

You must establish your office for the Franchised Business (“**Office**”) at a location (“**Location**”) within your Designated Territory prior to the commencement of any business or promotional activities. You may not change the Location without CITY WIDE’s approval. You must give CITY WIDE at least 30 days’ prior written notice of any such change and CITY WIDE shall have 30 days within which to approve such Location and the proposed decor and signage. If CITY WIDE does not approve of such Location, decor or signage within such 30-day period, your request shall be deemed disapproved.

At a minimum, your Office must include telephone service dedicated to the Franchised Business which will be answered by an employee, telephone answering service or voice mail (or combination thereof) and which will take calls from customers or employees 24 hours a day (See Section 6.3 of the Franchise Agreement). CITY WIDE reserves the right, from time to time, to establish additional requirements concerning the establishment and operation of the Office and you are required to promptly comply with such requirements upon receipt of notice from CITY WIDE.

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

CITY WIDE will not operate or license others to operate a CITY WIDE Franchised Business using the Marks within your Designated Territory unless you do not meet the annual revenue per capita (“**Annual Revenue Per Capita Growth**”) in every year during the term of your Franchise Agreement.

Specifically, you will be required to grow the gross revenues generated by your CITY WIDE Franchised Business to no less than \$0.20 per person per year in your Designated Territory. The rate of \$0.20 is the current rate. On an annual basis beginning of fiscal year any metric that we use to measure the Annual Revenue Per Capita Growth may be adjusted based upon the increase in the Consumer Price Index as currently measured by the Index as defined below, but not to exceed 3%. For purposes of this section, “Index” shall mean (i) the increase in the Consumer Price Index for all Urban Consumers, U.S. City Average (1982-84 = 100) published by the Bureau of Labor Statistics of the United States Department of Labor. When the rate is increased, CITY WIDE will notify you and the increase will appear in the Manual.

You must meet this requirement each year, however, CITY WIDE will measure your Annual Revenue Per Capital Growth by calculating the average revenues generated by Franchisee's Franchised Business in the preceding two (2) years of operations. Each year thereafter, CITY WIDE will measure your Annual Revenue Per Capita Growth by calculating the average revenues generated by your CITY WIDE Franchised Business in the immediately preceding two (2) years of operations. If you fail to satisfy the Annual Revenue Per Capita Growth requirement in any twenty-four month period, it will be deemed a material breach of the Franchise Agreement, and CITY WIDE will then have the right to reduce the size of your Designated Territory, grant additional franchises within the Designated Territory or to terminate your Franchise Agreement, however, you will have a period not to exceed one (1) year to cure such breach.

These Annual Revenue Per Capita Growth figures are not financial performance representations for your CITY WIDE Franchised Business. Other than as provided in ITEM 19, CITY WIDE does not furnish or authorize its salespersons to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of a CITY WIDE Franchised Business. If your Franchise Agreement is renewed, your Annual Revenue Per Capita Growth must increase by the per capita growth as stated in the Manual and in the then-current Franchise Disclosure Document, generated in the immediately preceding two (2) years of operations.

Furthermore, the license granted to you by CITY WIDE is limited to the right to develop and operate one Franchised Business at the Location located in the Designated Territory, and does not include

(i) any right to market or sell products or services identified by the Marks at any location other than the Location, or through any other channels or methods of distribution, including the Internet (or any existing or future form of electronic commerce including but not limited to social media websites and mobile communication devices), except by policies stated in the Operating Manual; (ii) any right to sell products or services identified by the Marks to any person or entity for resale or further distribution; or (iii) any right to exclude, control, or impose conditions on CITY WIDE's development of future franchised, company, or Affiliate-owned Franchised Businesses at any time outside of the Territory.

You also acknowledge and agree that CITY WIDE and its Affiliates reserve the right to:

1. Establish and/or license other Franchised Businesses at any location outside of the Designated Territory as CITY WIDE deems appropriate.

2. Establish and license others to establish businesses under other systems using the Marks or other proprietary marks, which businesses may be located within or outside the Designated Territory, provided, however, that, except as specifically provided in the Franchise Agreement, CITY WIDE will not license or establish a business substantially similar to the Franchised Business and using the Marks within your Designated Territory.

3. Sell the services, products, materials and related equipment authorized for your Franchised Business under other trademarks, service marks and commercial symbols through similar or dissimilar channels of distribution and under terms CITY WIDE deems appropriate within and outside your Designated Territory.

4. Advertise and sell the services, products, materials, and related equipment authorized as associated with your Franchised Business under the Marks through dissimilar channels of distribution including, without limitation, by electronic means such as the Internet and websites CITY WIDE establishes and under terms CITY WIDE deems appropriate within and outside your Designated Territory.

5. Advertise the System on the Internet and create, operate, maintain and modify, or discontinue the use of one or more websites using the Marks.

6. Acquire the assets or ownership interest of one or more businesses providing services, products, materials and related equipment like those provided at your Franchised Business, and franchise under a service mark or trademark other than CITY WIDE's Marks, license or grant the right to others to operate those businesses once acquired, regardless of whether these businesses are located or operating within your Designated Territory.

7. Be acquired by a business providing services, products, materials and equipment like those provided at your Franchised Business, even if such business operates, franchises and /or licenses competitive businesses in your Designated Territory.

8. Maintain the National Business Development Program. If you do not participate in the National Business Development Program or are unable to fully service a National Account in your Designated Territory, CITY WIDE, an Affiliate, or a third party CITY WIDE designee (including another CITY WIDE franchisee) may provide the services necessary to fulfill a National Account in your Designated Territory and you will not be entitled to any compensation in connection with that transaction. CITY WIDE currently uses its affiliate, Areté Facility Management, LLC, to provide these services.

9. Engage in any other activities not expressly prohibited in the Franchise Agreement.

In consideration of CITY WIDE's agreement not to grant another CITY WIDE franchise in your Designated Territory, you must at all times use your best efforts to promote and increase the sales and service of the Franchised Business and to affect the widest and best possible distribution, sale and placement, solicitation and servicing of all potential clients for authorized CITY WIDE services throughout the Designated Territory.


You may solicit or accept orders from consumers outside of your Designated Territory, in contiguous areas to the Designated Territory, provided that such order is not within the Designated Territory of another franchisee or affiliate-owned location. If you accept orders outside of your Designated Territory in a contiguous area, and the area subsequently becomes the Designated Territory of another franchisee or affiliate-owned location, the new franchisee has exclusive rights to any orders/consumers sold outside of your Designated Territory. At the new franchisee's discretion, the new franchisee has up to 12 months from its opening date to determine if it wants the order/consumer to be transferred to the new franchisee and service the consumer or allow you to service the consumer. Refer to the Operating Manual for the specific account transfer details. If the consumer is being transferred to the new franchisee, you must comply and support the consumer account transfer, ensuring you are providing best efforts to minimize loss of business.





You have no options or rights of first refusal to acquire additional franchises outside the Designated Territory or in any contiguous territory. However, CITY WIDE will favorably consider granting additional territory to Franchisees who meet its qualifications.

### **ITEM 13 TRADEMARKS**

CITY WIDE is the exclusive licensee of CITY WIDE Franchise Holding Company, Inc., of the trade name and service marks "CITY WIDE", and "CITY WIDE" and Design, the trade dress of the franchise materials, and associated logos and commercial symbols, for use in a commercial cleaning franchise system, throughout the United States, Canada and Mexico. Under the Franchise Agreement, CITY WIDE grants to Franchisee the right, franchise, privilege and license to operate a Franchised Business under the trade name and service mark "CITY WIDE" and "CITY WIDE" and Design, and under any other trade names, trademarks, service marks, logotypes, or other commercial symbols ("**Marks**") currently authorized for use or that may thereafter be authorized by CITY WIDE for use in connection with the operation of Franchises under the System. Under a license agreement dated January 12, 2021 between CITY WIDE Franchise Holding Company, Inc. and CITY WIDE, CITY WIDE is the sole and exclusive licensee for franchising of the Marks and the sole licensor of all right, title, and interest in the Marks for commercial cleaning franchises. The term of the license agreement is in perpetuity, and the license agreement cannot be modified or terminated except by the mutual agreement of the parties.

CITY WIDE has registered the following Marks with the USPTO on the Principal Register:

<b>Mark</b>	<b>Registration Date</b>	<b>Registration Number</b>	<b>Status</b>
	March 17, 2009	Reg. No. 3,590,034	Registered on the Principal Register

	August 9, 2011	Reg. No. 4,009,441	Registered on the Principal Register
<b>CITY WIDE FACILITY SOLUTIONS</b>	March 16, 2021	Reg. No. 6,292,637	Registered on the Principal Register
	July 19, 2022	Reg. No. 6,791,952	Registered on the Principal Register
	July 19, 2022	6,791,953	Registered on the Principal Register
	February 21, 2023	6,987,575	Registered on the Principal Register

CITY WIDE has made all required renewal and affidavit filings (if any are due) for these registrations.

You are authorized to use the Marks appearing in both tables above, or other Marks subsequently developed and designated by CITY WIDE, in the operation of your Franchised Business, if you do so following CITY WIDE's standards and specifications.

No state registrations of any of the Marks have been applied for or granted. CITY WIDE's Licensor, CITY WIDE Franchise Holding Company, Inc., as the owner of all rights, title, and interest to the Marks, claims common law rights to the Marks.

CITY WIDE is not aware of any presently effective determinations of the United States Patent and Trademark Office, the trademark administrator of any state, or any court, or of any pending interference, opposition, or cancellation proceeding, or any pending material litigation concerning any of the Marks.

There are no infringing uses known to CITY WIDE that could materially affect your use of the Marks in this state or in any other state in which the Franchised Businesses are to be located. There are no agreements currently in effect that significantly limit the rights of CITY WIDE to use or license the use of the Marks, trade names, logotypes or other commercial symbols in any manner material to the franchise, except as set forth herein.

CITY WIDE may change or modify the System presently identified by the Marks including the adoption and use of new or modified trade names, service marks, trademarks or copyrighted materials, new programs or systems for the franchise system, new product lines, new employee training, new equipment

or new techniques and you shall accept, use and display any changes in the System as if they were part of the Franchise Agreement at the time of its execution.

All usage of the Marks by you and any goodwill established thereby will inure to the exclusive benefit of CITY WIDE and its Licensor. You are prohibited from contesting the validity or ownership of any of the Marks or assisting any other person in contesting the validity or ownership of any Marks during the term of the Franchise Agreement or at any time thereafter.

You shall promptly notify CITY WIDE of any claim, demand, or cause of action based upon or arising from any attempt by any other person, firm or corporation to use the Marks or any colorable imitation thereof. You shall notify CITY WIDE of any action, claim, or demand against you relating to the Marks, within 10 calendar days after you receive notice of said action, claim, or demand. Upon receipt of timely notice of an action, claim, or demand against you relating to the Marks, CITY WIDE or its Licensor, shall have the sole and absolute right to defend any action. CITY WIDE or its Licensor shall have the exclusive right and obligation to contest or bring action against any third party regarding the third party's use of any of the Marks and shall exercise this right at its sole and absolute right. In any defense or prosecution of any litigation relating to the Marks or components of the System undertaken by CITY WIDE or its Licensor, you shall cooperate with CITY WIDE, or its Licensor sign any documents and take all actions as may be desirable or necessary in the opinion of CITY WIDE's or Licensor's counsel, to carry out this defense or prosecution. All parties will make every effort consistent with the foregoing to protect, maintain, and promote the Marks as identifying the System. CITY WIDE makes no representation or warranty, express or implied, as to the use, exclusive ownership, validity, or enforceability of the Marks.

CITY WIDE has no obligation, under the Franchise Agreement or other agreement to indemnify you for damages if you are a party to any administrative or judicial proceeding involving the Marks.

You may not use any of the Marks as part of any corporate or trade name, or in any modified form or in connection with the sale of any unauthorized product or service. You must comply within a reasonable time if CITY WIDE notifies you that the use of any Mark be discontinued or modified.

CITY WIDE or its agents shall, at all reasonable times, and in a reasonable manner, have the right of entry and inspection of your Franchised Business. CITY WIDE shall have the right to observe the manner in which you are rendering services and conducting operations and to inspect equipment, merchandise, accessories, products, supplies, reports, forms, documents, and related data for test of content and evaluation purposes to make certain that your Franchised Business is being operated in accordance with the quality control provisions and performance standards established by CITY WIDE.

In the highly unlikely event that CITY WIDE would lose the right to license the Mark, CITY WIDE would promptly initiate an effort to acquire, and provide the use thereof to you of an appropriate Mark or Marks to replace the "CITY WIDE" Mark, at no additional cost to you, except for stationery and other supplies.

Your use of the trademarks, service marks, or commercial symbols of CITY WIDE in any advertising or in any form of promotion shall conform to the guidelines stated in Section 5 of the Franchise Agreement, Attachment D to the Franchise Agreement, and the Operating Manual, and as that Attachment D to the Franchise Agreement is periodically modified in the Operating Manual.

## **ITEM 14**

### **PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

CITY WIDE owns no registered patents that are material to the System. If, at the sole and absolute right of CITY WIDE, it becomes advisable at any time to acquire additional patents or copyrights, you shall be obligated to use this patent or copyright as prescribed by CITY WIDE.

CITY WIDE claims common law rights and copyright protection for the signage, promotional materials, Operating Manual, training materials, agreements, bid sheet, bid system, and any other documents and materials used in connection with the operation of the System and CITY WIDE facilities and Franchised Businesses.

There are no pending patent applications that are material to the franchise.

#### **Proprietary Information**

You are prohibited from duplication of the CITY WIDE System and shall not disclose or cause to be disclosed any part of the CITY WIDE System or Operating Manual.

Your entire knowledge of the operation of the Franchised Business is derived from information disclosed to you by CITY WIDE and certain information is proprietary, confidential, and a trade secret of CITY WIDE. “**Trade Secret**” includes the Business Records and the whole or any portion of know-how, knowledge, methods, specifications, processes, procedures, and/or improvements regarding the Franchised Business that is valuable and secret in the sense that it is not generally known to competitors of CITY WIDE. You shall maintain the absolute confidentiality of all trade secret information during and after the term of the franchise and will not use any information in any other business or in any manner not specifically authorized or approved in writing by CITY WIDE. However, your obligation to maintain proprietary information confidential should not include the following exceptions: (i) information as previously known by you before disclosure by CITY WIDE if you identify any information as previously known; (ii) information disclosed to you by a third party, unless the third party is under a duty not to disclose or use the information, or unless the third party is not in rightful possession of any information; or (iii) information generally known in the pertinent trade. Information shall be deemed generally known only if you can establish that the full particulars of the proprietary information in the combination disclosed to you are well known or generally used within the trade or industry.

Exceptions (i) - (iii) above shall only apply if you notify CITY WIDE of the pertinent exception (i) - (iii) within 30 days after disclosure of CITY WIDE to you of any confidential proprietary information.

Proprietary information shall not be deemed to be within the foregoing exceptions merely because this information is embraced by part of or more general information in the public domain or in your possession. In addition, any combination of features shall not be deemed to be within the foregoing exceptions merely because individual features are in the public domain and are in your possession, but only if the combination itself, its principal of operation, knowledge, or know-how are in the public domain or in your possession.

You will divulge confidential information and trade secrets only to those of your employees as they must have access to it in order to operate the Franchised Business. Any and all information, knowledge and know-how, including, specifications and materials concerning commercial janitorial services, commercial janitorial supplies, carpet cleaning, window washing, construction clean-up, blind cleaning, hard surface floor care, pest control, upholstery cleaning, concrete coatings, and other commercial services concepts,

and the CITY WIDE System, systems and activities, and other data which CITY WIDE designates as confidential shall be deemed confidential for purposes of the Franchise Agreement.

CITY WIDE is entitled to immediate equitable remedies, including restraining orders and injunctive relief, in order to safeguard the proprietary, confidential, unique, and special information of CITY WIDE. All of your employees having access to the confidential and proprietary information of CITY WIDE shall sign a confidentiality agreement in a form acceptable to CITY WIDE.

CITY WIDE has no obligations under the Franchise Agreement or otherwise to protect any or all rights that you have or may acquire to use a patent, patent application, or copyright which CITY WIDE may have or obtain.

There is no infringing use known to CITY WIDE or its affiliates, which would materially affect your use of proprietary and/or copyrighted materials.

## **ITEM 15**

### **OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

You are required to personally oversee the day-to-day operations of the Franchised Business and must reside full-time, year-round, within the Designated Territory. If the Franchisee wishes to appoint a full-time Manager (“**Manager**”) to handle daily operations at a specific location, you must first obtain approval from CITY WIDE. The Manager must be a trained and competent employee, possess the necessary experience to operate the Franchised Business in accordance with the Operating Manual, and reside full-time, year-round within the Designated Territory. Additionally, the Manager must hold at least a 20% ownership interest in the Franchisee and meet the current qualifications CITY WIDE requires for new franchisees. If a Manager is appointed, you are expected to fully support them in their role. CITY WIDE reserves the right to request proof of residency for you or your Manager, as well as documentation verifying the Manager’s ownership interest. The Manager must sign the Guaranty and Assumption of Obligations, the Confidentiality Agreement, and the Non-Compete Agreement, attached hereto as Attachments A, E, and F respectively. CITY WIDE’s approval of the Manager may be withdrawn if Franchisee is in default of the Franchise Agreement. From time to time, CITY WIDE may modify the criteria outlined herein and establish new criteria as it relates to the appointment of the Manager.

You must comply with CITY WIDE’s staffing requirements which are detailed in the Operating Manual. Your failure to comply with these requirements will constitute a material breach of the Franchise Agreement and will permit CITY WIDE to terminate the Franchise Agreement.

Any partner of yours that is a partnership; each shareholder, director, and officer of yours that is a corporation; and each member of a Franchisee that is a limited liability company must sign an agreement guaranteeing Franchisee’s obligations under the Franchise Agreement (See Section 12.3 of the Franchise Agreement and **Attachment A** to the Franchise Agreement). Each partner, shareholder, director, officer, or member of a Franchisee and, if applicable, any spouses or domestic partners of each partner, shareholder, director, officer, or member of Franchisee and Manager must sign the Non-Compete Agreement contained in the Franchise Agreement.

See also ITEMS 14 and 17 of this Franchise Disclosure Document.

**ITEM 16**  
**RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You may sell those services that consist solely of providing commercial janitorial services, commercial janitorial supplies, carpet cleaning, window washing, construction clean-up, blind cleaning, hard surface floor care, pest control, upholstery cleaning, concrete coatings, and other commercial services to a variety of commercial customers typically through the use of independent contractors. You may sell only within your Designated Territory, except as provided herein for solicitation of sales outside of your Designated Territory.

CITY WIDE may change or add additional authorized services or items and there are no limits to CITY WIDE's rights to do so.

See also ITEMS 8, 9 and 12 of this Franchise Disclosure Document.

**ITEM 17**  
**RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**

**THE FRANCHISE RELATIONSHIP**

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

**FRANCHISE AGREEMENT**

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
a. Length of the franchise term	Section 2	10 years.
b. Successor or extension of the term	Section 2	Two (2) additional terms of five (5) years each.
c. Requirements for you to renew or extend	Section 2	Your Successor Franchise right permits you to remain as a franchise after the initial term of your Franchise Agreement expires only for the additional terms and only if you meet the renewal conditions. If you wish to do so, and you satisfy the pre-conditions to obtaining a Successor Franchise, the Franchisor will offer you the right to obtain two additional terms of 5 years each. You must be in good standing, including compliance with the Annual Revenue Per Capita Growth and Operating Manual; notify CITY WIDE in writing 12 months before the Franchise Agreement expires that you want a Successor Term; perform all required maintenance, refurbishing, renovating, remodeling, and equipment upgrades at your expense; sign CITY WIDE's then-current form of Franchise Agreement, which may materially differ



Provision	Section in Franchise Agreement	Summary
		from the terms of the original Franchise Agreement; pay a Successor Fee of 50% of the then-current Initial Franchise Fee; sign a general release of all claims you may have against CITY WIDE; and provide proof to CITY WIDE that you have the right to remain at your Location.
D. Termination by you	Not Applicable	Not Applicable.
e. Termination by Franchisor without cause	Section 14	CITY WIDE cannot terminate without cause.
f. Termination by Franchisor with cause	Section 14	CITY WIDE can terminate only for cause.
g. "Cause" defined – defaults which can be cured	Section 14.2	Failure to operate the Franchised Business or forfeiture of the right to transact business in the jurisdiction containing the Designated Territory; violation of safety or other laws, regulations or ordinances; failure to meet financial obligations or timely submit reports; failure to comply with any provision of the Franchise Agreement or Operating Manual; misuse or impairment of the Marks or Software; copyright infringement; default under the Promissory Note; unauthorized assignment; failure to comply with CITY WIDE requirements regarding Minimum Royalty Fee or Minimum Customer Retention; failure to have minimum staffing levels.
h. "Cause" defined – non-curable defaults	Section 14.1	Specified financial problems; conviction of a crime involving moral turpitude; falsification of books or records; inability to satisfactorily complete training; repeated defaults; failure to operate according to standards in the Operating Manual or the Franchise Agreement; any other franchise agreement between Franchisor and you is terminated; or abandonment.
i. Your obligations on termination/non-renewal	Section 15	You must stop using the Marks; pay any monies you owe under the Agreement; return the Operating Manual and other CITY WIDE materials; change all phone numbers; provide all Business Records to CITY WIDE; upon CITY WIDE's request, assign and resell to CITY WIDE at depreciated market value your interest in any proprietary equipment and items bearing the Marks; if necessary, assign to CITY WIDE or its designee any assumed name or equivalent registration which contains the name "CITY WIDE" or any other Mark; pay to CITY WIDE all damages, costs, and expenses, including

Provision	Section in Franchise Agreement	Summary
		reasonable attorneys' fees, incurred by CITY WIDE subsequent to termination or expiration in connection with obtaining injunctive or other relief under the Franchise Agreement; provide all signage to CITY WIDE; and take further action as may be required by the Operating Manual or reasonably requested by CITY WIDE; and, if due to your default, forfeit any royalty rebate.
j. Assignment of contract by Franchisor	Section 13	No restriction on CITY WIDE's right to assign.
k. "Transfer" by you – definition	Section 13	Includes transfer of contract or assets or change in ownership.
l. Franchisor's approval of transfer by you	Section 13	CITY WIDE has the right to approve all transfers, but will not unreasonably withhold approval.
m. Conditions for Franchisor's approval of transfer	Section 13	You must ask CITYWIDE at least 60 days before to approve a transfer; you must pay a Transfer Fee equal to \$25,000 and pay any applicable third-party broker fee; you must be in compliance with the Franchise Agreement and Operating Manual; transferee must meet CITY WIDE's standards, agree to make required upgrades, sign the current form of franchise agreement, and pay all required fees (including Initial Fees).
n. Franchisor's right of first refusal to acquire your business	Section 20	If you propose to sell the Franchised Business, its assets or part of the ownership of Franchisee, CITY WIDE will have a right of first refusal for 60 days to purchase for the price, terms and conditions offered to you (except CITY WIDE may substitute cash for payment terms).
o. Franchisor's option to purchase your business	Section 20	When the Agreement terminates or expires, CITY WIDE will have an option, but not an obligation, to purchase from you any assets of the Franchised Business and any materials containing the Marks at the lower of fair market value or your cost; CITY WIDE must notify you within 60 days after the termination or expiration. CITY WIDE shall have up to six months to pay the entirety of the agreed-upon purchase price.
p. Your death or disability	Sections 13 & 21	Survivor or estate may continue to operate if it meets CITY WIDE standards, completes training, and signs an agreement that the survivor or estate agrees to be bound by the Franchise Agreement; Survivor will have up to 60 days to elect to acquire or retain such interest (subject to CITY WIDE's approval). If Survivor does not desire to acquire or retain such interest, then Survivor will thereafter have six (6) months to make a transfer to a