000</u></u>

See accountants' report

December 31, 2018 and 2017

NOTE 8 - BUY AND SELL AGREEMENTS

The Company has entered into an operating agreement which provides for certain ownership transfers in the event that a member exits or otherwise divests of their ownership.

A member of the Company is permitted to withdraw from the Company only upon unanimous consent of the other members. Remaining members have the right to purchase the withdrawing member's entire membership interest or to dissolve and liquidate the Company. If the remaining members elect to purchase the membership interest of the withdrawing member, the purchase shall occur at the fair market value of the Company.

Upon the death, bankruptcy or incompetency of a member, the other members shall have the first option to purchase all or any portion of the shares held by the deceased, bankrupt or incompetent member. If the remaining members elect to purchase the membership interest of the withdrawing member, the purchase shall occur at the fair market value of the Company.

NOTE 9 - RECLASSIFICATIONS

Certain reclassifications were made to the 2017 financial statements in order to conform to the 2018 presentation.

See accountants' report

TOMMY'S EXPRESS, LLC

FINANCIAL STATEMENTS

Years ended December 31, 2017 and 2016

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	3
BALANCE SHEETS	4
STATEMENTS OF OPERATIONS	5
STATEMENTS OF MEMBERS' EQUITY	6
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8

INDEPENDENT AUDITORS' REPORT

Officers and Members
Tommy's Express, LLC
Holland, MI

We have audited the accompanying financial statements of Tommy's Express, LLC, which comprise the balance sheets as of December 31, 2017 and 2016, and the related statements of operations and members' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tommy's Express, LLC as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Beene Garter LLP

April 10, 2018
Grand Rapids, Michigan

FINANCIAL STATEMENTS

TOMMY'S EXPRESS, LLC**BALANCE SHEETS**

December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Current Assets		
Cash	\$ 205,698	\$ 168,828
Restricted cash	26,235	-
Accounts receivable - related party	11,861	-
TOTAL CURRENT ASSETS	243,794	168,828
Furniture and Equipment	5,000	-
Other Assets		
Intangible assets (net of amortization)	164,308	31,134
	<u>\$ 413,102</u>	<u>\$ 199,962</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 82,212	\$ 78,173
Credit cards payable	15,597	3,288
Franchisee deposits	250,000	30,000
Brand development fund	1,829	-
Unredeemed gift cards	25,795	-
Franchise application payable	26,187	10,888
TOTAL CURRENT LIABILITIES	401,620	122,349
Equity		
Members' Equity	11,482	77,613
	<u>\$ 413,102</u>	<u>\$ 199,962</u>

See accompanying notes and accountants' report

TOMMY'S EXPRESS, LLC**STATEMENTS OF OPERATIONS**

Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Initial franchise fees	\$ 500,000	\$ 40,000
Continuing franchise fees	<u>30,667</u>	<u>1,812</u>
Total Revenues	530,667	41,812
General and Administrative Expenses		
Payroll	260,101	54,327
Payroll taxes	15,424	4,943
Employee benefits	22,263	2,747
Franchise management costs	23,528	42,782
Marketing	25,400	20,631
Legal & professional fees	43,470	16,677
Tradeshows	20,871	2,500
Travel	22,426	2,254
Miscellaneous	7,528	9,378
Tommy Club App development	255,217	28,411
Amortization	11,826	8,870
Office expenses	667	2,079
Occupancy	21,974	-
Meals & entertainment	7,016	1,837
Training and education	2,035	-
Charitable contributions	6,226	-
Dues & subscriptions	<u>826</u>	<u>1,705</u>
Total General and Administrative Expenses	746,798	199,141
NET LOSS	<u>\$ (216,131)</u>	<u>\$ (157,329)</u>

See accompanying notes and accountants' report

TOMMY'S EXPRESS, LLC

STATEMENTS OF MEMBERS' EQUITY

Years Ended December 31, 2017, 2016 and 2015

BALANCE - December 31, 2015	\$ 34,942
Members' contribution	200,000
Net loss	<u>(157,329)</u>
BALANCE - December 31, 2016	77,613
Members' contribution	150,000
Net loss	<u>(216,131)</u>
BALANCE - December 31, 2017	<u>\$ 11,482</u>

See accompanying notes and accountants' report

TOMMY'S EXPRESS, LLC**STATEMENTS OF CASH FLOWS**

December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities		
Net loss	\$ (216,131)	\$ (157,329)
Noncash items included in net loss		
Amortization	11,826	8,870
Changes in operating assets and liabilities		
Accounts receivable	(11,861)	-
Accounts payable	4,039	70,573
Credit card payable	12,309	3,288
Customer deposits	220,000	30,000
Brand development fund	1,829	-
Unredeemed gift cards	25,795	-
Franchise App payable	15,299	10,888
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	63,105	(33,710)
Cash Flows from Investing Activities		
Cash paid for business acquisition	(150,000)	-
Purchase of intangible assets	-	(40,004)
NET CASH USED BY INVESTING ACTIVITIES	(150,000)	(40,004)
Cash Flows from Financing Activities		
Members' contributions	150,000	200,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	150,000	200,000
NET INCREASE IN CASH	63,105	126,286
Cash at Beginning of Year	168,828	42,542
CASH AT END OF YEAR	\$ 231,933	\$ 168,828
Cash	\$ 205,698	\$ 168,828
Restricted cash	26,235	-
	<u>\$ 231,933</u>	<u>\$ 168,828</u>

See accompanying notes and accountants' report

December 31, 2017 and 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activity

Tommy's Express, LLC (Company) was formed in September 2015 in the State of Michigan. The Company is the franchisor of automatic exterior tunnel car washes nationwide under the Tommy's Express brand.

As of December 31, 2017 and 2016 there were four and three total car wash locations in operation, respectively.

Revenues and Cost Recognition

Initial franchise fee revenue from the sale of franchises is recognized when all material conditions of the sale have been substantially performed. Initial franchise revenues for the year ended December 31, 2017 and 2016 included amounts for 13 and 1 new franchise agreements, respectively.

Franchisees are required to pay a royalty of 4% of sales to Tommy's Express, LLC as the franchisor. Royalty revenues are recognized by the Company when earned, as sales are made by the franchisees. Additional weekly fees are also charged for technology support provided to the franchisees. As franchisee locations commence operations the Company may at times choose to waive or discount royalties or fees.

Additionally, there is a 1% brand development fee, which directly offsets costs that the Company incurs to market specific franchisee locations and the Tommy's Express brand. These costs are initially recorded as a liability and are used to offset marketing costs as they are incurred by the Company on behalf of franchisees.

Cash and Restricted Cash

The Company maintains cash balances at one bank. Accounts are insured by the Federal Deposit Insurance Corporation. From time to time, cash balances may exceed the federally insured limits.

Restricted cash represents funds collected and segregated for the purpose of funding unredeemed gift cards. A corresponding liability to recognize the obligation for the unredeemed gift cards is presented on the face of the balance sheets, net of management's estimate of card breakage.

December 31, 2017 and 2016

Intangible Assets

Intangible assets subject to amortization include a trademark, development costs of the Tommy's Club app, and goodwill, which are being amortized on a straight-line basis. The trademark is being amortized over fifteen years. Development costs of the Tommy's Club app are being amortized over three years. The goodwill was acquired at the end of 2017 and represents the excess of cash paid over assets acquired. The Company elected the alternative method of accounting for goodwill as allowed by U.S. generally accepted accounting principles. Goodwill will be amortized over ten years.

Income Taxes

The Company is organized as a limited liability company under provisions of the Internal Revenue Code. Under these provisions, all tax attributes are passed through to the members. Income taxes, if any, are payable by members based on their respective share of operations.

Tax positions taken are assessed for uncertainty and a provision may be recorded if a tax position is not likely to be sustained upon examination.

Advertising

The Company follows the policy of charging the costs of advertising to expense as incurred. Total advertising expense was \$25,400 in 2017 and \$20,631 in 2016.

Subsequent Events

Management has evaluated significant events or transactions occurring subsequent to December 31, 2017, for potential recognition or disclosure in these financial statements. The evaluation was performed through April 10, 2018, the date the financial statements were available for issuance. See Note 5 regarding the sale of property and equipment subsequent to December 31, 2017.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from the estimates used.

December 31, 2017 and 2016

Recently Issued Accounting Pronouncements

In May 2014 and in subsequent amendments, the FASB issued ASU No. 2014-09 which amended Revenue from Contracts with Customers (Topic 606) of the Accounting Standards Codification. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. The guidance will be effective for the Company for annual periods beginning after December 15, 2018. The Company is currently evaluating the impact this guidance will have on its financial statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which provides guidance for accounting for leases. The new guidance requires companies to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. The ASU is effective for annual periods beginning after December 15, 2019. The Company is currently evaluating the impact this guidance will have on the Company's financial statements.

NOTE 2 - INTANGIBLE ASSETS

Intangible assets are comprised of the following:

	<u>2017</u>	<u>2016</u>
Trademark	\$ 5,656	\$ 5,656
Tommy's Club App Development	34,348	34,348
Goodwill	<u>145,000</u>	<u>-</u>
Total	185,004	40,004
Less: Accumulated Amortization	<u>(20,696)</u>	<u>(8,870)</u>
Net Intangible Assets	<u>\$ 164,308</u>	<u>\$ 31,134</u>

TOMMY'S EXPRESS, LLC

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017 and 2016

Amortization on the above intangible assets for the next five years is expected to be as follows:

Years ending:

2018	\$	26,326
2019		17,739
2020		14,877
2021		14,877
2022		14,877

NOTE 3 - FRANCHISEE DEPOSITS

Franchisee deposits held at December 31, 2017 and 2016 consist of deposits for 13 and 2 prospective franchise locations, respectively. Deposits are recognized as initial franchise revenue when all material conditions of the sale have been substantially performed.

NOTE 4 - RELATED PARTY

Following is information regarding transactions with companies related by common ownership for the years ended December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Employee leasing through payroll	\$ 260,101	\$ 54,327
Payroll taxes associated with leased employees	15,424	4,943
Amounts payable to related party	49,291	66,534
Amounts receivable from related party	11,861	-

NOTE 5 - LEASE

In 2017, the Company began leasing office space for \$4,270 per month plus related occupancy costs from a company related through common ownership under a month-to-month arrangement. Total rent paid for 2017 was \$21,350 and is included in occupancy costs in the statement of operations.

December 31, 2017 and 2016

NOTE 6 - BUSINESS ACQUISITIONS

On December 31, 2017, the Company acquired assets from Navigate Creative Works. The purchase price of \$150,000 was allocated to the assets purchased based upon their estimated fair value at the date of acquisition. The excess of the purchase price over the estimated fair value of the net tangible assets acquired of approximately \$145,000 was recorded as goodwill.

The purchase price was allocated as follows:

Property and Equipment	\$ 5,000
Goodwill	145,000
Total Purchase Price	<u>\$ 150,000</u>

The property and equipment consisted of furniture and fixtures and was sold to an unrelated third party subsequent to December 31, 2017.

NOTE 7 - BUY AND SELL AGREEMENTS

The Company has entered into an operating agreement which provides for certain ownership transfers in the event that a member exits or otherwise divests of their ownership.

A member of the Company is permitted to withdraw from the Company only upon unanimous consent of the other members. Remaining members have the right to purchase the withdrawing member's entire membership interest or to dissolve and liquidate the Company. If the remaining members elect to purchase the membership interest of the withdrawing member, the purchase shall occur at the fair market value of the Company.

Upon the death, bankruptcy or incompetency of a member, the other members shall have the first option to purchase all or any portion of the shares held by the deceased, bankrupt or incompetent member. If the remaining members elect to purchase the membership interest of the withdrawing member, the purchase shall occur at the fair market value of the Company.

NOTE 8 - RECLASSIFICATIONS

Certain reclassifications were made to the 2016 financial statements in order to conform to the 2017 presentation.

EXHIBIT I TO THE DISCLOSURE DOCUMENT

GENERAL RELEASE AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 20____, by and between Tommy's Express LLC, a Michigan limited liability company having its principal place of business located at 240 East 8th Street, Holland, Michigan, 49423 (the "Franchisor"), and _____, a _____ with a principal address at _____ (hereinafter referred to as "Releasor"), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:

1. Release by Releasor:

Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement. In the event Releasor breaches any of the promises covenants, or undertakings made herein by any act or omission, Releasor shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys' fees.

2. Releasor hereto represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys' fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

3. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.

4. Michigan law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder. This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto.

5. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the State of Michigan.

6. This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date first above.

Witness:

RELEASOR:
(Franchisee)

(Name)

Witness:

TOMMY'S EXPRESS LLC

By: _____
Name: _____
Title: _____

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Illinois	May 15, 2020 (Exempt)
Indiana	December 20, 2019
Maryland	Pending
Michigan	November 15, 2019
Minnesota	Pending
New York	June 27, 2018, amended Pending
North Dakota	June 3, 2020
Rhode Island	June 2, 2020
South Dakota	December 13, 2019
Virginia	December 19, 2019
Washington	May 22, 2019
Wisconsin	November 13, 2019

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

(KEEP THIS COPY)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Tommy's Express LLC, offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Tommy's Express LLC, does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit A.

The franchisor is Tommy's Express LLC, located at 240 East 8th Street, Holland, Michigan, 49423. Its telephone number is (616)834-0544.

Issuance date: April 13, 2020

The name, principal business address and telephone number of the franchise seller for this offering is: Eric O'Connor at 240 East 8th Street, Holland, Michigan, 49423, and (616)834-0544

Tommy's Express LLC authorizes the agents listed in Exhibit A to receive service of process for it.

I have received a disclosure document dated April 13, 2020, that included the following Exhibits:

A – State Agencies/Agents for Service of Process	F – Franchisees Who Have Left the System
B – Multi-State Addendum	G – Table of Contents of Operations Manual
C – Franchise Agreement	H – Financial Statements
D – Multi-Unit Development Agreement	I – Form of General Release
E – List of Franchisees	

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

You may return the signed receipt either by signing, dating and mailing it to Tommy's Express LLC, at 240 East 8th Street, Holland, Michigan, 49423, or emailing a scanned copy to erico@tommys-express.com.

RECEIPT

(RETURN THIS COPY TO US)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Tommy's Express LLC, offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Tommy's Express LLC, does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit A.

The franchisor is Tommy's Express LLC, located at 240 East 8th Street, Holland, Michigan, 49423. Its telephone number is (616)834-0544.

Issuance date: April 13, 2020

The name, principal business address and telephone number of the franchise seller for this offering is: Eric O'Connor at 240 East 8th Street, Holland, Michigan, 49423, and (616)834-0544.

Tommy's Express LLC authorizes the agents listed in Exhibit A to receive service of process for it.

I have received a disclosure document dated April 13, 2020, that included the following Exhibits:

A – State Agencies/Agents for Service of Process	F – Franchisees Who Have Left the System
B – Multi-State Addendum	G – Table of Contents of Operations Manual
C – Franchise Agreement	H – Financial Statements
D – Multi-Unit Development Agreement	I – Form of General Release
E – List of Franchisees	

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

You may return the signed receipt either by signing, dating and mailing it to Tommy's Express LLC at 240 East 8th Street, Holland, Michigan, 49423, or emailing a scanned copy to erico@tommys-express.com.