

FRANCHISE DISCLOSURE DOCUMENT

HOODZ International, LLC
A Delaware Limited Liability Company
731 Fairfield Court
Ann Arbor, MI 48108
888-HOODZ-USA
info@HOODZ.com
www.HOODZ.us.com



The franchise owner will provide commercial premises cleaning businesses and particularly commercial kitchen equipment cleaning, utilizing the HOODZ business system, which is sometimes referred to below as the “Franchise”, Franchised Business” or “HOODZ Franchise.”

The total investment necessary to begin operation of a HOODZ franchise is from \$80,758 to \$141,357. This includes a minimum from \$54,900 and a maximum of \$74,900 that must be paid to the franchisor or affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no 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 Ms. Janet Hughes, Director of Legal Administration, at 731 Fairfield Court, Ann Arbor, MI 48108, 734-864-9774.

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 the contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “[A Consumer’s Guide to Buying a Franchise](#),” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance date: April 1, 2010

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. **REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.**

Call the state franchise administrator listed in Exhibit C for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following **RISK FACTORS** before you buy this franchise:

1. **THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN MICHIGAN. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN MICHIGAN THAN IN YOUR OWN STATE.**
2. **ANY DISPUTES WITH US THAT ARE NOT SUBJECT TO ARBITRATION MUST BE RESOLVED BY LITIGATION IN MICHIGAN. IT MAY COST YOU MORE TO LITIGATE WITH US IN MICHIGAN THAN IN YOUR OWN STATE.**
3. **THE FRANCHISE AGREEMENT STATES THAT MICHIGAN LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**
4. **HOODZ INTERNATIONAL, LLC HAS A LIMITED OPERATING HISTORY AND SHOULD BE CONSIDERED A STARTUP.**
5. **THE FRANCHISOR HAS BEEN IN EXISTENCE FOR A SHORT PERIOD OF TIME. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT.**
6. **IT IS IMPORTANT TO NOTE THAT HOODZ International, LLC's LIABILITIES EXCEEDS ITS TANGIBLE ASSETS WHICH MAY ENTAIL ADDITIONAL RISK OF FINANCIAL LOSS.**
7. **VENDORS OF PRODUCTS AND EQUIPMENT MAY CHOOSE NOT TO SELL OR LEASE RECOMMENDED OR REQUIRED EQUIPMENT, PRODUCTS OR SERVICES TO YOU, DEPENDING ON SUCH FACTORS AS YOUR CREDIT AND ARRANGEMENTS WITH OTHER SELLERS IN YOUR AREA.**
8. **THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates.

STATE ISSUANCE/EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This Franchise Disclosure Document is registered, on file, or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California: April 14, 2010

Florida: April 23, 2010

Hawaii: April 12, 2010

Illinois: April 1, 2010

Indiana: March 31, 2010

Maryland: October 4, 2010

Michigan: March 31, 2010

Minnesota: April 5, 2010

New York: May 7, 2010

North Dakota: April 27, 2010

Rhode Island: October 18, 2010

South Dakota: March 31, 2010

Virginia: April 30, 2010

Washington: April 14, 2010

Wisconsin: March 31, 2010

ADDITIONAL DISCLOSURES FOR THE STATE OF MICHIGAN

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

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

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

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

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

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

If the franchisor's most recent financial statements are un-audited, and show a net worth of less than \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

Any questions regarding this notice should be directed to:

State of Michigan
Consumer Protection Division
Attn: Franchise
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48933
(517) 373-7117
miag@michigan.gov

Michigan Effective Date: March 31, 2010

HOODZ INTERNATIONAL, LLC
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**EXHIBIT H1. FRANCHISE ORGANIZATIONS WE HAVE CREATED, SPONSORED
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EXHIBIT H2. INDEPENDENT FRANCHISEE ASSOCIATIONS

EXHIBIT I. RECEIPT

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

1.1 The Franchisor, its Parents and Certain Affiliates.

Our name is HOODZ International, LLC. Our principal business address is 731 Fairfield Court, Ann Arbor, MI 48108. To simplify the language in this Disclosure Document, “we,” “us,” “our,” “Company”, and “HOODZ” means HOODZ International, LLC. “You” or “your” means the person or persons to whom a franchise (the “Franchise”) is awarded. If the Franchise is awarded to a legal or business entity, “you” or “your” means the legal or business entity and the owners of the legal or business entity.

Our parent is Belfor Franchise Group, LLC (f/k/a “DUCTZ Holdings, LLC”), a Michigan Limited Liability Company formed on July 3, 2007, a wholly owned subsidiary of Belfor (USA) Group, Inc. (BELFOR), a Colorado corporation formed on June 9, 1995, and located at 185 Oakland Ave, Suite 300, Birmingham, MI 48009.

Our affiliate that offers other franchises which are described below is DUCTZ International, LLC., a Michigan Limited Liability Company formed on March 30, 2004 and located at 731 Fairfield Court, Ann Arbor, Michigan 48108.

We were formed October 3, 2008, as a Delaware Limited Liability Company, and began offering franchises January 1, 2009. We do business under the name “HOODZ.” We do not do business under any other name; however, our owners have other businesses as described below.

Our agent authorized to receive service of process is listed in Exhibit D of this Disclosure Document.

1.2 Our Business and the Franchises Offered in This State.

We grant franchises for establishing, marketing, promoting, advertising, managing, conducting and operating businesses that perform commercial kitchen exhaust system cleaning, inspection, maintenance and restoration services under the Marks. You will be awarded a geographic territory (the “Territory”) where you may advertise, and solicit business, and where you may also perform services under certain conditions as described in Item 12 and Section 1 of the Franchise Agreement (the “Franchise Agreement” of “FA”). A copy of it is attached as Exhibit A-1. Under certain conditions, other Franchisee(s), Company Store(s), and/or HOODZ Affiliates may also solicit and perform commercial kitchen exhaust cleaning services in the Territory, but again, only as described in Item 12 and in Section 1 of the Franchise Agreement. We grant franchises only in accordance with our Franchise Agreement.

You will identify that you are a HOODZ franchisee by exhibiting the HOODZ Marks (Item 13 of this Disclosure Document and Section 4.C. of the Franchise Agreement) on your marketing materials, vehicles, employee uniforms, stationery, business cards, invoices, and other business supplies and materials.

1.3 The HOODZ Marketing Outlook

HOODZ Franchises offer the above listed services for commercial buildings and institutions. HOODZ Franchises operate under distinctive and proprietary business formats, systems, methods, procedures, techniques, designs and specifications. specific marketing and sales procedures, cleaning, and restoration processes and systems, all of which we (or our affiliates) may improve, further develop or otherwise modify from time to time (collectively called the “HOODZ System” or “System”). We currently plan to develop, promote, and award franchises to establish a franchised network of local owners across the United States which

together with our Company Stores owned and operated by HOODZ North America, LLC, and operating under the name HOODZ of Greater Michigan, will conduct commercial kitchen exhaust cleaning and restoration services under the HOODZ name (the “Franchised Business”) using methods and operating systems as defined in our Team Train Operations Manual. You must operate your HOODZ Business according to the HOODZ System. HOODZ has no other business activities although it reserves the right to do so in the future.

Following the System, you will market your HOODZ Franchised Business services directly to independent and franchised restaurants, schools, institutions, manufacturing facilities and other similar commercial customers.

Your competitors are independent contractors and other businesses that offer kitchen exhaust cleaning and restoration services. These competitors offer similar services with a wide variety of options. You may also compete with large chains, franchised businesses and other companies with substantial resources. The market for commercial kitchen exhaust cleaning services is developed in some geographic areas and developing in other areas, depending on the number of businesses in the area capable of performing similar services, and the number of commercial establishments in the area aware of the availability, regulatory requirements and benefits of such services.

1.4 Laws and Regulations

You must comply with all federal, state, and local laws, standards and regulations that apply to commercial kitchen exhaust cleaning and restoration businesses in general. If your state, county or local government licenses or regulates contractors and exhaust system cleaners, you must be licensed before offering any regulated franchised services. Regardless of any applicable regulations, you must satisfy us that you possess the qualifications required to perform the services offered by HOODZ Businesses. According to the International Kitchen Exhaust Cleaners Association as of the date of this document, the following jurisdiction that requires kitchen exhaust system cleaners to hold special licenses: Boston, MA. Other jurisdictions may or may soon require them as well. You should investigate these laws and regulations, and keep apprised of changes that are made in areas that you service. You are solely responsible to investigate and determine licensing requirements in the area you would like to service before signing the Franchise Agreement. It is your sole responsibility to investigate and comply with these laws and regulations.

You must maintain your license(s) in good standing with the licensing authority for the entire term of the franchise agreement and all renewals.

1.5 Prior Business Experience

We have never conducted business in this or any other line of business, nor have we offered franchises in this or any other line of business, although we reserve the right to do so.

Mr. Nate Wojtasinski, General Manager for the six Company Stores owned by HOODZ North America, LLC, has operated Sonco Steam Cleaning since May 1999. He sold his assets to us on December 15, 2008. Mr. Wojtasinski has not offered any franchises.

The business experience of our parents and affiliates is as follows:

In September of 2001, Mr. John Rotche purchased a pre-existing residential HVAC cleaning and restoration business called A2 IRE and changed the name of this business to Alpine Air, Ltd., a Michigan corporation. Alpine Air, Ltd. business became a company owned store and was renamed DUCTZ of Southeast Michigan, Inc., owned by Mr. Rotche and Service Brands International LLC (“Service Brands”), which formed a strategic partnership in 2003 for the April 1, 2010

purpose of franchising DUCTZ. The first DUCTZ franchise was sold on February 24, 2004. On July 24, 2007, our parent, Belfor Franchise Group, LLC, formed DUCTZ North America, LLC (DZNA) who acquired the assets of DUCTZ of Southeast Michigan, Inc.

On June 27, 2006, the owners of DUCTZ partnered with Tom Yacobellis, the owner of Buster Enterprises, Inc. (“Buster”), a Florida corporation incorporated on April 5, 1993, located at 2030 Main Street, Dunedin, FL 34698. Buster franchised businesses that performed indoor air quality remediation, assessment, consulting, testing, and related environmental health and ductwork services in both residential and commercial buildings under the name of DUCTBUSTERS®. All of the DUCTBUSTERS® operators in the United States have converted over to begin using the DUCTZ marks and have become DUCTZ franchisees.

On July 24, 2007, DUCTZ International, LLC (“DUCTZ”) was acquired by Belfor Franchise Group, LLC., a Michigan corporation incorporated on July 3, 2007, and located at 185 Oakland Ave, Suite 300, Birmingham, MI 48009. Belfor Franchise Group, LLC., is fully owned by BELFOR. Prior to franchising DUCTZ franchises, BELFOR did not operate any and had not offered franchises in any lines of business although they reserved the right to so in the future.

DUCTZ has offered franchises in another line of business --- commercial and residential air duct cleaning services -- from February 2004 to the present. As of December 31, 2009, a total of 144 DUCTZ franchises have been sold by DUCTZ.

Mr. Rotche and Service Brands also partnered to form DUCTZ-NST Ventures, LLC, on March 15, 2006. The assets of DUCTZ-NST Ventures, LLC., were acquired by DUCTZ North America, LLC., (referred to as “DZNA”) a Michigan Limited Liability Company formed on July 3, 2007 and located at 185 Oakland Ave, Suite 300, Birmingham, MI 48009. DZNA is fully owned by Belfor Franchise Group, LLC. Its business includes performing indoor air quality assessments, duct cleaning, and HVAC remediation, assessment, consulting, testing and related environmental health and ductwork services. DZNA, in particular, through its staff and subcontracts with DUCTZ franchises, services and performs and/or assists in various large volume, emergency, and rapid response projects, as well as in times of catastrophic loss. DZNA does not offer franchises in any line of business at this time, although they reserve the right to do so in the future.

We do not have any predecessors.

1.6 Other Affiliates Owned by Our Parent

Our parent, Belfor Franchise Group, LLC, a wholly-owned subsidiary of Belfor (USA) Group, Inc., also owns DUCTZ International, LLC (“DUCTZ”), a Limited Liability Company formed on March 30, 2004, a franchising company dedicated to offering franchises that perform commercial and residential air duct cleaning services. They maintain their principal address at 731 Fairfield Court, Ann Arbor, MI 48108. As of December 31, 2009, DUCTZ has 144 franchises operating in the United States.

Belfor Franchise Group, LLC, also owns DUCTZ North America, LLC (“DZNA”), a Limited Liability Company. On July 24, 2007, DZNA purchased the assets of DUCTZ-NST Ventures, LLC a company originally formed on March 15, 2006. DZNA maintains its principal address at 185 Oakland Ave., Suite 300, Birmingham, MI 48009. Its business includes HVAC restoration and duct cleaning services to various large volume, emergency, and rapid response projects. DZNA does not offer franchises in any line of business at this time, although they reserve the right to do so in the future. As of December 31, 2009 DZNA owns and operates 4 DUCTZ units in the United States.

Belfor Franchise Group, LLC, also owns HOODZ North America, LLC (“HZNA”) a Delaware Limited Liability Company, formed on November 12, 2009. HZNA maintains its principal address at 185 Oakland Ave., Suite 300, Birmingham, MI 48009. Its business includes commercial kitchen exhaust system cleaning, inspection, maintenance and restoration services. HZNA does not offer franchises in any line of business at this time, although they reserve the right to do so in the future. As of December 31, 2009 HZNA owns and operates 6 units in the United States.

Belfor (USA) Group, Inc., f/k/a Enterprise International, Inc.(referred to as “BELFOR”), a Colorado corporation formed on June 9, 1995 and located at 185 Oakland Ave, Suite 300, Birmingham, MI 48009 and is owned by Belfor Holdings, LLC. BELFOR offers property and electronic restoration, machinery refurbishment, data and document restoration, mold remediation, emergency and rapid response. Other than Belfor Franchise Group, LLC, BELFOR does not currently operate any, nor has it offered, franchises in any line of business, although it reserves the right to do so in the future. As of December 31, 2009 BELFOR owns and operates 76 units in the United States.

Belfor Holdings, LLC, through BELFOR, also owns Belfor Environmental, Inc. (“Belfor Environmental”), a Colorado corporation formed on July 15, 1997 and located at 185 Oakland Ave, Suite 300, Birmingham, MI 48009. Belfor Environmental does environmental remediation. Belfor Environmental does not currently operate any nor has it offered franchises in any line of business, although it reserves the right to do so in the future. As of December 31, 2009 they own and operate 6 units in the United States.

Belfor Holdings, LLC, through BELFOR, also owns Belfor Canada, Ltd., (“Belfor Canada”) a Canada company formed on January 1, 2006 and located at 185 Oakland Ave, Suite 300, Birmingham, MI 48009. Belfor Canada offers property and electronic restoration, machinery refurbishment, data and document restoration, mold remediation, emergency and rapid response. Belfor Canada does not currently operate any nor has it offered franchises in any line of business, although it reserves the right to do so in the future. As of December 31, 2009 Belfor Canada owns and operates 22 units in Canada.

ITEM 2. BUSINESS EXPERIENCE.

President: John Rotche

John Rotche has been President of HOODZ International LLC from October 2008 to the present. Mr. Rotche has also served as President and founder of DUCTZ International, LLC, from March 3, 2003 to the present. Mr. Rotche served as President of DUCTZ–NST Ventures, LLC which was formed on March 15, 2006 and sold its assets to DUCTZ North America, LLC on July 3, 2007, located in Birmingham, MI. Additionally, Rotche holds a mechanical contractors license, Air Systems Cleaning Specialist (ASCS) certification, a Ventilation System Mold Remediator (VSMR) certification, and a Certified Ventilation System Inspectors (CVSI) certification.

Chief Executive Officer: Sheldon Yellen

Mr. Yellen has been Chief Executive Officer of HOODZ from October 2008 to the present. Mr. Yellen also has serves as Chief Executive Officer for DUCTZ International LLC, Belfor Franchise Group, LLC and DUCTZ North America, LLC, located in Ann Arbor, MI from July, 2007 to the present. Mr. Yellen has served as Chief Executive Officer, from April 2004 through present, at Befor USA Group, Inc., located in Birmingham, MI; prior to this, Mr. Yellen was Chief Operating Officer for Belfor from July 2001 to April 2004. Mr. Yellen also served as

Director and CEO of Belfor Holdings, Inc., in Birmingham, MI, since its inception in September of 2006 to the present.

Chief Financial Officer: Joe Ciolino

Mr. Ciolino has been Chief Financial Officer of HOODZ from October 2008 to the present. Mr. Ciolino also serves as Chief Financial Officer of Belfor Franchise Group, LLC, DUCTZ International, LLC, and DUCTZ North America, LLC., whose main offices are located in Ann Arbor, MI from July 2007 to present. He served as Executive Vice President of Operations of Belfor USA Group, Inc., in Birmingham, MI, from July 2001 through June 2003 and as CFO for Belfor from July 2003 to present. Mr. Ciolino is responsible for Canadian Operations, National Large Loss Division, Training and Implementation and is responsible for the companies' Acquisition and Business Development Program. In September of 2006, he also became the Chief Financial Officer, Treasurer and Secretary of the newly founded Belfor Holdings, Inc., located in Birmingham, MI and continues to serve in this position.

Treasurer and Secretary: Chris Jones

Mr. Jones has been Treasurer and Secretary of HOODZ from October 2008 to the present. Mr. Jones also serves as Treasurer and Secretary of Belfor Franchise Group, LLC., DUCTZ North America, LLC., and DUCTZ International, LLC., whose main offices are located in Ann Arbor, MI, from July 2007 to present. Mr. Jones has also served in the following positions at Belfor USA Group, Inc., located in Birmingham, MI, Acquisition manager from July 2000 through June 2005; and as Group Controller from July 2005 to the present.

Vice President of Franchise Operations, HOODZ International: Tom Handyside

Mr. Handyside has served as Vice President of Franchise Operations, HOODZ International from October 2008 to the present. Mr. Handyside also has served as Vice President of Franchise Operations of DUCTZ from July 2008 to present. Mr. Handyside joined DUCTZ as a Franchise Development Manager in May of 2005 and served in that position through June 2006. He became Director of Sales and Corporate Services in July 2006 through July 2007. From July 2007 through July 2008, he served as Vice President of Corporate Operations for the DUCTZ affiliate, DUCTZ North America, LLC. Before joining DUCTZ, Mr. Handyside was self-employed by Tomlin-Chrismatt, LLC in Northville, MI as an environmental consultant from January 2004 until May 2005. He has worked and consulted in the environmental services and industrial cleaning industry since 1967.

Vice President of Technical Services

Mr. Yacobellis has served as Vice President of Technical Services for HOODZ International from August 2009 to the present. Mr. Yacobellis has also served as Vice President of Corporate Operations for DUCTZ International, LLC since July 2008 to the present. Mr. Yacobellis joined DUCTZ International, LLC in July 2006 as Senior Vice President. He was named Senior Vice President in July 2007 of DUCTZ Holdings, LLC., and DUCTZ North America, LLC., and serves from a satellite office in Dunedin, FL. Before this he founded Ductbusters, Inc. in October 26, 1989, located in Dunedin, FL.

Director of Franchise Training: Tim O'Connor

Mr. O'Connor has served as Director of Franchise Training from June 2009 to the present. Mr. O'Connor also serves as Director of Franchise Operations of DUCTZ from February 2009 to the present. Mr. O'Connor served as Director of Franchise Operations for HOODZ from February 2009 to June 2009. Mr. O'Connor was the Director of Franchise Operation for DUCTZ from

August 2004 to March 2006 and Director of Corporate Operations from March 2006 to February 2009.

Director of Legal Administration: Janet Hughes

Ms. Hughes has served as Director of Legal Administration for HOODZ International from February 2009 to the present. Ms. Hughes also has served as Director of Legal Administration for DUCTZ from February 2009 to the present. Ms. Hughes served as the Legal Franchise Administrator for DUCTZ from September 2007 to February 2009. Before joining DUCTZ, Ms Hughes worked as a manager at Oak Pointe Country Club located in Brighton, MI, from September 2006 to September 2007. Prior to that, she worked for Service Brands International, located in Ann Arbor, MI, as a Legal Franchise Administrator from March 2002 to July 2005.

Franchise Development Manager: Steve Lajiness

Mr. Lajiness has served as Franchise Development Manager for HOODZ International from April 2009 to the present. Mr. Lajiness also has served as the Franchise Development Manager of DUCTZ from March 2007 to the present. Before this, he was a Regional Service Manager for Molly Maid, located in Ann Arbor, MI, from February 2003 to March 2007.

Franchise Development Manager: Ken Osness

Mr. Osness has served as Franchise Development Manager for HOODZ International from April 2009 to the present . Mr. Osness also has served as the Franchise Development Manager of DUCTZ from June 2006 to the present. Prior to that , Mr. Osness was Partner Development Manager for DUCTZ of Southeast Michigan, located in Ann Arbor, MI, from December 2005 to June 2006. From March 2004 to February 2005 he was Senior Pastor at Macomb Christian Church in Macomb, MI.

Franchise Development Manager: Nate Shanlian

Mr. Shanlian has served as Franchise Development Manager for HOODZ International from June 2009 to the present. Mr. Shanlian also has served as the Partner Development Manager for the DUCTZ company store from October 2007 to June 2009. Prior to that, Mr. Shanlian was a Insurance Producer for C Harold Bloom Agency in Northville, MI from August 2006 through September 2007. Before this, he was a Regional Director of Sales and Marketing for Premier Mortgage Company in Akron, OH, from August 2003 through August 2006.

Franchise Development Manager: Joshua Titler

Mr. Titler has served as Franchise Development manager for DUCTZ International from March 2010 to the present. Mr. Titler also has served as the National Business Development Manager of DUCTZ and HOODZ from September 2009 to March 2010. Prior to that, Mr. Titler was the Regional Operations Manager for DUCTZ from August 2007 until September 2009, the Partner Development Manager for DUCTZ of Southeast Michigan (DZNA) from September 2006 to August 2007, and a technician on the original DUCTZ National Service Team (DZNA) from January 2006 to September 2006. From August 2004 to January 2006, Mr. Titler was the Sales/marketing manager for Community Bowling Centers in Ann Arbor, MI.

Director of Sales and National Accounts: Heather Feldkamp

Ms. Feldkamp has served as the Director of Sales and National Accounts from May 2009 to the present. Ms. Feldkamp also has served as a Franchise Development Manager of HOODZ from June 2009 to September 2009 and a Franchise Development Manager for DUCTZ from

November 2008 to the September 2009. Prior to that, Ms. Feldkamp served as Regional Sales Director of HOODZ from November 2008 to the present. Before this, she was a Franchise Development Manager for Molly Maid, located in Ann Arbor, MI from July 2007 to August 2008. Prior to this, Ms. Feldkamp held the roles of Sales Manager, from January 2004 to January 2005, and then Business Development Manager, from January 2005 to June 2007, for Michigan Business Review, located in Ann Arbor, MI. In addition to the roles mentioned Ms. Feldkamp has also worked for Washtenaw Community College in Ann Arbor, MI as a adjunct professor from May 2001 to April 2005, teaching marketing and public speaking.

Director of Marketing: Julie White

Ms White has served as the Director of Marketing for HOODZ International from April 2009 to the present. Ms. White has also served as Director of Marketing for DUCTZ International from September 2009 to present. Prior to this, Ms. White was the Director of Sales and Marketing for Auto-Covers in Detroit, MI from June 2007 to June 2008. Before that Ms. White was the Marketing Manager for E&A Credit Union, located in Port Huron, MI from August, 2006 to June, 2007. Prior to that, Ms. White was an Account Relationship Manager for CUNA Mutual Group in Plymouth, MI from December, 2001 to July, 2006.

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.

5.1. Initial Fees for Franchises

Upon signing of the Franchise Agreement, you must pay an Initial Franchise Fee to us that varies according to the number of Retail Food Service Customers (“RFSC”) in the Territory, as described in the Franchise Agreement. The Initial Franchise Fee is \$44,900 (Base Fee) for a number of no less than 1,600 but not more than 2,000 Retail Food Service Customers (Item 12 of this Disclosure Document and Section 2 of the Franchise Agreement). For a Territory with numbers greater than 2,000 Retail Food Service Customers, the Initial Franchise Fee will equal the Base Fee, plus \$20.00 for each RFSC over 2,000 (the “Additional Fee”). For example, the Initial Franchise Fee for a location with a number of 2,200 RFSC’s will be computed as follows:

$$\$44,900 \text{ (Base Fee)} + (200 \times \$20.00) = \$48,900$$

Each Territory will have a minimum of 1,600 and a maximum of 3,000 RFSC’s that service a population of approximately between 750,000 and 1,000,000. The purchase of more than 3,000 RFSC’s in the aggregate at any time during the term of this agreement will require the payment of an additional Initial Franchise Fee.

We will determine the number of Retail Food Service Customers in our sole discretion based on data compiled by the Environmental Systems Research Institute, Inc. (“ESRI”) and InfoUSA. The determination of RFSC’s is only for the purposes of determining the Initial Franchise Fee and is not a representation as to the potential number of customers in the Territory, either at the commencement of or during the course of the Term of the Franchise Agreement, including any renewal terms.

You must also purchase from us a fixed initial package (“Initial Package”) that will cost \$10,000. This does not include all shipping, handling and sales taxes, which varies by location (Item 7 and section 2.B. of the Franchise Agreement). The Initial Package includes a small tools equipment package, safety package, our marketing materials, trademarked office supplies, stationery, a \$1,000 Fast Track Marketing Allowance (“Marketing Allowance”) and a \$500 Convention Allowance. The Fast Track Marketing Allowance must be used during the first 60 days after the successful completion of training. You will work with our preferred vendor, currently Spectrum Printers, to send mailings to businesses within the Territory. You will not be refunded any used amounts if you do not use the Marketing Allowance during the 60 days following your successful completion of training and you may not apply any unused balance toward future mailings or services. The Convention Allowance (the “Allowance”) is intended to offset expenses (primarily the convention fees, but any remaining balance may be applied towards travel, lodging, and/or meals) associated with attending the first HOODZ annual convention that is scheduled to commence within one year of your successful completion of training (Item 8). If your convention expenses are less than \$500, the difference will be rebated to you. The allowance cannot be used to offset any other expenses or requirements associated with your Franchised Business and if you do not attend the convention, it will not be refunded to you.

Upon our receipt of the signed Franchise Agreement, and payment in full of the Initial Fees or the first installment under the Promissory Note described in Item 10, you will be eligible to enter the Hoodz New Owner Working (NOW) program, begin Business Manager and Technical Operations Training and then ongoing training according to the HOODZ Training program (collectively “HOODZ Train”). The Initial Fees offset the expenses we incur in registering, marketing, awarding, the NOW program, initial Business Manager and Technical Operations training, and opening new franchises. There are no refunds under any circumstances.

HOODZ is a member of the International Franchise Association (IFA) and participates in the IFA’s VetFran Program, which provides a \$2,500 discount on the Initial Franchise Fee (Base Fee) to veterans of the U.S. Armed Forces who otherwise meet the requirements of the VetFran program. This is only applicable for the first Franchise awarded to you by the Belfor Franchise Group.

HOODZ offers a Firefighter discount of \$2,500 on the Initial Franchise Fee (Base Fee) to persons who are or whom have been employed as firefighters or as a volunteer firefighter. If you are still a firefighter, you must designate a Managing Owner as described in Section 15.

DUCTZ also participates in certain Minority franchise programs which may offer a discount of up to \$2,500 for those who qualify.

In the event that you need to arrange for financing, you may pay the Initial Franchise Fees in two installments. The first non-refundable installment is \$5,000 and is due and payable when you sign and return to us the Franchise Agreement. You must also sign a 30 day interest free promissory note for the balance of monies owed, and you must remit the balance at least seven days before your attending of Business Manager and Technical Operations Training (our five day classroom and hands on training held in Ann Arbor, MI). Upon our receipt of the signed Franchise Agreement, the first installment payment and your Promissory Note, you will be eligible to begin the NOW program section of Hoodz Train. However, you will not be eligible to begin all sections of HOODZ Train, unless we have received a minimum of \$44,900. If third party financing is necessary for you to fund your Franchised Business, we will assist you in developing and submitting financial projections.

We also offer financing to those Franchises who meet our credit standards (Item 10). If you participate in our installment plan as described above, you may still participate in our financing program if you meet our credit standards.

5.2 Initial Fees for Additional Franchises, Renewals and Transfers

If you wish to purchase multiple territories immediately (before you sign the Franchise Agreement), we will discount the Base Fee for the second Franchise Agreement by \$10,000. The discount for multiple territories will be applied to and include the purchase of any HOODZ territories or any territory(s) of our affiliate, DUCTZ International, LLC.

You may apply for an additional franchise and, if we approve your request, you may be awarded an additional franchise (Item 12). For additional franchises awarded to you, you must agree to sign our then current Franchise Agreement and remit to us our then current Initial Franchise Fee.

If this is a Renewal Term you are not required to pay the Initial Franchise Fee, or Initial Package. However, you must pay the Renewal Fee (Item 6 and Section 11.D of the Franchise Agreement).

If this is a Transfer, currently we will waive the Initial Franchise Fee. You or the Seller must also pay the then current Transfer Fee. If you are purchasing the entire Franchise from the previous owner, currently you are not required to purchase the Initial Package. If this is a Transfer and you are purchasing a portion of the Business being sold, you must purchase the entire Initial Package. In either case, you must also pay the then current Transfer Fee (Item 6 and Section 10.B of the Franchise Agreement.).

ITEM 6. OTHER FEES

Name of Fee (Note 1)	Amount	Due Date	Remarks (Note 1)
Royalty (Note 2)	10% of all Gross Sales generated. If you fail to achieve the Minimum Gross Level of Sales (Section 2.F. of the Franchise Agreement) we may collect a minimum royalty (Note 3).	This fee is due by automatic debit each Friday (or another day we may designate) for Gross Sales generated during the preceding week ending on Sunday (Note 4)	See Notes 5 and 6
Additional Training or Assistance Hosting Fee	\$50 per person of any training conducted at the Corporate Training facility or our then current fee.	Due by automatic debit the following Friday (or any other day we may designate) after the completion of training	Initial Business Manager and Technical Operations training to your Managing Owner, or, if applicable, your Designated Manager and one other person is included with the franchise. You may designate, with our approval and on a "space available basis," additional persons to attend initial Business Manager and

Name of Fee (Note 1)	Amount	Due Date	Remarks (Note 1)
			Technical Operations training, or portions thereof for the Hosting Fee.
Technology, Licensing & Upgrade Fee	Our then current fee, presently this is \$25 per week.	Due by automatic debit each Friday (or another day we may designate).	This includes the HOODZ Software.
Internet Homepage	Our the current fee, presently this is \$100 per year.	Due by automatic debit on January 15 of each year or in twelve equal monthly installments due on the 15 th of each month.	Personalized home page on the HOODZ web site
Conventions, Regional Meetings and/or Additional Training	The then current fee. Presently, the current fee is \$255 per person per event.	Before the start of meeting. Must attend one convention every two years and period training at least once per year.	To help offset our out-of-pocket expenses for meeting room space, meals during the meeting, audio visual rental, workbooks, speakers, etc. Does not include travel, lodging or all meals. Location varies, these fees are payable to and imposed and collected by third parties.
Transfer of Corporation Fee	\$500.	Due upon signing transfer documents.	Due if you change the legal entity that owns the Franchise, after one initial transfer prior to the commencement of business.
Transfer Fee	Our then current fee, per Territory. Presently this is \$9,900 if transferred to a new HOODZ Franchise Owner, or our current charge of \$2,000 if transferred to a current HOODZ Franchise Owner.	Due upon signing the new Franchise Agreement.	No charge if the Transfer is to an entity controlled by you to a spouse or child. We reserve the right to increase this fee.
Transfer Fee - Broker Fee	If you authorize us to enlist a third party broker to locate the transferee, there will also be a broker fee, which currently ranges from \$22,000 - \$25,000.	Due upon closing of the sale of the Franchised Business.	Payable only if the third party broker located the transferee. Payable to and imposed and collected by us if a broker fee was paid by HOODZ to the third party. Payable to and imposed and collected by the broker if we

Name of Fee (Note 1)	Amount	Due Date	Remarks (Note 1)
			do not pay a broker fee to the third party.
Local Marketing Requirement	Up to 10% of Gross Sales, if implemented	Quarterly in accordance with our standards and specifications	See Note 8
National Marketing Fund	Up to 5% of Gross Sales, if established	Deducted Quarterly	See Note 7
Outstanding Royalties, Support Fees, and other fees of Predecessor	Will vary under circumstances.	Due 6 weeks from the execution of your Franchise Agreements.	In a transfer, the transferee promises to pay us at the time of the purchase closing, the following fees if they are not timely paid by your predecessor; our current transfer fee, all royalties, fees, amounts owed for purchases from us, late payments and interests.
Renewal Term Fee	20% of the then current Initial Franchise Fee.	At the time you sign a Renewal Agreement.	Neither the Royalty nor Designated Marketing Territory will change in the Renewal Term.
Late Report Fee	\$20 per week that a report is late.	Due by automatic debit the Friday (or another day we may designate) after the report is late.	Due for each week a Report is late.
Late Payment Fee	5% of amount due or \$50 per week, whichever is amount is greater.	Due by automatic debit on the Friday (or another day we may designate) following the due date for each late payment.	Due for any payment that is not paid when due.
Administrative Fee	Our then current fee. Presently this is \$500 per transaction.	As incurred.	Due upon your request or when we are required, due to your actions, to amend the franchise agreement.
Collection Fee	The then current fee. At this time, the present fee is up to 10% on gross amounts collected on your behalf.	As incurred.	Due when we collected payment on your behalf for customers who are delinquent in their payment of 90 days or more.

Name of Fee (Note 1)	Amount	Due Date	Remarks (Note 1)
Non-Sufficient Funds (NSF) Fee	The then current fee. At this time, the present fee is \$33 per NSF.	Due by automatic debit the Friday (or another day we may designate) after the NSF occurs.	Due if when we debit your account for monies owed and there are insufficient available.
Reconditioning Fee	\$2,000	Due within 30 days after the completion of your first year in business	Due if you choose to close your business after the completion of your first year and you meet the qualifications for the "Right Fit Guaranty". (Note 9)
Audit	Cost of inspection or audit estimated at \$2500-\$3000, plus 100% of understated Royalty and interest, at the rate of 18% per annum or the maximum rate permitted by applicable law, whichever is less, and all late fees, from the date originally due until the date of payment. If an understatement of Royalty is greater than 5%, you also promise to pay us an additional penalty fee equal to 10% of the total amount of the understated Gross Sales.	Due by automatic debit 15 days after billing.	Due if an inspection or audit is made necessary by your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if an understatement of Royalty is greater than 5% for any period reviewed.
Interest	Lesser of 18% per annum or the maximum permitted by law, whichever is less.	Due by automatic debit each Friday (or another day we may designate)	Due on all overdue amounts from the date the amounts were originally due
Indemnification	Will vary under circumstances.	As incurred.	You must reimburse us if you are held liable for claims from your Franchised Business's operation.
IKECA Certification Fee	The then current fee. At this time, the present fee is \$325.	As incurred, prior to your second year.	See Note 10

Name of Fee (Note 1)	Amount	Due Date	Remarks (Note 1)
Improper Marketing or Service Fee	\$500	When you solicit, advertise, or service customers outside of your Territory	See Note 11

Remarks

The preceding table describes other reoccurring or isolated fees or payments that you must pay to us or our affiliates, or which we or our affiliates may impose or collect on behalf of a third party, in whole or in part.

1. All fees, unless otherwise specified, are uniformly imposed and collected by and payable to HOODZ. All fees are non-refundable.
2. Before Business Manager and Technical Operations Training, you must sign and deliver to us the document (Exhibit A-7) we require, to debit the Franchised Business checking account automatically for all fees due us. This includes the Royalty and other fees mentioned in this Item.
3. As a Franchisee, if you fail to achieve the minimum level of monthly Gross Sales (Section 2.F. of the Franchise Agreement) for a period of 2 or more consecutive months, or any 3 out of 6 month period, we may collect a Royalty equal to what you would have been assessed had you achieved the minimum level of Gross Sales for those months or establish another franchisee or company store in the Territory. There is no minimum level of Gross Sales for the first 12 months. In year 2 the minimum level of monthly Gross Sales is \$9,200, for year 3 it is \$13,800, for year 4 it is \$18,000 for year 5 and every year after, it is \$23,000. If you have more than one franchise agreement, your royalty rates for each franchise agreement may be averaged and aggregated together to form one royalty rate and threshold scale (if applicable) for all of your franchise agreements.
4. For purposes of paying the Royalty, our week begins on Monday and ends on Sunday. Royalty will be assessed to you upon the earlier of (a) receipt of funds from the customer; or (b) 90 days after the date an original invoice is issued to the customer, regardless of whether the invoice is paid in full. We will then draft the royalty from your bank account on Friday (or another day we may designate) for the preceding week. You must pay the Royalty by electronic funds transfer or by such other means as we may specify. We may periodically specify other dates for payment of the Royalty.
5. Royalties are payment for the use of the Marks, System, Territory, and Team Train Operations Manual. "Gross Sales" means all revenue generated from operating the Business, whether in cash, in services in kind, from barter and/or exchange, or otherwise. You may deduct sales tax and returns. For Renewal franchises, the Royalty remains the same as the Royalty for the Initial Term of the Franchise.
6. We may collect a minimum Royalty (Section 2.F. of the Franchise Agreement).
7. We reserve the right to establish a National Marketing Fund (the "National Marketing Fund") for the common benefit of System Franchisees. We have the right to require you to participate in and contribute up to 5% of your Gross Sales quarterly to the National Marketing Fund (the "Advertising Fee") in the manner we prescribe. If we require you to contribute to the

National Marketing Fund, you must pay the Advertising Fee on a quarterly basis within 15 days of the end of each quarter.

8. We may required you to spend up to 10% per quarter on local advertising within your Territory, as that term is defined in Item 12 (the “Local Marketing Requirement”). All self-generated advertising materials must be approved of by us in advance, and we may require you to place certain numbers and or types of media advertisements, in accordance with the Operations Manual. You may spend any additional sums you wish on local advertising. You must send us proof of Local Marketing Requirement expenditures along with your gross sales reports, or as we otherwise specify in the Operations Manual.

9. If we assume the lease of your vehicle through the “Right Fit Guaranty”, reconditioning of the vehicle would include vehicle pick up, overall vehicle painting, interior and exterior cleaning.

10. You will be required by the start of your second year in business to become a Certified Exhaust Cleaning Specialist (CECS). If you desire additional certifications for your Service Technician(s) and/or other employees, or if you do not pass the test on the first attempt, you will be required to pay their then current fee, per each additional set of International Kitchen Exhaust Cleaners Association (IKECA) materials, class, and exam. At this time, the fee is \$325.

11. You may not Advertise, solicit, or Service in any way, any Customers or Customer Service Locations outside the Territory (as those terms our defined in Items 11 and 12), without our prior written permission. If you Advertise, solicit or Service Customers outside of your Territory, you must pay us a fee of \$500 per incident (the “Improper Marketing or Service Fee”). If you advertise, solicit customers, or service customers within another HOODZ franchisee’s Territory, we will provide them with the \$500 Improper Solicitation or Service Fee. This fee is in addition to, and not in lieu of, any other rights we have under the Franchise Agreement.

ITEM 7. ESTIMATED INITIAL INVESTMENT.

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due (Note 1)	To Whom Payment is To Be Made
	Low-High Range				
Initial Franchise Fee (Note 2)	\$44,900	\$64,900	Lump sum	On signing your Franchise agreement	HOODZ International, LLC

Type of Expenditure	Amount		Method of Payment	When Due (Note 1)	To Whom Payment is To Be Made
	Low	High Range			
Initial Package Fee (Note 3)	\$10,000	\$10,000	Lump sum	On signing your Franchise agreement. Not applicable for additional franchises awarded to you (Item 5)	HOODZ International, LLC
Food and lodging while training not including the cost of your transportation (Note 4).	\$750	\$2,000	Lump sum	As Incurred	Third Parties
Vehicle (Note 5) for three months	\$5,770	\$6,050	Lump sum	As Incurred	Third Parties
Full time Service Technician for 3 months (Note 6).	\$5,760	\$15,360	Payroll	Per your standard payroll policy	Employee
Business Telephone Fee	\$25	\$40	Lump sum	As Incurred	Third Parties
High Speed Internet, Anti-Virus Software and Electronic Mail	\$89	\$159	Lump sum	As Incurred	Third Parties
Computer System (Note 7)	\$0	\$2,875	Lump sum	As Incurred	Third Parties
Uniform Cleaning/Delivery (Note 8)	\$300	\$364	Lump sum	As Incurred	Third Parties
Insurance for the first three months (Note 9)	\$1,250	\$1,500	Depends on Insurance Agency	Depends on Insurance Agency	Third Parties
Global Positioning System (Note 10)	\$279	\$709	Lump sum	Annually	Third Parties

Type of Expenditure	Amount Low-High Range		Method of Payment	When Due (Note 1)	To Whom Payment is To Be Made
Digital Camera (Note 17)	\$100	\$300	Lump sum	As incurred	Third Parties
International Kitchen Exhaust Cleaners Association (IKECA) Annual Membership Fee (Note 18)	\$1,025	\$1,025	Lump sum	Annually	Third Parties
International Kitchen Exhaust Cleaners Association (IKECA) Certification Fee	\$325	\$325	Lump sum	Due at the start of your second year in business, prior to taking the CECS exam.	Third Parties
Shipping, Handling and Taxes for the Initial Package (Note 11)	\$150	\$1,000	Lump sum	As incurred	Third parties and/or HOODZ
Rent – 3 months (Note 12)	\$0	\$2,400	Lump sum	As Incurred	Third Parties
Leasehold Improvements (Note 13)	\$0	\$1,200	Lump sum	As Incurred	Third Parties
Security Deposits Utility Deposits (Note 14)	\$0	\$950	Lump sum	As Incurred	Third Parties
Licenses and Permits (Note 15)	\$35	\$200	Lump sum	As Incurred	Third Parties
Additional Funds for the first three months (Note 16)	\$10,000	\$30,000	Lump sum	As Incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT & ADDITIONAL EXPENSES	\$80,758	\$141,357			

Type of Expenditure	Amount Low-High Range	Method of Payment	When Due (Note 1)	To Whom Payment is To Be Made
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- Note 1 In general, none of the expenses listed in the above chart are refundable, except any security or utility deposits you must make may be refundable. We do offer financing of up to \$15,000 of the Initial Franchise Fee. You are required to pay a minimum down payment of \$29,900 for your Initial Franchise Fee. The monthly payments on a note for \$15,000 over 36 months at 8% interest would be \$470.05. We reserve the right to adjust the percentage of interest up to 10% depending upon economic conditions, however, we will not adjust the terms of a note, once your Franchise Agreement has been signed.
- Note 2 The price of the Initial Franchise Fee varies based on the number of Retail Food Service Customers in the Territory. The Fee is \$44,900 plus \$20.00 per Retail Food Service Customer, for every Retail Food Service Customer over 2,000 (Items 5 and 12 of the Disclosure Document and Section 2 of the Franchise Agreement). The maximum number of RFSC's in a Territory is 3,000. Estimates are based on a new Franchise Owner buying their first Franchise. However, the Initial Franchise Fee is waived for renewal terms. If this is a Transfer, this fee is waived; however, the then current Transfer Fee is due. (Item 5 and Section 2.A. of the Franchise Agreement.) The interest rate, plus finance charges will range from 8% to 10% and the maximum term is three years. The estimated loan payments for a three year term will range from \$470.05 to \$480.01 per month, depending on the interest rate. (See Item 10 for additional details).
- Note 3 Estimates are based on a new Franchise Owner buying their first Franchise. However, the Initial Package fee is waived for renewal terms. The Initial Package Fee includes a HOODZ equipment package, initial marketing materials, owner and employee uniforms with our Mark (Exhibit B of the Franchise Agreement).
- Note 4 Covers out-of-pocket expenses for lodging and meals for 2 attendees, who are sharing one hotel room, not including transportation.
- Note 5 All vehicles must be leased or purchased through our then currently approved supplier(s). All vehicles must have the power washing equipment and HOODZ decal package per our standards and specifications. Our Low Range Estimate includes the first three monthly payments for our standard vehicle, with our base power washing equipment, Title/Registration/Prep fee and Documentation Fee based on a 5 year lease. Our High Range Estimate includes the first three monthly payments, Title/Registration/Prep fee and Documentation Fee based on a 5 year lease estimate for our standard vehicle with our premium power washing equipment. Your cost may differ from our estimates based on the year and model, if you choose a shorter term or decide to purchase. The costs referenced include the upfitting charges. Vehicle delivery, applicable sales tax and licensing not included.
- Note 6 You must dedicate a full-time Service Technician to perform the actual cleaning services for the Franchised Business (Item 11 of this Disclosure Document). This low estimate is based on a Managing Owner working with the technician and the high estimate is based on employing a certified crew leader and a technician.

- Note 7 You must have a computer located at your office site that meets the following minimum requirements: DSL or Cable Modem high-speed Internet connection, Windows XP Professional SP1 (or higher), 512 MB Memory (RAM) or more, 1 GB free hard disk space, 17" (or larger) XGA Monitor (capable of 1024 x 768 resolution or higher), CD drive, MS Office XP Pro, USB Memory Key, Antivirus Software, a Laser printer, Uninterruptible Power Supply. (Item 11 of the Disclosure Document). You are not required to purchase a computer for your HOODZ Business if you currently have a computer which meets these specifications.
- Note 8 The low range estimate is based on uniform services for two individuals. The high range estimate is based on uniform services for three individuals. Hoodz has arranged for national pricing through Aramark, but is not mandatory. Uniforms from sources other than Aramark must be approved by us.
- Note 9 Before beginning the Franchised Business, you shall obtain and maintain in full force and effect throughout the term of this Agreement and at your sole expense, certain insurance coverages as described in section 7.C. of the Franchise Agreement. This item estimates the cost to attain insurance for the first three months of operation. You must provide us with evidence of insurance coverage prior to attending training.
- Note 10 The low range estimate is based on purchasing a vehicle from our current provider, which includes the GPS unit and paying an annual payment of \$279 for Data Communication Services. The high range estimate is based upon purchasing the Hardware for \$430.00 (does not include the cost of installation) and paying a annual Data Communication Services fee of \$279.
- Note 11 The shipping, handling and taxes range based on location. Locations outside of the continental USA may have higher rates. You are responsible for reporting any applicable sales taxes due to your state on your tax forms.
- Note 12 We expect that you will conduct operations from your home. If you choose to rent space for your business, you will need between 300-400 square feet of commercial space. The rent per month will be determined by the size of the space and the location.
- Note 13 If you choose to rent a space for your Business, you may need to do minimal leasehold improvements. The cost will vary depending on the size of the Business and any landlord contributions. If you operate your Business from your home, you should not incur these expenses.
- Note 14 If you choose to rent a space for your Business, you may be required to pay a security deposit. The cost will vary depending on your landlord. You may also be required to pay utility deposits. The cost will vary depending on the provider in your area. If you operate your Business from home, you should not incur these expenses.
- Note 15 Before you open your business, you must obtain any required licenses and business permits, which may include a license or permit to work from your home. You must verify all of the licenses and permits that you need for your Business.
- Note 16 This item estimates the working capital needs for the first 3 months of operation, not including those expenses identified separately in the table. It includes payroll costs for operation and customer service employees, out-of-pocket direct mail costs, general auto maintenance and gasoline, and office overhead. The estimate of additional funds does not include an owner's salary or draw. These figures are estimates and we cannot guarantee that you will not have additional expenses

starting the business. The amount of working capital you need will depend on a number of factors. These factors include the area you are located in; how much you follow our methods and procedures; your management skill; experience and business acumen; local economic conditions; the relative effectiveness of your staff; the prevailing wage rate; competition; and the sales level reached during the initial period. You may also be required to provide security deposits for utilities and rent (and possibly other items).

Note 17 The digital camera must be capable of capturing images between 3 and 4 mega pixels. Images should not exceed a resolution of 2240 x 1680. The digital camera must have an LCD display on the camera for direct Customer viewing and must have a flash to illuminate the kitchen exhaust system during either day or night imaging.

Note 18 IKECA approved courses and/or convention attendance may count toward continued education credits which may be required for annual renewal. Costs will vary. Annual renewal fee is currently \$775 and is subject to change. There is also a one-time \$250 application fee.

We have relied upon our company-owned store, HOODZ of Greater Michigan and on experience with DUCTZ International, LLC franchises and stores to compile these estimates. You should review them carefully with a business advisor before making any decision to purchase the franchise.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.

8.1 Required Purchase of Initial Package

You must purchase an Initial Package of small tools, safety equipment, owner uniforms that display the Mark, marketing materials, and office supplies from us before you begin operation of the Franchised Business (Exhibit B of the Franchise Agreement). The items included in the Initial Package will change to reflect the changing needs of the Franchised Business in accordance with System procedures, and changes in suppliers and/or product specifications.

Persons with an ownership interest in HOODZ International, LLC., Sheldon Yellen and Joe Ciolino, own an interest in BHI Distribution, LLC, an approved supplier for logoed supplies and products. There are no other suppliers in which any of our officers owns an interest at this time, although they reserve the right to do so in the future.

We have developed standards and specifications for various services, products, materials and supplies sold at or used in the operation of our Businesses. You must operate your 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 Business, required or authorized equipment, products and services offered to customers and product categories and designated or approved suppliers of these items (which may be limited to or include us).

The marketing materials and trademarked office supplies that are included in the Initial Package are shipped, F.O.B. from our approved supplier(s) located in Rolling Meadows, IL; Farmington Hills, MI; Birmingham, MI; Tecumseh, MI; West Bloomfield, MI; Cincinnati, OH; Charleroi, PA; Exton, PA; Atlanta, GA; Milwaukee, WI; Mt. Laurel, NJ

While most franchisees choose to order trademarked items from our approved suppliers, you are only required to do so when you order your Initial Package and vehicle decals. The

remaining trademarked items for the operation of your Franchised Business may be ordered from third party suppliers provided that they meet our standards and specifications for representation of the Marks, and are pre-approved by us. These are stated in the Team Train System Standards Manual.

Our approved suppliers include:

SUPPLIER NAME	LOCATION	SUPPLIES/MATERIALS
Broner Safety	Detroit, MI	Safety equipment and supplies
Spectrum Printers	Tecumseh, MI	Printed marketing materials
DIM Marketing	West Bloomfield, MI	Marketing and public relations
BHI Distribution	Exton, PA	Logoed products and supplies.
Bush Fleet Services	Cincinnati, OH	Maintenance and outfitting of HOODZ vehicles
ARI	Mt. Laurel, NJ	Maintenance and outfitting of HOODZ vehicles
SafeMobile	Rolling Meadows, IL	Global Positioning Systems provider
Competition Graphics	Farmington Hills, MI	Vehicle decals for Hoodz vans and trucks

8.2 Email and Web Site

You must also maintain, on your business computer, an electronic mail account that must enable you to receive and send electronic mail and transfer computer files with us (Section 2.I. of the Franchise Agreement). You must also maintain a DSL, Cable or Satellite high speed internet connection (Item 6). You must use an email name that we have approved and that will have, as its suffix, “@HOODZ.us.com.” Emails sent to you at HOODZ.us.com will be automatically forwarded to you at your electronic mail account. You must subscribe to, and pay for, a customized web site connected to our web site and managed by our web site provider (Item 6). A Franchise may not implement a web site on its own or through a third party provider without our prior written approval (Sections 2.I. and 4.C.3. of the Franchise Agreement).

8.3 Insurance (Section 7.C. of the Franchise Agreement)

Before attending training, you shall obtain and maintain in full force and effect throughout the term of this Agreement and at its sole expense, the insurance coverage that we require and meet the other insurance-related obligations in the Franchise Agreement (Section 7.C. of the Franchise Agreement).

Currently, you must obtain and maintain insurance in the following amounts: (a) commercial general liability insurance in the minimum amount of \$2,000,000 general aggregate, \$1,000,000 products and completed operations aggregate, \$1,000,000 personal and advertising injury limit and \$1,000,000 per occurrence limit, (b) automobile liability insurance with a combined single limit of at least \$1,000,000 for bodily injury and property damage for all owner or lease vehicles and for hired and non-owned motor vehicles, (c) workers’ compensation and employers’ liability in the minimum amount of \$500,000 by accident, \$500,000 by disease and \$500,000 policy limit; or the minimum limit required by your state, whichever is higher, (d)

employee dishonesty insurance in the minimum amount of \$50,000 per loss, (e) umbrella liability insurance in the minimum amount of \$2,000,000 per occurrence and aggregate and must list the commercial general liability and automobile liability policies as scheduled underlying policies, (f) other insurance as required by any state, county, local, or other municipal insurance requirements.

You must name HOODZ International, LLC, Belfor USA Group, LLC, and any other party we may designate as additional insured under all of your insurance policies, at your cost. Prior to commencing business operations of the HOODZ System, and every year after that, you promise to submit to us a copy or certificate or other acceptable proof of such insurance with a copy of the Additional Insured Endorsement on your policy. On occasion, HOODZ may request complete copies of all insurance policies and the applications for those policies, to insure compliance with the insurance provisions of this contract. However, if proof of insurance is not provided to us as required, we may obtain, at our sole option and in addition to our other rights and remedies under this Agreement, any required insurance coverage on your behalf. We are under no obligation whatsoever to obtain such insurance, but if we do so, you must fully cooperate with us in our efforts and must promptly sign all forms required to obtain or maintain the insurance. Finally, you must pay us, on demand, any costs and premiums we incur in obtaining insurance on your behalf, along with an 18% administrative fee. Neither your obligation to maintain insurance coverage nor our maintenance of insurance on your behalf will reduce or absolve you of any obligations of indemnification described in this Agreement.

8.4 Negotiated Prices

For your benefit, we have negotiated purchase/lease arrangements with Bush Fleet Services that provides procurement, financing, insurance, maintenance and upfitting¹ of HOODZ vehicles. We receive a vehicle rebate from Bush Fleet Services in the amount of up to \$4,000 per vehicle, 50% of the rebate amount will be passed on to you and be applied to the purchase price of your vehicle. Aside from certain intangible benefits associated with group buying, you receive no material franchise benefits (for example, the award of additional franchises or a Renewal term) for using an approved supplier.

8.5 Approval of Alternative Suppliers

All products must meet System standards and specifications for representation of the Marks, and be pre-approved by us regardless of the supplier. Approval can be attained by submitting a proof of the materials you wish to order to us and a written request for approval. We will notify you in writing of our approval or disapproval within ten days of receipt of the materials and your written request. If you do not receive approval within 10 days, you should consider the materials disapproved. All materials must meet the quality of our current suppliers, and correctly bear the Marks. Standards and specifications are periodically modified to meet changing market conditions and are published in our Team Train Operations Manual and on our web site. Approval of a supplier may be conditioned on requirements relating to product quality, production and delivery capabilities, ability to meet our supply commitments and financial stability. Standards and specifications are updated periodically at our sole determination and are made available to you in our Team Train Operations Manual, publications, and on our Internet Homepage. There is no fee to secure approval to purchase from alternative suppliers.

Use of products and materials that have not received our prior written approval and/or do not meet our standards and specifications can result in the termination of your franchise (Section 12.B. of the Franchise Agreement).

8.6 Business Phone

HOODZ Franchises may be required to use the phone models and type from the company that we designate.

8.7 Standards and Specifications

You must operate your Franchised Business according to our standards, specifications, and operating procedures. We will formulate and modify standards and specifications based on our and your franchisees experiences in operating the Franchised Business. Our standards and specifications may impose requirements for performance (see Item 12), reputation, quality, and appearance. Our Team Train Operations and System Standards Manuals or other communications do identify our standards and specifications and/or names of designated or approved suppliers.

All products must meet System standards and specifications for representation of the Marks, and be pre-approved by us regardless of the supplier. Approval can be attained by submitting a proof or sample of the materials you wish to order to the HOODZ Marketing Department and a written request for approval. We will notify you in writing of our approval or disapproval within ten days of receipt of the materials and your written request. If you do not receive approval within 10 days, you should consider the materials disapproved. All materials must meet the quality of our current suppliers, and correctly bear the Marks. Standards and specifications are periodically modified to meet changing market conditions and are published in our Team Train Operations and System Standards Manuals and on our web site.

Use of products and materials that have not received our prior written approval and do not meet our standards and specifications can result in the termination of your franchise (Section 12.B. of the Franchise Agreement). Standards and specifications are updated periodically at our sole determination and are made available to you in our Team Train Operations or Systems Standards Manuals. At our discretion, we may, with notice to you, revoke our approval of any previously approved products due to changes in standards and specifications or if such products subsequently fail to meet the quality of our current suppliers.

8.8 Vehicle Standards and Specifications

All vehicles must be leased or purchased through our then currently approved supplier(s). HOODZ Franchises will use vehicles for the Franchised Business that meet our specifications for pressure washing equipment, model type, color, trademark representation, and appearance (no rust or body damage). These specifications are included in our Team Train System Standards Manual. All vehicles purchased or leased for the business are to be, and maintained, in a “good” condition as defined by KELLY BLUE BOOK (“Good” condition means that the vehicle is free of any major defects and include a global positioning system, with continuous data communication service. The paint, body, and interior have only minor (if any) blemishes, and there are no major mechanical problems. In states where rust is a problem, this should be very

minimal.) All vehicles used in the business are to be decaled as required by HOODZ and the decals are to be free of defects (Section 7.A. of the Franchise Agreement).

8.9 Computer Hardware and Software Components

You are not required to purchase a computer to operate the HOODZ business if you already own a computer which meets the computer hardware and software requirements listed in Item 11 of this Franchise Disclosure Document.

8.10 Revenues from Franchisee Purchases

In the year ending December 31, 2009, our total revenues were 1,710,646 and we did not derive any revenues from sales of the Initial Package or other sales to franchisees. In 2010, we expect to derive less than 2% of our revenues from product sales.

We estimate that the cost of items purchased according to our specifications will be approximately 65% of your overall purchases in establishing the business and 20-25% of your total purchases during the operation of the business.

We reserve the right to mark up and earn a profit from the products purchased from us or our approved or designated suppliers.

8.11 Cooperatives

As of the date of this offering, we do not have any purchasing or distribution cooperatives.

8.12 Material Benefits

We do not provide any material benefits to you if you buy from sources we approve. If you purchase your vehicle from Bush Fleet Services we will receive 50% of the vehicle rebate.

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.

Obligation	Section in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 1.D	Items 6, 11 and 12
b. Pre-opening purchases/leases	Sections 2.B. and 7	Items 6, 7 and 8
c. Site development and other pre-opening requirements	Sections 1; 2.G and 3.A	Items 7 and 11

Obligation	Section in Franchise Agreement	Disclosure Document Item
d. Initial and ongoing training	Section 3	Items 6, 7 and 11
e. Opening	Sections 2. and 12.B.	Item 11
f. Fees	Sections 2, 10.B, 11.D, 15.C, 3.A,	Items 5 and 6
g. Compliance with Standards and Policy	Section 2.G, 3.C, 4.A, 7	Items 8, 9, 13, and 16
h. Warranty and customer service requirements	Section 7.A.	None
i. Trademarks and proprietary information	Sections 1.A, 1.B, 2.I, 3.E.,7.A., 4	Items 8, 13 and 14
j. Restrictions on products/services offered	Sections 1, 2.A, and 7	Items 8, 12 and 16
k. Territorial development and sales quotas	Sections 1, 2.F., and 2.G	Item 6 and 12
l. Ongoing product/service purchases	Section 2	Item 8
m. Maintenance, appearance and remodeling requirements	Sections 7 and 11.D.	None
n. Insurance	Sections 7.C. and 14.A.	Items 6, 7, and 8
o. Advertising	Sections 1.B., 1.C, 1.D, 2.G., 4.C.	Items 6, 8 and 11
p. Indemnification	Section 14.	Items 6, 8 and 12
q. Owner's participation/ management/ staffing	Sections 1.B., 1.H, and 7	Items 11 and 15
r. Records/reports	Sections 1.F., 3.B, 7.D.	Items 6, 11
s. Inspections and audits	Section 8	Item 6, 11 and 17
t. Transfer	Section 10	Items 6 and 17
u. Renewal	Section 11	Item 6 and 17
v. Post-termination obligations	Sections 6 and 13	Item 17
w. Non-competition covenants	Sections 1.H, 6 and 13	Item 17
x. Dispute resolution	Sections 15.F	Item 17
y. Other: IKECA Membership	Sections 1.C and 7.F.	Item 6

ITEM 10. FINANCING.

We may offer you financing for the Initial Franchise Fee if you meet our qualifications. The following table summarizes the financing we may offer you for Initial Franchise Fee.

Source of Financing	Us
Amount Financed	Up to \$15,000
Down Payment	\$38,900
Term (number of years)	Up to 3 years
Rate of Interest plus Finance Charge	8-10%
Monthly Payment	Varies depending on amount financed and term.
Prepayment Penalty	None
Security Required	Personal Guarantee
Guarantee	Personal Guarantee from owners of the Franchise
Liability upon Default	Termination or other loss of Franchise; you must also pay entire amount due and our attorneys fees and court costs in collecting debt
Loss of Legal Rights Upon Default	None

If you would like to finance a portion of the Initial Franchise Fee, and you meet our credit standards, you may do so through a Promissory Note (the “NOTE”) (Exhibit E to the Franchise Agreement). You must make a down payment of at least \$38,900. We are currently offering an APR of 8%, but reserve the right to adjust the APR being offered up to 10%. We will not adjust APR of Promissory Note once your Franchise Agreement has been signed. A late fee of 5% or \$50, per week, whichever sum is greater, will be collected if you fail to make timely payments or your payments are returned to us with non sufficient funds. The only security we require is a personal guarantee of the note by you and by all the owners of the company (Section 8.E. to the Franchise Agreement).

The term of the Initial Franchise Fee Note will be 12 months, 24 months or 36 months, as agreed between you and HOODZ. You may prepay the Note without penalty at any time during its term (Paragraph 2 of Exhibit E to the Franchise Agreement). If you fail to make any payment, we can call the Initial Franchise Fee Note and demand immediate payment of the full outstanding balance (Paragraph 2 of Exhibit E to the Franchise Agreement). We can also terminate your Franchise if you fail to make payments as agreed (Section 12.B. of the Franchise Agreement), however, before your Franchise can be terminated, you will receive a notice of default and have a 10-day period to cure the default.

We have been deemed eligible for streamlined and expedited loan processing through the Small Business Association (“SBA”). We are listed on the SBA’s central registry of franchisors whose current franchise or license agreements are eligible for SBA financing found at www.franchiseregistry.com. We have arranged with the SBA to provide certain information and benefits to the SBA and Certified Development Company (“CDC”) so that our Franchise Agreement meets SBA eligibility criteria for 7(a) and 504 loans.

We also suggest third party sources for lending including, but not limited to FranFund, Benetrends and Directed Equity. All which, as of the date of this Disclosure Document, are willing to work with prospective HOODZ franchisees.

Other than described above, we will not guarantee any notes, leases or obligation. We and our affiliates have no past practice or future intent of selling, assigning or discounting franchisees' financing arrangements to a third party, although we reserve the right to do so in the future. We and our affiliates do not receive any direct or indirect payments or any other consideration from any person for the placement of financing with the lender.

We do not offer financing that requires you to waive notice, confess judgment, or waive a defense.

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

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

11.1 Our Pre-Opening Obligations

Before you open your Franchised Business, we will:

1. Designate the Territory for a Franchise (Section 1.A, 1.B and 1.C, and Exhibit A of the FA). We do not provide any assistance with (a) selecting a business or office site or negotiation of any lease or purchase of any site, (b) conforming the site to local ordinances and codes and obtaining any required permits; or (c) hiring and training employees (other than the required training discussed in Section 3. of the FA). Your business site must be located within the Territory (Item 12) and must contain a minimum of 300 square feet and meet all applicable fire and safety codes for storage of materials and supplies used by the System. Your business site must be approved by us, in our sole discretion, which we will not unreasonably withhold provided that the site is a minimum of 300 square feet and meets all applicable fire and safety codes for storage of materials and supplies used by the System (Section 1.D. of the FA). Failure to find a site and commence operation of the franchised business within 4 months from the date the executed Franchise Agreement is received by us may result in termination of the Franchise Agreement (Section 12.B of the FA);
2. Provide to you, upon your purchase, an Initial Package that includes equipment package, marketing materials, initial cleaning products, trademarked supplies, owner uniforms as listed in Exhibit B of the Franchise Agreement (Section 2.B. and Exhibit B of the FA). The items in the Initial Package are provided by us and/or by designated suppliers named by us. We do not deliver or install any of these items. You must pay all shipping and taxes.
3. Provide by way of loan to you a copy of our Team Train Operations Manual and other proprietary materials as we may publish and distribute to you periodically (Section 3 of the FA);
4. Give prior approval to Franchises for use of business forms, business stationery, business cards, advertising materials, permanent materials, and forms, which you intend to use (Section 7.A. of the Franchise Agreement.). (We will continue to do this after you open the Franchised Business.);
5. Approve, at our sole discretion, in advance any person which you desire to act as a representative for you in connection with local promotion of the Franchised Business in a public media (Section 4.C. of the FA);

6. Give prior approval, at our sole discretion, to all marketing, advertising, and promotional material prepared by you within 10 days of our receipt of the proposed materials for Franchises which differ from materials we provide, (Section 2. of the FA). (We will continue to do this after you open the Franchised Business);
7. Specify minimum policy limits for certain types of insurance coverage (Section 7.C. of the FA). (We will continue to do this after you open the Franchised Business);
8. Provide a Business Manager and Technical Operations Training Program to (a) the Managing Owner or the Designated Manager, if you own multiple franchises and have a Managing Owner for another franchise and we require you to have a Designated Manager; and (b) one other person, at no additional fee or other charge. (Section 3.A. of the FA);
9. Furnish the Technical Operations Training to one Service Technician who will be responsible for performing and overseeing your kitchen exhaust system cleaning services. (Section 3.A. of the FA).

11.2 Franchisor's Obligations after the opening of the Franchised Business

Once you have opened your business, you will have access to information helpful to the operation of your Franchised Business based on reports you submit to us and/or inspections that we make (Sections 7 and 8 of the FA). In addition, we will furnish guidance to you on:

1. New products, services and methods that we may have discovered or have developed for the System (Sections 3 and 7 of the FA);
2. The purchase and use of supplies and products (Sections 3 and 7 of the FA);
3. The formulation and implementation of marketing, advertising, and promotional programs using the merchandising, advertising, and research data and advice as we may, periodically, develop for use in your local market (Sections 3 and 7 of the FA);
4. The financial and daily operation of the Franchised Business including its accounting and record keeping functions (Sections 3 and 7 of the FA);
5. Other business and Marketing Advice (Sections 3 and 7 of the FA);
6. Support for our Franchise Software Management System (as defined in its Licensing Agreement (Exhibit C of FA);
7. A 24-hour contact telephone number, which may be used by you for communications with us (Section 3.B. of the FA);
8. Periodic modifications to the Team Train Operations and System Standards Manuals periodically to reflect changes in the System Standards. (Section 3 of the FA).
9. Periodic refresher training courses and conferences, not to exceed one per year. (Section 3 of the FA).

11.3 Estimated Typical Length of Time to Open the Franchised Business

The estimated typical length of time between the signing of the Franchise Agreement and payment of any consideration for the Franchise, and the opening of the Franchised Business, is 90-120 days. Factors affecting this length of time usually include normal business start up considerations, completion of Initial and Business Manager and Technical Operations Training, the vehicle delivery date and whether or not you have an existing Office Site in the Territory.

11.4 Local Marketing and Advertising (Item 6 of this Disclosure Document and Section 2.G. of the Franchise Agreement)

In addition to the Advertising Fee described above, we may require you to spend up to 10% of Gross Sales on local advertising (the “Local Marketing Requirement”). You must spend the Local Advertisement Requirement as we prescribe in the Operations Manual or otherwise in writing, which may include, without limitation, requirements that you place a certain number and/or type(s) of media advertisements, including direct mail solicitation campaigns. You must use any advertising materials we generate in connection with local advertising; or, should you decide to use materials created by persons other than us, those materials must be approved by us prior to their placement. You may spend any additional sums you wish on local advertising. You acknowledge and agree that your local advertising obligation must be expended regardless of the amount(s) spent by other System franchisees on local advertising. You may only use the advertising and promotional materials we have previously approved in writing.

We may provide you with advertising, promotional or marketing materials for you to use in local advertising, but we are not obligated to do this.

Included in your Initial Package is a “Quick Launch Marketing Allowance” of \$1,000, to be used within the first 60 days of the successful completion of our Business Manager and Technical Operations training program. You will work with our preferred vendor, which is currently Spectrum Printers, to mail marketing materials to customers located within your territory.

We will permit you to use your own advertising promotional and marketing materials. However, before you use them, you must send us samples for approval that we have not prepared or previously approved. We ordinarily will approve or disapprove the materials within 10 days after receiving all of the information we require. If we do not respond within 10 days, the material is unapproved. You may not use any advertising, promotional or marketing materials that we have not approved. We may require that certain items, such as vehicles, and hood stickers reference the HOODZ National Toll Free number. You may not alter or remove reference to the Toll Free number. (Item 8 of this Disclosure Document and Section 2.G. of the Franchise Agreement).

You must continually list the Business on the internet telephone directory site(s) of our choosing. You may elect to also list the Business in the “White Pages” of the primary telephone directory servicing the Territory or a trademark listing advertising your Business in the “Yellow Pages” of the primary directory servicing the Territory. (Section 2.G. of the Franchise Agreement). To assure that we maintain consistency in Yellow Pages advertising, you must place your initial listing through an agency of our choice.

You promise to maintain a 24-hour answering system on this business number. We will have access to all inbound and outbound calls. We reserve the right at our discretion, to utilize the call list to assist you in making customer satisfaction inquiries. We may, with 30 days notice to you, require that you use and pay for a Call Center that we authorize to answer incoming sales calls. As part of the Franchise Agreement, we may require you to authorize the transfer of any business telephone numbers and directory listings to us, or cancel any of these numbers and listings, upon termination of the Agreement. Exhibit D of the Franchise Agreement pre-assigns all telephone numbers and listings to us. All phone numbers used by the Franchised Business must be toll free or have an area code that is in the Territory.

Following the System, primarily through affinity marketing programs, direct mail, networking, and sales calls, you will market your Franchised Business’s services directly to

Retail Food Service Customers, Institutional Customers, restaurant associations, contractors and other service providers to restaurants or food serving businesses or governmental entities located within the Territory. Included in your Initial Package is an opening inventory of promotional materials to initiate your marketing program (Items 6, 7, and 8 of this Disclosure Document).

We do not require that you participate in an Advertising Cooperative. However, if two or more HOODZ Franchises and/or Company Stores are served by the same telephone directory, we will require you to list all businesses under one HOODZ heading. Should this instance arise, you promise to pay your pro-rata share of the total expense of the joint listing. Any other forms of advertising that would also advertise both inside and outside of the Territory must be pre-approved by HOODZ in writing. We will notify you within 10 days of our written receipt of your request. If we do not respond within 10 days, the material is unapproved. Additionally, if we implement local marketing programs, like a call center and/or direct mail solicitations, you may be required to participate, at your expense. You may not advertise outside of the Territory without our written permission.

11.5 Advertising Fund, Advertising Cooperative and Advertising Counsel

In addition, we reserve the right, but are not obligated to, establish a national marketing fund (the "National Marketing Fund") for the common benefit of System franchisees. We have the right to require you to participate in and contribute up to 5% of your Gross Sales weekly to the National Marketing Fund (the "Advertising Fee") in the manner we prescribe. If we require you to contribute to the National Marketing Fund, you must pay the Advertising Fee in the same manner as the Royalty due under this Agreement. We have the right to require that any National Advertising Cooperative, Regional Advertising Cooperative, or Franchise Advisory Council be formed, changed, dissolved or merged.

We will use the National Marketing contributions, in our sole discretion, to develop, produce and distribute national, regional and/or local advertising and to create advertising materials and public relations programs which promote, in our sole judgment, the services offered by System franchisees. We have the sole right to determine contributions and expenditures from the National Marketing Fund, or any other advertising program, and the sole authority to determine, without limitation, the selection of the advertising materials and programs; provided, however, that we will make a good faith effort to expend National Marketing Fund contributions in the general best interests of the System on a national or regional basis. We may use the National Marketing Fund to satisfy any and all costs of maintaining, administering, directing, preparing, producing, and implementing advertising, including the cost of preparing, producing, and implementing television, radio, magazine and newspaper advertising campaigns, the cost of direct mail and outdoor billboard advertising; the cost of public relations activities and advertising agencies; the cost of developing and maintaining an Internet website; and personnel and other departmental costs for advertising that we internally administer or prepare. Nevertheless, we acknowledge that not all System franchisees will benefit directly or on a pro rata basis from such expenditures. While we do not anticipate that any part of the National Marketing Fund contributions will be used for advertising which is principally a solicitation for franchisees, we reserve the right to use the National Marketing Fund for public relations or recognition of the "HOODZ[®]" brand, for the creation and maintenance of a web site, a portion of which can be used to explain the franchise offering and solicit potential franchisees, and to include a notation in any advertisement indicating "Franchises Available."

We may periodically assist franchisees to maintain high quality standards through customer surveys, customer interviews, and other similar initiatives ("Surveys"). The cost of such programs will be borne by the National Marketing Fund. The cost of these programs may

be charged directly to you if the results from a survey fall below System established minimum standards for such Surveys.

We have the right to reimburse ourselves from the National Marketing Fund contributions for such reasonable costs and overhead, if any, that we may incur in activities reasonably related to the direction and implementation of the National Marketing Fund.

We are not required to contribute to the National Marketing Fund. We may, but are not obligated to, advance money to the National Marketing Fund to fund National Marketing Fund programs. In the event that we advance monies to the National Marketing Fund, we will determine, in our sole discretion, the manner and timing for the repayment, to us, of some, or all, of the funds we advance.

We will prepare on an annual basis, within one hundred and twenty (120) days of the end of the fiscal year, and make available to you upon written request a statement of contributions and expenditures for the National Marketing Fund. The National Marketing Fund is not required to be independently audited.

Other than the advertising requirements described above, there are no additional advertising fees required by us. It is at the discretion of HOODZ to determine how much to spend, where to market, advertise and promote the HOODZ System. There are no requirements for participation in an Advertising Fund, Advertising Council or any local Advertising Cooperatives.

11.6 Franchise Assessment (Not applicable to additional franchises, Item 5)

To assist us in working with you, during your Initial Training prior to your Business Manager and Technical Operations Training we may request that you complete and return to us a franchise or market assessment profile.

11.7 Service Technician

You must employ a full-time experienced Service Technician to assist in performing the actual kitchen exhaust system cleaning services for the Franchised Business. It is your responsibility to train them to our specifications. (Section 7.F. of the FA).

11.8 Computer Software and Systems.

We have developed the HOODZ Franchise Software Management System (the “HOODZ Software”), which consists of software program(s) which you must use to maintain your customer records, bid on jobs, create estimates and operate the HOODZ business system. This Software is included in your weekly Technology, Licensing & Upgrade Fee, which is currently \$25 per week (Item 6). We do not currently require that you utilize a specific accounting software, although we reserve the right to do so in the future. In order to run the HOODZ software, you will be responsible for maintaining a DSL or Cable Modem high-speed Internet connection located at your office site. You are not required to purchase a computer to operate the HOODZ business, if you already own a computer which meets these specifications: must be capable of running Windows XP Professional SP1 (or higher) and MS Office XP Pro, have 512 MB Memory (RAM) or more, 1 GB free hard disk space, a 17” (or larger) XGA Monitor (capable of 1024 x 768 resolution or higher), a CD drive, a USB Memory Key, Antivirus Software, a Laser printer, and an uninterruptible power supply. We estimate the cost of the computer system to be approximately \$2,875. Computer specifications for hardware and Internet connectivity are in Section 2.I. of the FA, and Item 7, Explanatory Note 7.

We have the right to access your computer system, the data in it, and the reports it generates at any time. We can do this electronically and/or at your business. There are no contractual limitations on our rights to access the information in your system.

As technology advances, you may be required to upgrade your hardware to meet changing software requirements as we deem necessary. The HOODZ Software is web-based and the we do not charge you for software updates and upgrades. We will require you to upgrade your computer hardware, but no more than two (2) times during the initial term, at a cost not to exceed \$3,000.

To assist in communications and file transfer, you will also subscribe to an electronic mail network that allows you to send and receive email and transfer files. (Item 6 of this Disclosure Document and Section 2.I. of the FA)

11.9 Telephone Listings

You will be issued a local number from a local phone service provider that is unique to the your franchise, and utilized for Franchise business services, such as initiating customer service calls, communicating with your staff, us and customers. You agree that all numbers used in connection with the Franchised Business, including both the national and local numbers are our sole property, that they are only available to you while you are a Franchise Owner, and that upon termination of the Franchise Agreement, at our choice, the your telephone numbers, domain names and/or URLs will be terminated, forwarded or directed to us.. You promise to maintain a 24-hour voicemail, or other approved answering system on your business line, use an approved script for answering calls. (Sections 2.G. and 13.E. and Exhibit D of the Franchise Agreement).

We currently offer a service through which selected phone calls to our toll-free phone number will be forwarded to you or us. In the offering of this service, we will use our best efforts to maintain this service 24 hours per day, seven days per week subject to acts of God or circumstances beyond our reasonable control, including, power outages and the unavailability of telephone services (Section 2.I. of the Franchise Agreement). In the phone routing process, we will make a best effort to route calls from prospective customers requesting service in the Territory to you. We do not guarantee that every phone call requesting service in the Territory will be routed to you. Currently we do not charge, and have never charged, any amount for forwarding incoming calls from prospective customers who are located in the Territory and looking for service. We reserve the right, however, to change this at any time, provided that we will not charge you more than the amount we are assessed.

11.10 Team Train Operations Manual

Upon request, you may view the Team Train Operations Manual at our offices in Ann Arbor, MI or elsewhere as arranged, before you purchase the Franchise. Before your review, you will sign our then current Confidentiality and Non-Disclosure Agreement (Exhibit A-3 of this Disclosure Document). The various elements of our HOODZ Business System are incorporated into the HOODZ Team Train Operations Manual, online training modules, technical bulletins, on-line postings, our HOODZ Owner's Intranet website, directives, books, pamphlets, bulletins, memoranda, letters, e-mail, or other publications, documents, software programs, videos, transmittances or communications, in whatever form (including electronic form) prepared by or on behalf of us for use by the franchisees generally or for you in particular (collectively the "Team Train Operations Manual").

On the following page is the current Table of Contents of our Team Train Operations Manual, exclusive of materials provided during Initial or and advanced training, as of the date of this Disclosure Document. We reserve the right to modify this at any time:

Topic	Number of Pages
OPERATIONS MANUAL	
1. Kitchen Ventilation Fundamentals	10
2. Definitions	6
3. NFPA Standards & Accreditation	3
4. Grease Extraction	3
5. Hoods Construction	10
6. Fans and Air Movement	2
7. Fire Protection	5
8. Filtration	2
9. Products and Usage	6
10. Equipment and Tools	9
11. Basic Safety Procedures	3
12. Hood Cleaning Procedures	14
13. Abbreviations	2
14. Forms, Guides, Checklists and MSDS	17
Total Number of Pages	92

Topic	Number of Pages
SAFETY MANUAL	
1. Introduction	1
2. Objective	1
3. Respiratory Protection	7
4. Personal Protection Equipment	2
5. Ladders	2
6. Scaffolding	2
7. Compressor Safety	2
8. Electrical	4
9. Confined Space	3
10. Hazard Communication	3
11. Medical / First Aid / General	1
Total Number of Pages	26

11.11 Initial Training (Section 3.A. of the FA)

Your Managing Owner, of, if applicable, Designate Manager, must successfully complete our Initial Training program within one month of signing the Franchise Agreement, before attending Business Manager and Technical Operations and before the opening of the Franchised Business. Initial Training is our preparation program that includes numerous pre-opening activities.

This Initial Training is a self-guided process, with additional guidance from our training team, along with Team Train Operations Manual. You will be provided with a copy of our Team Train Operations Manual that will be utilized during training. You must prepare a comprehensive financial plan, review the Team Train Operations Manual, complete a Territory review, coordinate your initial advertising program, acquire proper insurance, select and lease office space, and acquire all permits, licenses, and approved vehicles. All Initial Training activities are to be completed before attending Business Manager and Technical Operations Training and before the opening of the Franchised Business and are conducted in your hometown by you with assistance from our home office staff. You shall begin Initial Training immediately upon your signing and return to us of the Franchise Agreement and the Initial Fees. During Initial Training, we will schedule a Business Manager and Technical Operations Training for you to attend at a later time. Business Manager and Technical Operations Training sessions are typically offered each month.

The Initial Training Program may be waived by us if you already operate a HOODZ Franchised Business and purchase of additional franchises from us.

11.12 Business Manager and Technical Operations Training for Managing Owner or Designated Manager and Technical Operations Training for Service Technician

Business Manager and Technical Operations Training for Franchises encompasses 5 days of classroom and field training conducted in Ann Arbor, MI. Training is offered as needed, but no less than six times a year. This will occur before you begin operating the Business. The Managing Owner or, if applicable, the Designated Manager, may attend at no additional fee and must successfully complete the Business Manager and Technical Operations Training to our satisfaction. Failure to do so will result in the termination of this Agreement. The Business Manager and Technical Operations Training may not commence until you have paid all fees due to us.

In the event that you own multiple HOODZ franchises and have a Managing Owner already at another HOODZ franchise who has already completed the Business Manager and Technical Operations Training, the Managing Owner will still be required to successfully complete the most recent online training modules essential to the role of ownership. There is no change for this training. (Section 3.A. of the FA)

Additional persons employed by you may attend on a space available basis and contingent upon our receipt of our additional training fee to offset the expenses we incur (Item 6 of this Disclosure Document). All attendees who are not a party to the Franchise Agreement must sign our Confidentiality and Non-Disclosure Agreement (Exhibit A-3 of this Disclosure Document). You must pay for your own and your employees' travel and living expenses while attending Business Manager and Technical Operations Training (Section 3 of the FA and Item 6 of the Disclosure Document). (Section 3.A. of the FA)

Tim O'Connor directs our Technical Operations Training program. Tom Handyside directs our Business Manager Training. Mr. O'Connor and Mr. Handyside' years of experience with us and in the franchise, commercial cleaning and sales industries are listed below:

Training Instructor	Years of Experience in Commercial Cleaning and/or Franchising Industries	Years of Experience with HOODZ
Tim O'Connor	15	1
Tom Handyside	5	1

Further information regarding Mr. O'Connor and Mr. Handyside' credentials is disclosed in Item 2 of this Franchise Disclosure Document.

We will also furnish the Technical Operations Training (the "Technical Operations Training") to one service technician (the "Service Technician") who will be responsible for performing and overseeing your kitchen exhaust system cleaning services. There will not be any additional fee for this training. The Service Technician must complete the Technical Operations Training to our satisfaction and failure to do so will result in the termination of this Agreement. The Business Manager and Technical Operations Training may not commence until you have paid all fees due to us. (Section 3.A. of the FA)

The Technical Operations Training will be up to 5 days in duration at our headquarters or another location designated by us. You will be responsible for all travel and living expenses that you incur for this Technical Operations Training. (Section 3.A. of the FA)

You may designate, with our approval and on a "space available" basis, additional persons to attend other sessions of the Technical Operations Training for which you will be charged our then current Technical Operations Training Fee. In addition, each person we

approve to attend the Technical Operations Training will be required to sign our then current Confidentiality and Non-Compete Agreement before the start of training. The Technical Operations Training Fee will be due and payable before the start of the training program and you will be responsible for the payment of all travel and living expenses incurred by your designees while training. (Section 3.A. of the FA)

Training modules cover:

- ◆ Marketing, public relations, and relationship and direct selling techniques to build your customer base
- ◆ The HOODZ system for cleaning kitchen exhaust systems.
- ◆ Administrative activities including use of the HOODZ Business Operating and Support System.

Listed on the following page are the specific modules and detail of the Business Manager and Technical Operations Training. We reserve the right to modify the training at any time.

TRAINING PROGRAM
Business Manager

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Introduction/Conclusion	2		Ann Arbor Training Center
Technical Service, Regulatory & Safety Training	8	16	Ann Arbor Training Center/On site in Field
Equipment Use & Maintenance	2	2	Ann Arbor Training Center
Marketing & Public Relations	2		Ann Arbor Training Center
Vendor/Supplies	1		Ann Arbor Training Center
Sales/Business Development	2		Ann Arbor Training Center
Administrative Activities/Software	2		Ann Arbor Training Center
Commercial Estimating and Quality Assurance & Verification	2		Ann Arbor Training Center
TOTAL HOURS*	21	19	

*Does not include meals, breaks, etc.

TRAINING PROGRAM
Technical Operations

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Introduction/Conclusion	2		Ann Arbor Training Center
Technical Service, Regulatory & Safety Training	8	16	Ann Arbor Training Center/On site in Field
Equipment Use & Maintenance	6	8	Ann Arbor Training Center
TOTAL HOURS*	16	24	

11.13 Additional Training

If this is an additional Franchise being awarded to you, and your Managing Owner, or, if applicable, Designated Manager, has already attended our Training Program, the requirement to attend Business Manager and Technical Operations Training is waived, as is our obligation to provide this to you at no additional fee. If this is a Transfer, you will need to attend the Business Manager and Technical Operations Training course.

The Managing Owner or, if applicable, the Designated Manager must attend the HOODZ annual convention at least once every 2 years. The Managing Owner or, if applicable, the Designated Manager also must attend periodic refresher training courses and conferences, not to exceed one per year, at the times and locations we determine, and for which we may charge fees. This training may, at our option, be online. We will determine the duration, curriculum, and location of for online training and these events. You will be responsible for all travel and living expenses that incurred while attending such session. Some of these events may occur outside of your home state.

The Service Technician must attend periodic refresher training courses and conferences, not to exceed one per year, at the times and locations we determine, and for which we may charge fees. We will determine the duration, curriculum, and/or location for online training and these events. You will be responsible for all travel and living expenses that incurred while attending such session.

You must pay for all registration fees, travel and living expenses that you incur while attending such session. You must attend at least one HOODZ annual convention every two years. You do not have to attend any refresher training courses or conferences more than once a year except if required by IKECA or other associations of the industry to maintain their certifications.

11.14 “Right Fit” HOODZ Guaranty

In the event after the completion of your first year in business, it is decided that you no longer wish to own and operate your HOODZ franchise, HOODZ International, LLC, will assume the lease of your vehicle. Your vehicle must be leased through one of our approved suppliers. The lease assumption offer will expire 30 days after the one year anniversary date of your successful completion of HOODZ training. You will be subject to a \$2,000 Reconditioning Fee and must abide by all Post Termination Obligations. (Section 12.A. of the FA)

11.15 Accounting and Financial Reporting

You are required to use the HOODZ Software and accounting software which we may prescribe. We currently do not require that you use a specific accounting software, but we reserve the right to do so. You shall maintain records in accordance with the system and submit statements in the form we prescribe on a monthly basis for the first 24 months of your HOODZ System operation and then Quarterly thereafter. Statements must be submitted to us by the 20th of the following month for which the statement applies. You are also required to submit your Corporation tax returns no later than 90 days after the end of the corporate fiscal year.

If you are unable to provide the information listed above as requested, we may require you to use a specific online accounting software for which there may be a fee of \$99.00 per month.

11.16 Quality Assurance and Verification

You must adhere to and follow the HOODZ business system Quality Assurance and Verification (“QAV”) procedures and protocol to be taught during Business Manager and Technical Operations training. The QAV accreditation is required to assure consistency and quality service throughout the HOODZ network of owners and to verify compliance to standards for Customers. (Section 7.A. of the FA).

ITEM 12. TERRITORY

12.1 The Territory

Your territory (“Territory”) will be the specific zip-codes for the Territory within which you may offer HOODZ Services to Customer Service Locations. The amount of zip-codes in the Territory will be determined by the amount of Retail Food Service Customers in each zip-code. Each Territory will contain a minimum of 1,600 Retail Food Service Customers and is more fully described in Exhibit A of the Franchise Agreement. We have the right to approve the Territory. You may not Advertise to, or Service in any way, any Customers or Customer Service Locations outside the Territory, without prior written permission from us.

Within the Territory, you have the right to advertise and service any Customer for Services, including Customer Service Locations within your Territory of Customers located outside your Territory, except as described in the Franchise Agreement.

We will not alter the Territory during the term of the Franchise Agreement and any Renewal Agreements without your prior written consent.

As of the date of this Disclosure Document, we are utilizing data that has been collected by ESRI Business Information Solutions, 8620 Westwood Center Drive, Vienna, VA 22182, We are also utilizing data that has been collected by InfoUSA, located at 5711 South 86th Circle, P.O. Box 27347, Omaha, NE 68127, a national mailing company, that also may provide the

number of Retail Food Service Customers and their contact information to determine the number of Retail Food Service Customers in the Territory.

The Territory that has been awarded to you is where we will not allow another HOODZ Franchisee or Company Store to advertise in print or media, primarily directed to persons in your Territory. We may allow advertising in national or regional print or such other media not directed primarily at persons within the Territory, but which may reach or be received by persons in the Territory. You may advertise either as a single franchisee or, if the telephone directory encompassing your Territory includes another System franchisee's territory, you may advertise as a pro rata participant in a common group advertisement. You may not advertise in any way, outside the Territory, even if the area has not been awarded to another HOODZ Affiliate, without prior written permission from us. You may not, without the prior written consent of us, conduct any business of the Franchise outside of the Territory.

If a Customer in your Territory has multiple Customer Service Locations that are not located in your Territory, they may be serviced by you, provided they are in a HOODZ Corporate Territory, and not in the Territory of another franchisee, and you receive prior written permission from us. At such time as a HOODZ Corporate Territory becomes a HOODZ franchised Territory, not owned by you, those Customer Service Locations in the newly form HOODZ Territory are to be serviced by the HOODZ franchisee of that Territory. The HOODZ franchisee will have the right to refer such business to another HOODZ franchisee or HOODZ Affiliate.

At your option, you may decide not to perform services for any one or more of the Customer Service Locations in the Territory. You agree to allow us to select another HOODZ franchisee or HOODZ Affiliate to perform the work with no further obligation to you, financial or otherwise.

In the event that you do not comply with all of the requirements at a Customer Service Location or provide the customer a warranty in the form we prescribe, you will be given 30 days to cure any dispute regarding compliance. If at the end of 30 days, you are not able to comply with all of the requirements for a Customer Service Location, we reserve the right to refer such business to another HOODZ franchisee or HOODZ Affiliate to perform the work with no further obligation to you, financial or otherwise, and you agree to fully indemnify us for any non-compliant work you performed.

12.2 Advertising and Servicing of Customers for Franchises

Within the Territory, you have the right to advertise to Customers and Referral Sources and to service any Customer Service Location for the cleaning Services of HOODZ, except as described in this section. However, you may not advertise via print or other media, including the Internet outside of the Territory without our approval.

Other HOODZ Franchisees and Company Stores may not advertise within the Territory without your and our written approval. We may allow advertising in national or regional print or such other media not directed primarily at persons within the Territory, but which may reach or be received by persons in the Territory.

You may not advertise in any way outside the Territory, even if the area has not been awarded to another HOODZ Affiliate or the Customer Service Location was as a result of a Customer within the Territory, without prior written permission from us. All zip codes that have not been awarded to a HOODZ Franchisee or Company Store are corporately owned ("HOODZ

Corporate Territory”) and you may not advertise or provide Service there without prior written permission from us.

12.3 Relocation

You will operate from one location and must receive our permission before relocating.

12.4 Additional Franchises and Expansions

Upon your request, we may award you either an initial or an additional Franchise or additional Territory, but any decision to do so will be in our sole discretion and judgment as to the best interests of the HOODZ network. At a minimum, to be considered for either an initial or an additional Franchise you:

1. must have sufficient capital and equipment to market and service both the Territory and the additional Territory as provided in our System, at the same time;
2. must have an approved business and financial plan for that Territory.
3. have been operating your business for at least one full year and are in compliance with your Franchise Agreement.
4. have a minimum of six months of on-time reporting and payment of fees.
5. are using the Electronic Funds Transfer Program for payments to HOODZ.
6. have not expanded the Territory in the last 24 months
7. must not have your business for sale

Further,

8. The territory you wish to expand into must not be in the active sales process with an identified candidate at the time of your request
9. Your expansion must not hamper our ability to sell territories adjacent to your current or expansion territory.
10. If you are also a DUCTZ franchise owner, you must demonstrate at least one year of meeting the DUCTZ financial and business plan established at the time of your purchase of the DUCTZ franchise.
11. If you are a DUCTZ franchise owner, you must present a financial and business plan that demonstrates your ability to manage two business models.

12.5 Restrictions

Any project or enterprise undertaken jointly by two or more franchisees will be known as co-venturing. Co-venturing with other franchisees must be managed through HOODZ and you may not negotiate directly with other HOODZ Franchisees for co-venturing at any time without our permission. You may not on any occasion solicit help from any other contractors including kitchen exhaust cleaners and restoration contractors. You may not hire temporary staff for the purposes of completing a specific job without our prior written permission. You may not service a Customer if doing so is beyond your current staffing or equipment capabilities, or if it would otherwise disrupt the normal servicing of your Customers.

12.6 Our Rights Within the Territory

We and our affiliates may sell products under the Trademarks within and outside the Territory through any method of distribution, although within the Territory, it may not be through a dedicated HOODZ business advertising within your Territory. See Section 1 below for further details. This includes sales products and services under the Trademarks through such channels of distribution as the Internet, Catalog Sales, Telemarketing, or other Direct Marketing Sales (together referred to as “alternative distribution channels”) You may not use alternative distribution channels to make sales outside or inside the Territory and you may not receive compensation for our sales through alternative channels except as described in the following paragraph.

If we engage in electronic commerce through any internet, World Wide Web, or other computer network site, or sell through any other alternative distribution channel, and we receive orders for any System products or HOODZ services calling for delivery or performance in the Territory, we will offer the order to you at the price we establish. If you choose not to fulfill the order, if you do not meet the requirements, or otherwise, are unable to fulfill the order, then we, or another HOODZ Affiliate may fulfill the order, and you will be entitled to no compensation in connection with this.

We and our affiliates can use alternative channels of distribution to make sales within the Territory of products or services under Trademarks different from the Trademarks you will use under the Franchise Agreement, but we and our affiliates have not yet made any sales of this time.

We also retain, as we deem appropriate, the rights to:

1. establish, and allow other franchisees to establish, the physical location of their HOODZ business facilities at any location inside or outside of the Territory, provided that neither we nor our franchisees may establish the physical location of our HOODZ business facilities within the Territory without your prior written consent and under no circumstances will another Franchisee or Company Store service customers or advertise in the Territory, without your prior written consent, except as otherwise provided for in Sections 1 and 2.F of the Franchise Agreement;
2. solicit, market to and build regional and national account relationships, whose offices may be located in the Territory;
3. offer and sell Services and products anywhere that do not comprise a part of the HOODZ System and, in connection with this right, to exploit our Marks, name, reputation, and know-how;
4. sell HOODZ identified products through other lines of distribution;
5. solicit and perform the Services of HOODZ in any geographic market;
6. acquire businesses providing Services similar to those provided under the System and to be acquired by such a business.
7. contact your customers who are delinquent in their payment of 90 days or more, initiate collection procedures on your behalf, take royalties on gross amounts collected and apply collection fees established in Item 6 (Section 2.K of the Franchise Agreement).

12.7 Minimum Gross Sales Requirement

Following your first full year of operation, Franchises must maintain the following minimum levels of monthly Gross Sales:

Months in Operation	Minimum Monthly Gross Sales Required in Territory
Greater than 0 but less than 12	No Minimum
Greater than 12 but less than 24	\$9,200
Greater than 24 but less than 36	\$13,800
Greater than 36 but less than 48	\$18,000
Greater than 48	\$23,000

If you do not achieve the required Minimum Gross Sales for any period of two or more consecutive months after 12 months in operation or any three out of six month period, we may collect a Royalty equal to what you would have been assessed had you achieved the Minimum Gross Sales for those months. In addition, if you fail to achieve Minimum Gross Sales as specified herein, we may also elect to establish another franchisee or company store in the Territory or allow another franchisee to advertise and service Customers in your territory.

12.8 National and Regional Account (“NORA”) Programs and Corporate Account Service Team (“CAST”) Program

National and Regional Account (“NORA”) Program: We may provide NORA programs for a group of customers, a partnership or group of partners, which operate under a common ownership or control, under the same trademarks or service marks through independent franchises, or some other association, located at multiple Customer Service Locations, chains and other similar organizations for the benefit of the HOODZ System. The locations of some of the NORA Customer Service Locations may be in the Territory awarded to you and they may have locations in other geographic areas. Our pursuit of these programs may involve solicitations, marketing and other related activities by us within the Territory. You may not solicit, service or otherwise pursue any NORA relationships, whether the contacts for these relationships are in the Territory or not, without our prior written consent. You may not service, solicit or otherwise pursue a relationship with a NORA or potential NORA or any of its members, without notice to us and our prior written permission.

If a NORA is established in the Territory, you will receive exclusive referrals by us of any Services we receive to be performed within the Territory, provided that you are in full compliance with this Franchise Agreement, you service these accounts consistent with the terms and conditions of our NORA relationship(s), and to the satisfaction of these accounts. Any such accounts that are in HOODZ Corporate Territories or outside of the Territory will be assigned by us to the nearest HOODZ Affiliate that is in compliance with HOODZ System. If a NORA Service occurs within the Territory, you will also be given the exclusive referral provided you can meet the completion deadlines with your permanent staff to the satisfaction of the NORA and are in full compliance with your Franchise Agreement. Any NORA accounts that are in HOODZ Corporate Territories will be assigned by us to the nearest HOODZ Affiliate that is in compliance with HOODZ System and capable of servicing the NORA, as determined by us in our sole discretion.

If a NORA job is referred to you, you agree to abide by the HOODZ System, Methods and Procedures, as outlined in the Team Train Operations Manual, which includes, but are not limited to the following:

1. Respond to the customer within two days with scheduling information. If you do not make contact with the customer within two days of receiving a job, the job will be deemed to have been turned down. We may then assign the job to the next closest HOODZ Affiliate in compliance with the Franchise Agreement.
2. If you are conducting a NORA Service, and the client has additional requirements, you agree to follow those requirements, which are to be provided to you in writing. You may be required to sign a contract with the Customer amending the base NORA National Contract for that Service Location. All work is subject to the terms, conditions and pricing established by HOODZ for that National Contract or the National Strategic Partner as a prerequisite for participation in these programs. These terms may vary, as determined by us in our sole discretion, depending on the situations and circumstances.
3. At your option, you may decide not to perform services for any one or more of the NORA(s) contracted in the Territory. You agree to allow us to select another HOODZ Affiliate to perform the work with no further obligation or liability to you.
4. In the event that you do not comply with all of the requirements in a NORA contract, or if we are directed by a NORA customer at any time for any reason to not have you perform a NORA job in the Territory, then we reserve the right to refer such NORA business to another HOODZ Affiliate and you agree to fully indemnify us for any non-compliant work you perform on a NORA project. If a NORA customer expresses a concern about you, we will reasonably cooperate with you to resolve the NORA's concerns. However, after we exercise what we believe to be reasonable efforts to rectify the problem, if the NORA continues to refuse to do business with you, or you decline to do business with them, then you agree that any HOODZ Affiliate that we designate may provide services for that NORA in the Territory. In any event, neither we nor the HOODZ Affiliate are liable or obligated to pay you any compensation for doing so, and we and the HOODZ Affiliate will not be considered in breach of any provision of this Agreement or any other agreement between you and us.
5. For purposes of coordinating efforts and results of NORA programs, you must provide us with copies of all reports, forms and notices, in a form prescribed by us in our sole discretion, relating to your pursuit and servicing of a NORA contract, on a timely basis, using the forms we may specify from time to time. You also agree to coordinate with us any solicitations you conduct that may have potential for development as a NORA.
6. We may have a NORA contract which requires centralized invoicing. The HOODZ International corporate office may be required to invoice this customer for multiple services performed at multiple location, by multiple HOODZ franchisees and collect payment(s). We may also be required to submit invoices at specific intervals. Payment to individual HOODZ franchisees will be forwarded from us to you upon receipt of payment in full from the NORA. All revenue received is subject to royalty fees pursuant to this Franchise Agreement.

HOODZ or our designate may offer a job to you for less than what we are being paid for the job by the third party. This is to cover our administration responsibilities in securing the job and performing any additional requirements as outlined in the NORA contract, and is in addition to the

normal royalty that is due to HOODZ. You have the option to turn down the job, as described above.

Corporate Account Service Team (C.A.S.T.) Program: The CAST Program provides an opportunity to establish and service NORAs in HOODZ Corporate Territory for the benefit of the overall HOODZ System. HOODZ Affiliates, at the sole discretion of HOODZ, in cases where extensive travel may be involved, may be offered the opportunity to perform Services in HOODZ Corporate Territory according to the following payout schedule:

- 1) Receive 100% of the contracted value for the Service, subject to royalty;
- 2) Receive compensation for travel outside of the HOODZ Affiliate Territory while in route to and from the Customer Service Location, not subject to royalty; and
- 3) Receive compensation for HOODZ Affiliate technician(s) wages and overhead while in route to and from the Customer Service Location, not subject to royalty.

ITEM 13. TRADEMARKS.

We own the trademarks, service marks, trade names, logotypes, and numerical symbols listed below for promotion, use, license, and sale by us throughout the United States, its territorial possessions, and the District of Columbia. The Franchise Agreement grants to you the license to operate the System under the HOODZ name and under any other trade names, trade dress, indicia, trademarks, service marks, and logos currently used or that may be used in the operation of the System (the “Marks”).

We currently only have our HOODZ word mark registered on the United States Supplemental Trademark Register. Therefore, our trademark does not have many legal benefits and rights as a federally-registered trademark. If your right to use the trademark is challenged, you may have to change to an alternative trademark which may increase your expenses.

We have filed the application for the trademark listed below and intend to commence an on-going practice of registering new trademarks for promotional or related advertising activities.

Registration	Registration #	Registration Date	Register
HOODZ (IC 037)	3,641,527	6/16/2009	Supplemental
HOODZ	Not yet registered, application serial no. 77/554,752	Not yet registered, applied for on 8/25/2008	Principal

No state trademark registrations have been filed.

There are no other effective determinations of the USPTO or of the trademark administrator of any state or court. Neither are there any pending proceedings or material litigation involving Marks that are relevant to their use.

There are no pending material federal or state court litigation regarding our use or ownership rights in a trademark.

There are no agreements currently in effect that significantly limit our rights within the United States, to use, or license the use, of the above mentioned Marks in any manner material to the Franchise.

You will follow our rules when you use the Marks. You may not use any Mark (including the name HOODZ) as part of your corporate or legal business name or with modifying words, terms, designs, or symbols (except for those we license to you). You may not use any Mark in selling any unauthorized services or products or in any other way we have not expressly authorized in writing.

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or any claim by any person of any rights in any Mark. If an infringement, challenge, or claim, occurs you must not communicate with any person other than our attorneys, your attorneys, and us. We may take the action we deem appropriate and control exclusively any litigation, USPTO proceeding, or any other administrative proceeding from the infringement, challenge, or claim or otherwise concerning any Mark. You will sign any documents and take any action that, in the opinion of our attorneys, protects and maintains our interests in any litigation or USPTO or other proceeding.

If you have timely notified us of the claim or proceeding and complied with the Franchise Agreement, we will reimburse you for all damages you suffer in any trademark infringement proceeding from your authorized use of any Mark. We may, at our option, defend and control the defense of any proceeding from your use of any Mark, or we will reimburse you for all costs you reasonably incur in defending any claim brought against you or any proceeding in which you are named a party.

If it becomes advisable at any time, in our sole discretion, for us to modify or discontinue using any Mark and/or use one or more additional or substitute trade or service marks, you will comply with our directions within a reasonable time after receiving notice. You must pay for any expenses related to the changing of trademarked items. We will not reimburse you for any loss of revenue due to any modified or discontinued Mark or for any expenditures you make to promote a modified or substitute trademark or service mark.

We do not know of either superior prior rights or infringing uses that could materially affect your use of our principal Mark in any state.

We are the lawful and sole owner of the domain name www.HOODZ.us.com. You cannot register any of the Marks that are now or in the future owned by us or any abbreviation, acronym or variation of the Marks, or any other name that could be deemed confusingly similar, as Internet domain names. We retain the sole right to advertise the system on the Internet and to create, operate, maintain and modify, or discontinue using of website using the Marks. You may access our website. Except as we authorize in writing in advance; however, you cannot: (i) link or frame our website; (ii) conduct any business or offer to sell or advertise any products or services on the worldwide web; or (iii) create or register any Internet domain names in connection with your Franchise. The only exception, is that you may list the HOODZ business in the local online directory.

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION.

14.1 Licenses, Patents and Copyrights

You do not receive the right to use any item covered by a patent. We do not own or claim any registered copyrights which are material to the franchise; however, we claim

copyrights in the Team Train Operations Manual, advertising materials, Franchise Software Management System, business forms, videos, CD-Rom's and other printed and advertising material used in operating the System. We have not registered these copyrights with the United States Registrar of Copyrights. You must use these items only in the way we specify and only while operating your Franchised Business.

The Team Train Operations Manual is described in Item 11 and Section 3.B. of the Franchise Agreement. You can use the proprietary information contained in the Team Train Operations Manual in connection with the operation of your HOODZ Business. Although we have not filed an application for a copyright registration for the Team Train Operations Manual, we claim a copyright, and the information is proprietary. Item 11 describes limitations on the use of the Team Train Operations Manual by you and your employees. You must promptly tell us if you learn about unauthorized use of our proprietary information. We are not obligated to take any action, but will respond to this information as we think appropriate.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. There are no agreements currently in effect that significantly limit our right to use or allow others to use the copyrighted materials. We do not actually know of any infringing uses that could materially affect your use of the copyrighted materials in any state. We need not protect or defend copyrights, although we may do so when this action is, in our opinion, in the best interest of the HOODZ System.

The Team Train Operations Manual, and other materials we possess, contain our confidential information and/or Trade Secrets. This information may include methods, formats, specifications, standards, systems, procedures, information, sales and marketing techniques, and knowledge of and experience, in development, operation, and franchising of HOODZ Businesses; marketing and advertising programs for HOODZ Businesses; knowledge of specifications for and suppliers of certain equipment, forms, materials, services and supplies; personnel; and knowledge of the operating results and financial performance of HOODZ Businesses other than your HOODZ Business.

14.2 Proprietary Information

All ideas, concepts, techniques or materials relating to a HOODZ Business, whether or not constituting protectable intellectual property, and whether created by or on behalf of you, must be promptly disclosed to us, will be considered our property and part of our franchise system and will be considered to be works made-for-hire for us. You must sign whatever documents we request to evidence our ownership or to assist us in securing intellectual property rights in such ideas, concepts, techniques or materials.

You may not use our confidential information and/or Trade Secrets in an unauthorized manner and must take reasonable steps to prevent unauthorized use or disclosure to others. You also agree that you, certain members of your management and employees must also agree to confidentiality agreements and non-competes.

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

You must at all times faithfully, honestly, and diligently perform your obligations under the Franchise Agreement. Unless we state otherwise, you must designate one Managing Owner (the "Managing Owner"), who is either an individual franchisee or a person with an ownership interest in a corporation or Limited Liability Company franchisee, and signed with Franchise Agreement, who will be our primary individual contact with the Franchised Business, and who

we approve in our sole discretion. A Managing Owner may, in our sole discretion, serve as the Managing Owner of more than one HOODZ franchises that are owned by you. We may, in our sole discretion, require you to designate a person who will serve as the primary individual contact for this HOODZ franchise (the “Designated Manager”). The Designated Manager must be approved in writing by us in our sole consent. The Managing Owner and, if applicable, the Designated Manager must successfully complete the HOODZ training program and must be CECS certified within the start of your second year in business. The Designated Manager is not required to have an ownership interest in the franchised business. The Designated Manager must sign written agreements to maintain confidentiality of the trade secrets described in Section 5 of the Franchise Agreement and to conform with the covenants not to compete described in Sections 6 and 13 of the Franchise Agreement, and you must submit a copy of this agreement to us. The Managing Owner or, if applicable, the Designated Manager must continuously exert her/his full-time best efforts to manage, promote and enhance the Franchised Business, and such other HOODZ Franchised Businesses as we permit in our sole discretion. Without our prior written permission, The Managing Owner and, if applicable, the Designated Manager, must not engage in any other business or activity that conflicts with your obligations to operate the Franchised Business on a full-time, year round basis.

You must also, within, before commencing operation of the Franchised Business employ at all times least one Service Technician who has completed the Technical Training described in 3.A. of this Franchise Agreement.

No other business or business operations may be undertaken through your Franchised corporate entity or the Owners, including the Managing Owner, without our prior written consent, with the exception of a DUCTZ International, LLC franchise.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.

You must offer and provide all of the services that we periodically require for HOODZ Franchisees, and in the manner we prescribe. You may not market or perform any services that we have not authorized, without our express, prior written approval. Our System Standards may regulate required or authorized services and service categories and supplies. There are no limits on our right to periodically change required and/or authorized services and service categories, and we may do so at our discretion. You may not service residential customers without our express written permission.

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

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.

THE FRANCHISE RELATIONSHIP

	Provisions	Section in Franchise agreement	Summary
a.	Length of the franchise term	Section 1.A.	Term is 10 years from date the Agreement is signed by us.

	Provisions	Section in Franchise agreement	Summary
b.	Renewal or extension of the term	Section 11.A.	If you substantially comply with the Franchise Agreement, including payment provisions, you can add additional consecutive Renewal Terms of 10 years for a Franchise.
c.	Requirements for franchisee to renew or extend	Section 11	<p>You must:</p> <p>Be in substantial compliance with the Franchise Agreement and other agreements with us.</p> <p>Have satisfied all monetary requirements and made timely payments.</p> <p>Have not received notices 3 or more times during the last 30 months of the Initial Term or any Renewal Terms for failure to comply with the terms of this Agreement</p> <p>Continuously service all customers in a manner consistent with our System Standards and reputation of ethical and professional conduct.</p> <p>Pay us the then current Renewal Fee.</p> <p>Sign a mutual general release</p> <p>Timely notify us of your elections to renew no earlier than 9 months, and no later than 6 months, before the expiration of this Agreement.</p> <p>At our request, upgrade and remodel the business.</p> <p>You may be asked to sign a franchise with terms and conditions of the renewal that may differ materially from those of your initial franchise agreement, but the boundaries of the Territory will remain the same, and the Royalty Rate on renewal will not be greater than your current Royalty Rate.</p>
d.	Termination by franchisee	Section 12.A.	You may terminate any time after your first full year of operation, with at least 30 days prior written notice. Subject to reconditioning fee (if applicable).
e.	Termination by franchisor without cause	Not Applicable	We may not terminate you without cause.
f.	Termination by franchisor with cause.	Section 12.B.	We can terminate you only if you commit one of several violations.
g.	“Cause” defined – curable defaults	Section 12.B.	We may terminate the Franchise Agreement by providing thirty (30) days written notice to you to cure a breach of any provision in the Franchise Agreement or the Team

	Provisions	Section in Franchise agreement	Summary
			Train Operations Manual, including any warranty or certification requirement in the FA or Team Train Operations Manual or other HOODZ Confidential Materials (other than those which are non-curable) (Section 12.B. of the Franchise Agreement and Item 17.h.); you have 30 days to cure these defaults. You have ten days to cure for after notice of a non-payment breach. You have 15 days cure notice of violation of any applicable federal, state or local, law regulation. You have 10 days to cure a failure to provide required reports, statements, or returns. You have 10 days to cure a failure to service customers in compliance with System standards;
h.	“Cause” defined – non-curable defaults	Section 12.B.	Non-curable defaults include failure to successfully complete Business Manager and Technical Operations or the Technical Operations training within 4 months after signing the Franchise agreement; failure to open within 4 months after signing the Franchise agreement; abandonment for five consecutive days; material misrepresentations or omissions; you receive from us three or more notices to cure the same or similar defaults or violations of this Agreement, within any two year period; conviction of a felony; failure to maintain insurance; interference with our inspection rights; failure to report gross sales, failure to transfer on death or disability; violation of any of the transfer provisions; dishonest or unethical conduct, unauthorized use or disclosure of the Team Train Operations Manual or confidential information; failure to pay taxes; understating Royalty by 5% or more on three or more occasions within a two year period; failure to comply with modification to System Standards; unauthorized service of customer outside the Territory; unapproved failure to attend convention once every two years; failure to attended minimum training or regional meetings; failure to have the Managing Owner and/or Designated Manager devote full-time efforts and failure to appoint successors within specified time. In addition, we have the right to terminate the Franchise Agreement immediately with notice if you commit 3 or more defaults under the Franchise Agreement in any 12 month period.
i.	Franchisee’s obligations on termination/non-	Section 13	Complete de-identification; transfer of phone numbers, domain names and URLs’ to us; payment of amounts due; return of all materials; delivery of all customer

	Provisions	Section in Franchise agreement	Summary
	renewal		information; non-compete obligations; confidentiality obligations; non-contact with customers or former customers; assignment of your accounts receivable to us if your obligations are not paid in full; changing names and DBAs; notification of phone and internet directories of termination and effecting transfer of your listings to us; transfer lease to us if we request; and providing evidence of your compliance with post-termination obligations (also see Item 17.r. below).
j.	Assignment of contract by franchisor	Section 10.A.	No restriction on our right to assign.
k.	“Transfer” by franchisee – definition	Section 10.B.	Includes transfer or assignment of the Agreement, the Franchise, the Franchised Business or any part thereof and change of your ownership in an amount aggregating 33% or more.
l.	Franchisor’s approval of transfer by franchisee	Section 10.B.	We have the right to approve all transfers if specified conditions are met.
m.	Conditions for franchisor approval of transfer	Section 10.B.	We have the right to approve all transfers but will not unreasonably withhold approval if certain conditions are met: you are in full compliance with the Franchise Agreement; the transferee has demonstrated sufficient business experience, aptitude, and financial resources to meet our then current standards; the transferee and its owners are not or do not remain engaged in a competitive business outside our Franchised Business; you provide us with written authorization to release to the transferee any and all information about the operation of the Franchised Business; the transferee has signed our then current form of Franchise Agreement; all outstanding fees owed by the Seller have been paid to us; the transfer fee is paid, material terms of the purchase agreement approved; transferee successfully completes our Business Manager and Technical Operations Training and Technical Operations Training prior to commencing business; release signed by you; agree that any financing obligations of transferee are subordinate to transferee’s obligation to pay fees to us; transferees and under certain circumstances, its principals assumes your obligations to us (also see r, below).
n.	Franchisor’s right	Section	Before transferring your interest in the Franchise

	Provisions	Section in Franchise agreement	Summary
	of first refusal to acquire franchisee's business	10.D.	Agreement, you must first offer us the right to purchase the interest on the same terms and conditions contained in any bona fide offer less the transfer fee. We have 30 days to decide.
o.	Franchisor's option to purchase franchisee's business	Not Applicable	We do not have an option to purchase your business without your consent.
p.	Death or disability of franchisee	Section 10.C.	You must transfer within 12 months of your death or disability. If you are an individual, your heirs may continue to operate your Franchised Business if the party would otherwise qualify as a transferee. You may transfer to a spouse, child, or parent if they qualify as a transferee and satisfy transfer obligations, without a transfer fee.
q.	Non-competition covenants during the term of the franchise	Section 6	No involvement in any competing business by you and your Managing Owner, Designated Manager and Service Technician.
r.	Non-competition covenants after the franchise is terminated or expires	Sections 13.D.	You, and your owners, and, if applicable, your Designated Manager, may not engage or be involved in any manner in a competing business for 18 months in your former Territory, within a radius of 100 miles from the perimeter of your former Territory, or in any Territories of any franchises in operation at the time of Termination.
s.	Modification of Agreement	Section 15.J.	No modifications generally but we may change Team Train Operations Manual and System Standards.
t.	Integration/merger clause	Section 15.L.	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u.	Dispute resolution by arbitration	Section 15.F.	Except for certain claims, all disputes must be arbitrated before the American Arbitration Association office closest to our then principal business address, or if that office is not available for a hearing or is located more than 100 miles from our principal business address, the hearing location utilized by the American Arbitration Association nearest to our the existing principal business address,.
v.	Choice of forum	Section	All actions will be commenced in the state, or federal court of general jurisdiction, closest to our principal

	Provisions	Section in Franchise agreement	Summary
		15.G.	business address at the time of the action.
w.	Choice of law	Section 15. H.	Except for the Federal Arbitration Act and other federal law, Michigan law applies. You and we waive rights to jury trial and punitive and exemplary damages

ITEM 18. PUBLIC FIGURES.

We do not use any public figures to promote our franchise. You have no right to use the name of any public figure for promotional efforts, advertising, or endorsements, except with our prior written consent. No public figure has any investment in the 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 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.

We do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Mr. John Rotche, President, or Ms. Janet Hughes, Director of Legal Administration, in writing at 731 Fairfield Court, Ann Arbor, MI 48108 or by phone (734) 864-9799, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

TABLE NUMBER 1

**SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2007 TO 2009**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
HOODZ				

Franchised - HOODZ	2007	0	0	0
	2008	0	1 (Note 7)	+1
	2009	1	22	+21
Company or Affiliate Owned - HOODZ	2007	0	0	0
	2008	0	0	0
	2009	0	6 (Note 8)	+6
Total Outlets for HOODZ	2007	0	0	0
	2008	0	1	+1
	2009	1	28	+27

TABLE NUMBER 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN FRANCHISOR)

FOR YEARS 2007 TO 2009

State	Year	Number of Transfers
HOODZ		
Total Number of Transfers for HOODZ	2007	0
	2008	0
	2009	0

TABLE NUMBER 3

STATUS OF FRANCHISED OUTLETS

FOR YEARS 2007 TO 2009

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
HOODZ								
California	2007	0	0	0	0	0	0	0
	2008	0	0	0	0	0	0	0
	2009	0	4	0	0	0	0	4
Florida	2007	0	0	0	0	0	0	0
	2008	0	0	0	0	0	0	0
	2009	0	3	0	0	0	0	3
Georgia	2007	0	0	0	0	0	0	0
	2008	0	0	0	0	0	0	0
	2009	0	2	0	0	0	0	2
Ohio	2007	0	0	0	0	0	0	0
	2008	0	0	0	0	0	0	0
	2009	0	2	0	0	0	0	2
Nebraska	2007	0	0	0	0	0	0	0
	2008	0	0	0	0	0	0	0
	2009	0	1	0	0	0	0	1
North Carolina	2007	0	0	0	0	0	0	0
	2008	0	0	0	0	0	0	0
	2009	0	3	0	0	0	0	3
Pennsylvania	2007	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2008	0	0	0	0	0	0	0
	2009	0	1	0	0	0	0	1
South Carolina	2007	0	0	0	0	0	0	0
	2008	0	0	0	0	0	0	0
	2009	0	1	0	0	0	0	1
South Dakota	2007	0	0	0	0	0	0	0
	2008	0	0	0	0	0	0	0
	2009	0	1	0	0	0	0	1
Tennessee	2007	0	0	0	0	0	0	0
	2008	0	0	0	0	0	0	0
	2009	0	2	0	0	0	0	2
Texas	2007	0	0	0	0	0	0	0
	2008	0	0	0	0	0	0	0
	2009	0	1	0	0	0	0	1
Utah	2007	0	0	0	0	0	0	0
	2008	0	1 (Note 7)	0	0	0	0	1
	2009	1	0	0	0	0	0	1
Total Franchised Outlet Status - HOODZ	2007	0	0	0	0	0	0	0
	2008	0	1 (Note 7)	0	0	0	0	1
	2009	1	21	0	0	0	0	22

TABLE NUMBER 4

STATUS OF COMPANY OR AFFILIATE-OWNED OUTLETS

FOR YEARS 2007 TO 2009

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
HOODZ							
Michigan – HOODZ	2007	0	0	0	0	0	0
	2008	0	0	0	0	0	0
	2009	0	6 (Note 8)	0	0	0	6
Total Company Outlet Status - HOODZ	2007	0	0	0	0	0	0
	2008	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
	2009	0	6	0	0	0	6

TABLE NUMBER 5

PROJECTED OPENINGS AS OF DECEMBER 31, 2009

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
Alabama	0	1	0
Arizona	3	1	0
California	1	1	0
Colorado	3	0	0
Connecticut	1	0	0
Delaware	0	0	1
Florida	4	1	0
Georgia	0	1	0
Illinois	0	2	0
Idaho	0	1	0
Indiana	1	0	0
Iowa	2	0	0
Kansas	1	0	0
Louisiana	0	1	0
Maryland	2	1	0
Michigan	2	0	0
Minnesota	0	1	0
Mississippi	0	1	0
Missouri	3	0	0
Nevada	1	1	0
New Jersey	4	1	0
New York	1	1	0
North Carolina	5	0	0
Ohio	1	1	0
Pennsylvania	3	1	2

South Carolina	2	1	0
Tennessee	1	1	0
Texas	2	1	0
Utah	0	1	0
Virginia	1	2	0
Washington	0	1	0
Wisconsin	1	1	0
Total	45	25	3

Note 1: In Tables No. 20.1- 20.5 there have been no franchise activity in the states omitted from the tables during the years indicated.

Note 2: 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 HOODZ system.

Note 3: Exhibit F includes the names, addresses and telephone numbers of all franchise owners as of December 31, 2009.

Note 4: Exhibit G includes the name, city and state, and the current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement between January 1, 2009 and December 31, 2009 or who has not communicated with us within 10 weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Note 5: Exhibit H1 lists, to the extent known, the names, addresses, telephone numbers, email addresses and Web Addresses of each trademark-specific franchisee organization associated with the franchise system being offered which we have created, sponsored or endorsed.

Note 6: Exhibit H2 lists the independent franchisee organizations that have asked to be included in this disclosure document.

Note 7: This Store was part of our concept development team and was operating a HOODZ business in UTAH under a HOODZ License Agreement. This Store began operating as a franchised unit in October 2009.

Note 8: This Store opened in January 2009. In October 2009, the Company Store was divided into six units, so that the territory size would be the equivalent of the standard franchisees territory.

ITEM 21. FINANCIAL STATEMENTS.

Exhibit B is our audited balance sheets, Statements of Operations, Statement of member's Equity and Statements of Cash Flows as of December 31, 2009 and December 31, 2008. We have a calendar fiscal year end.

As of the date of this Disclosure Document, HOODZ, International, LLC, has not been in business for three years or more and cannot include all the financial statements required by the Franchise Rule.

ITEM 22. CONTRACTS.

The following contracts are exhibits within this Disclosure Document:

1. Franchise Agreement (Exhibit A-1 of the Disclosure Document)
2. Territory Agreement (Exhibit A of the Franchise Agreement)
3. Software License Agreement (Exhibit C to the Franchise Agreement)
4. Telephone and Other Listing Agreement (Exhibit D to the Franchise Agreement)
5. State Addenda to Franchise Agreement (Exhibit A-2 of the Franchise Agreement)
6. Confidentiality/Non-Disclosure Agreement (Exhibit A-3 of the Franchise Agreement)
7. Disclosure Acknowledgment Statement (Exhibit A-4 of the Franchise Agreement)
8. Mutual Release (Exhibits A-5 and A-6 of the Franchise Agreement)
9. Electronic Funds Transfer Authorization Agreement (Exhibit A-7 of the Franchise Agreement)
10. Guaranty and Assumption of Franchisee's Obligations (Exhibit A-8 of the Franchise Agreement)

ITEM 23. RECEIPTS.

The final page of this Disclosure Document (Exhibit I of the Disclosure Document) is a detachable document acknowledging your receipt of the Disclosure Document. If that page, or any other pages or exhibits are missing from your copy, please notify us immediately.

EXHIBIT A. FRANCHISE AGREEMENT AND RELATED MATERIALS.

EXHIBIT A-1

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HOODZ Franchise Agreement

THIS FRANCHISE AGREEMENT (the “Agreement”) is made and entered into this _____ day of _____, 20___, by and between HOODZ International, LLC, a Delaware Limited Liability Company, with its principal place of business at 731 Fairfield Court, Ann Arbor, Michigan 48108 (referred to in this Agreement as “we,” “us,” and “ourselves”), and «Name1» and «Name2» (together referred to as the “Owners”), residents of the State of «State», and «LLC_or_Corp», a «state» to be formed or already existing whose principal address is «Address» (referred to in this Agreement as “you,” “your” or “Franchisee”). The Owners are personally responsible for the obligations of the Franchisee under this Agreement, except not for third party claims as excluded in section 14.C.

1. INTRODUCTION, ACKNOWLEDGMENTS, AND AWARD OF FRANCHISE.

A. INTRODUCTION.

We are now beginning the promotion and licensing of certain trade and service marks and other commercial symbols in operating commercial kitchen exhaust system cleaning businesses in the United States, including the trade and service mark(s) “HOODZ” (collectively, the “Marks”). We believe that these marks will gain public acceptance and goodwill, and we intend to continue to create, use, and franchise additional trademarks, service marks, and commercial symbols in operating HOODZ businesses.

We award to persons, who meet our qualifications, and who are willing to undertake the investment and effort, a franchise to own and operate a HOODZ Business (the “Business” “HOODZ Business,” or “Franchised Business”) offering the services and products we authorize and approve while utilizing our business formats, methods, procedures, signs, standards, specifications, and Marks (“the System”).

Following your evaluation of the HOODZ System, you have expressed to us your desire to obtain the right to develop, own, and be franchised to operate a HOODZ Franchised Business.

This Franchise Agreement governs the ongoing relationship between you and us.

B. AWARD OF FRANCHISE.

You have applied for a franchise to own and operate a HOODZ Business. Subject to all of the terms and conditions of this Agreement, we hereby award you a franchise (the “Franchise”) to operate a HOODZ Business utilizing the HOODZ System and the Franchised Marks in the specific zip-codes for the Territory within which you may offer HOODZ Services to Customer Service Locations. This Territory is described in Exhibit A of the Franchise Agreement and in Section 1.D. below. We will not allow another HOODZ Franchisee or Company Store to provide Services, except as outlined in Section 1.D, or advertise in print or other media (including broadcast or other electronic media, including internet, cable and satellite) that are directed primarily at persons within the Territory, provided, however, that we may allow advertising in national or regional print or such other media not directed primarily at persons within the Territory, but which may reach or be received by persons in the Territory. The Franchise Agreement grants you the right to operate the Franchised Business only within the Territory defined in the Franchise Agreement.

The term of the franchise will be 10 years (the “Initial Term”) commencing on the date of this Agreement.

You must at all times faithfully, honestly, and diligently perform your obligations under the Franchise Agreement. Except as stated herein, you must designate one Managing Owner (the “Managing Owner”), who is either an individual franchisee or a person with an ownership interest in a corporation or Limited Liability Company franchisee, and signed with Franchise Agreement, who will have day-to-day responsibility and authority to run the Franchised Business, and who will be our primary individual contact with the Franchised Business, and who we approve in our sole discretion. A Managing Owner may, in our sole discretion, serve as the Managing Owner of more than one HOODZ franchises that are owned by you; provided, however, that we may, in our sole discretion, require you to designate a person who will serve as the primary individual contact for this HOODZ Business (the “Designated Manager”). The Designated Manager must be approved in writing by us in our sole consent. The Managing Owner and, if applicable, the Designated Manager must successfully complete the HOODZ training program and must be CECS certified within the start of your second year in business. The Designated Manager is not required to have an ownership interest in the franchised business. The Designated Manager must sign written agreements to maintain confidentiality of the trade secrets described in Section 5 and to conform with the covenants not to compete described in Sections 6 and 13, and you must submit a copy of this agreement to us. The Managing Owner or, if applicable, the Designated Manager, must continuously exert her/his full-time best efforts to manage, promote and enhance the Franchised Business, and such other HOODZ Franchised Businesses as we permit in our sole discretion and diligently pursue timely collection of receivables. Without our prior written permission, the Managing Owner or, if applicable, the Designated Manager, must not engage in any other business or activity that conflicts with your obligations to operate the Franchised Business on a full-time, year round basis.

You must also, within, before commencing operation of the Franchised Business employ at least one (1) Service Technician, who has completed the Technical Operations Training described in 3.A. of this Franchise Agreement.

Before attending the Business Manager and Technical Operations Training, and/or upon any change to the Legal Entity ownership, you must submit to us a Corporate Resolution, or similar action, which states the name of the Corporation or LLC., the legal names of all of the partners or shareholders, the percentage of ownership that each member controls, their place of residence and their agreement to be bound by the terms of the Franchise Agreement. We charge a fee of \$500 (the “Transfer of Corporation Fee”) to process all changes to the Legal Entity subsequent to the submission of an initial Corporate Resolution prior to the commencement of the HOODZ Business, for which there is no fee. In the case of multiple Owners, you must submit a dispute resolution procedure, acceptable to us in our sole discretion, that states what you will do in the event that there is a conflict between any owners of the legal entity. In addition, at all times, at least 67% of the company must be controlled by the Owners who have executed the Franchise Agreement. The remaining Owners must sign a written agreement to maintain confidentiality of the trade secrets and their agreement to abide by the covenant not to compete, as described in Sections 6 and 13 of the Franchise Agreement.

C. DEFINITIONS AND ACRONYMS

The following terms which are used in this Section and throughout the Franchise Agreement are defined as follows:

Advertise: A paid or bartered in trade announcement, of services or goods for sale, such as may be placed in newspapers or magazines, on radio or television, billboards, flyers, brochures or any other media (including broadcast or other electronic media, including internet, cable and satellite)

Alternative Distribution Channels: Channels of distribution such as the Internet, Catalog Sales, Telemarketing, or other Direct Marketing Sales as it pertains to the sale of Trademarked product.

Certified Exhaust Cleaning Specialist (“CECS”): A certification issued by IKECA or its successor, indicating a level of training and proficiency for cleaning kitchen exhaust systems.

Certified Exhaust System Inspector (“CESI”): A certification issued by IKECA or its successor indicating a level of training and proficiency for inspecting kitchen exhaust systems.

Chain Customer: A non-residential customer, a group of customers, a partnership or group of partners, that operate under a common ownership or control, under the same trademarks or service marks through independent franchises, or some other association, located at multiple Customer Service Locations. A Chain Customer may also be a national account or a regional account.

Company Store: A HOODZ office that is owned by HOODZ International, LLC or its affiliate.

Corporate Account Service Team (“CAST”) Program: A program to compensate franchisees who service a NORA located in HOODZ Corporate Territory, where extended travel may be required, for travel, technician wages and overhead while in route to and from the NORA location.

County: A governmental unit or geographic subdivision of a state government. Certain states may refer to a county by another name such as, but not limited to, Parish.

Customer: Any person or company who purchases goods or services from you. A Customer includes those who make the purchase on their own behalf as well as those who purchase on the behalf of a third party.

Customer Service Location: The physical location or address where your Services are performed for a Customer and whose facility or building contains at least one kitchen hood and/or exhaust system.

HOODZ Affiliates: A collective reference for HOODZ Franchisee(s), Company Store(s) and/or HOODZ.

HOODZ Corporate Territory: All geographic territories that have not been awarded to a HOODZ Franchisee.

Institutional Customer: A Customer designation for schools, colleges or universities, hospitals and other health care facilities of all types, manufacturing facilities, distribution facilities, governmental facilities, correctional facilities, food markets, caterers and banquet halls, churches and similar Customers that prepare and serve food, other than a Retail Food Service Customer.

International Fire Code (“IFC”): Regulations governing the safeguarding of life and property from all types of fire and explosion hazards.

International Kitchen Exhaust Cleaners Association (“IKECA”): IKECA is a national organization representing contractors and individuals providing kitchen exhaust inspection and cleaning services. IKECA also offers certification and training programs.

International Mechanical Code (“IMC”): The IMC Establishes minimum regulations for mechanical systems using prescriptive and performance-related provisions.

Kitchen Exhaust Systems: A kitchen cooking exhaust system includes grease containment hoods, filters, exhaust ductwork and exterior exhaust fans and/or their housings. Fire suppression or fire extinguishing systems are not considered part of the Kitchen Exhaust System for the purposes of a HOODZ franchise or HOODZ Business.

National Fire Protection Association (“NFPA”): NFPA, and any successors. NFPA was established in 1896, the mission of NFPA is to reduce the burdens of fire and other hazards on the quality of life by providing and advocating consensus codes and standards, research, training and education. NFPA 96 (2008): “Standard for Ventilation Control and Fire Protection of Commercial Cooking Operations” is the primary guidance and regulatory document for the kitchen exhaust cleaning industry.

National Account: A National Account is a Customer or prospective Customer that may create Services for franchisees through the National Account’s network of Customer Service Locations nationally, and requires centralized oversight to assure consistency in all franchisees’ common interest, or any Customer or prospective Customer that seeks a single management solution to national service issues.

National and/or Regional Account (“NORA”): The following terms apply to further define and clarify NORA programs:

- **Account Development:** Various methods including onsite evaluations, conducting estimates, answering posted bids, or proposing a specific scope of work for a potential project or conducting actual work shall be collectively known as “Account Development”. Account Development may be conducted by any of the HOODZ Affiliates for the benefit of the HOODZ franchise network of owners.
- **Corporate NORA Projects:** HOODZ may Service a NORA or a National Strategic Partner in HOODZ Corporate Territory through a Company Store or by assigning work to a qualified HOODZ Affiliate.
- **National Contract:** Is a NORA Customer serviced by HOODZ Affiliates under a defined scope of Services and pricing schedule of a formal agreement.
- **National Strategic Partner:** An entity that has the ability to supply potential projects in significant volume and scope nationally or internationally. Belfor is a National Strategic Partner.

Referral Sources: May include insurers and insurance adjusters, contractors, fire equipment or services provider, fire or building code enforcement officials or other persons or company(s) who referred the goods or Services offered by you on to a third party.

Regional Account: A Regional Account is a Customer or prospective Customer that may create Services for two (2) or more franchisees, and requires centralized oversight to assure consistency in all franchisees’ common interest, or any Customer or prospective Customer that seeks a single management solution to regional Service issues. A Regional Account may have Customer Service Locations in multiple territories, but does not provide service coverage nationally.

Retail Food Service Customer: A Customer designation for independent Customers or Chain, Regional or National Accounts whose primary business is preparing foods for onsite or take out consumption and/or whose facility or building contains at least one kitchen hood and/or exhaust system.

Service: The providing of HOODZ Services for a Customer at a Customer Service Location. Permitted Services include the core NFPA, IMC and IFC regulated, certified and/or standardized activities of inspecting, cleaning, repairing, maintaining or modifying kitchen cooking exhaust systems, together

with optional supplemental activities including, but not limited to, power washing exterior of facilities, cooking equipment cleaning, grease trap maintenance. The maintenance, repair, flushing or recharging of fire suppression or extinguishing systems is not a Permitted Service of HOODZ, without our express written permission and only after providing evidence of acceptable training, certification, compliance with NFPA codes or other regulations, insurance coverage and indemnification of HOODZ.

Territory: Your territory (“Territory”) will be the specific zip-codes for the Territory within which you may offer HOODZ Services to Customer Service Locations described in Exhibit A of the Franchise Agreement and in which you may advertise.

D. TERRITORY.

Within the Territory, you have the right to advertise and service any Customer for Services, including Customer Service Locations within your Territory of Customers derived from outside your Territory, except as described in this Agreement.

You may not Advertise to or Service in any way, any Customers or Customer Service Locations outside the Territory, without prior written permission from us.

You must also select your business office site within the Territory (“Office Site”), and such Office Site must be approved by us in our sole discretion. The Office Site must contain a minimum of 300 square feet and meet all applicable fire and safety codes for storage of materials and supplies used by the System. You may not relocate your Office Site without our prior written consent, which is at our sole discretion. Should you have authorization from us to locate your Office Site outside of the Territory; you agree that should a Franchise Owner purchase the Territory where your Office Site office is located, or if a Company Store is opened, you will move the location of your Office Site to another site approved in writing by us, unless you have attained written authorization from HOODZ, as well as from the new Franchise Owner. We reserve the right at any time, at our sole discretion, to allow another HOODZ Franchisee(s) to locate their Office Site(s) within the Territory, provided they are operating the business out of their home. Our agreement with the other HOODZ Franchisee(s) will state that they may not market, advertise to or service Customers or Customer Service Locations that are located within the Territory except as described below. We will not allow another Franchise Owner to lease their Office Site within the Territory.

We will not alter the Territory during the term of the Franchise Agreement and any Renewal Agreements without your prior written consent.

The Territory that has been awarded to you is where we will not allow another HOODZ Franchisee or Company Store to advertise in print or media, primarily directed to persons in your Territory. We may allow advertising in national or regional print or such other media not directed primarily at persons within the Territory, but which may reach or be received by persons in the Territory. You may advertise either as a single franchisee or, if the telephone directory encompassing your Territory includes another System franchisee’s territory, you may advertise as a pro rata participant in a common group advertisement. You may not advertise in any way, outside the Territory, even if the area has not been awarded to another HOODZ Affiliate, without prior written permission from us. You may not, without the prior written consent of us, conduct any business of the Franchise outside of the Territory.

If a Customer in your Territory has multiple Customer Service Locations that are not located in your Territory, they may be serviced by you, provided they are in a HOODZ Corporate Territory, and not in the Territory of another franchisee, and you receive prior written permission from us. At such

time as a HOODZ Corporate Territory becomes a HOODZ franchised Territory, not owned by you, those Customer Service Locations in the newly form HOODZ Territory are to be serviced by the HOODZ franchisee of that Territory. The HOODZ franchisee will have the right to refer such business to another HOODZ franchisee or HOODZ Affiliate.

Customer Service Locations in a Territory derived from Customers within another Territory or the efforts of a HOODZ Affiliate are to be serviced by the franchisee of that Territory. At your option, you may decide not to perform services for any one or more of the Customer Service Locations in your Territory. You agree to allow us to select another HOODZ Affiliate to perform the work with no further obligation to you, financial or otherwise.

At your option, you may decide not to perform services for any one or more of the Customer Service Locations in the Territory. You agree to allow us to select another HOODZ franchisee or HOODZ Affiliate to perform the work with no further obligation to you, financial or otherwise.

In the event that you do not comply with all of the requirements at a Customer Service Location, or provide a warranty in the form we prescribe, you will be given 30 days to cure any dispute regarding compliance. If at the end of 30 days, you are not able to comply with all of the requirements for a Customer Service Location, we reserve the right to refer such business to another HOODZ franchisee or HOODZ Affiliate to perform the work with no further obligation to you, financial or otherwise, and you agree to fully indemnify us for any non-compliant work you performed.

You are prohibited from Advertising, soliciting or Servicing in any way, any Customers or Customer Service Locations outside the Territory without our prior written permission. Advertising, solicit or Servicing Customers outside of your Territory constitutes a default under this Agreement and you must pay us a fee of \$500 per incident. This fee is in addition to, and not in lieu of, our other rights under this Agreement, including our right to terminate this Agreement pursuant to Section 12(B) below.

E. RIGHTS WE RESERVE.

We retain, as we deem appropriate, the rights to:

1. establish, and allow other franchisees to establish, the physical location of their HOODZ business facilities at any location inside or outside of the Territory, provided that neither we nor our franchisees may establish the physical location of our HOODZ business facilities within the Territory without your prior written consent and under no circumstances will another Franchisee or Company Store service customers or advertise in the Territory, without your prior written consent, except as otherwise provided for in Sections 1 and 2.F herein;
2. establish another franchisee or company store, if you do not achieve the required Minimum Gross Sales for a period of two consecutive months after 12 months in operation (Section 2.F of the Franchise Agreement);
3. solicit, market to and build NORA account relationships, whose offices may be located in the Territory (Section 1.F of the Franchise Agreement);
4. offer and sell services and products anywhere that do not comprise a part of the HOODZ System and, in connection with this right, to exploit our Marks, name, reputation, and know-how;
5. acquire businesses providing services similar to those provided under the System and to be acquired by such a business.

6. contact your customers who are delinquent in their payment of 90 days or more, initiate collection procedures on your behalf, take royalties on gross amounts collected and apply collection fees established in Section 2.K of this Franchise Agreement.
7. sell products under the Trademarks within and outside the Territory through any method of distribution, although within the Territory, it may not be through a dedicated HOODZ business. This includes Trademarked product sales through such channels of distribution as the Internet, Catalog Sales, Telemarketing, or other Direct Marketing Sales (together referred to as "Alternative Distribution Channels") You may not use Alternative Distribution Channels to make sales outside or inside the Territory and you may not receive compensation for our Trademarked product sales through Alternative Distribution Channels except as described in the following paragraph.
8. If we engage in electronic commerce through any Internet, World Wide Web, or other computer network site, or sell through any other Alternative Distribution Channel, and we receive orders for any System products or residential services calling for delivery or performance in the Territory, we will offer the order to you at the price we establish. If you choose not to fulfill the order, if you do not meet the requirements, or otherwise, are unable to fulfill the order, then we, or another HOODZ Affiliate may fulfill the order, and you will be entitled to no compensation in connection with this.
9. make sales within the Territory of products or services under Trademarks different from the Trademarks you will use under the Franchise Agreement.

F. NATIONAL AND REGIONAL ACCOUNT ("NORA") PROGRAMS.

We may provide NORA programs for a group of customers, a partnership or group of partners, that operate under a common ownership or control, under the same trademarks or service marks through independent franchises, or some other association, located at multiple Customer Service Locations, chains and other similar organizations for the benefit of the HOODZ System. The locations of some of the NORA Customer Service Locations may be in the Territory awarded to you and they may have locations in other geographic areas. Our pursuit of these programs may involve solicitations, marketing and other related activities by us within the Territory. You may not solicit, service or otherwise pursue any NORA relationships, whether the contacts for these relationships are in the Territory or not, without our prior written consent. You may not service, solicit or otherwise pursue a relationship with a NORA or potential NORA or any of its members, without notice to us and our prior written permission.

If a NORA is established in the Territory, you will receive exclusive referrals by us of any Services we receive to be performed within the Territory, provided that you are in full compliance with this Franchise Agreement, you service these accounts consistent with the terms and conditions of our NORA relationship(s), and to the satisfaction of these accounts. Any such accounts that are in HOODZ Corporate Territories or outside of the Territory will be assigned by us to the nearest HOODZ Affiliate that is in compliance with HOODZ System. If a NORA Service occurs within the Territory, you will also be given the exclusive referral provided you can meet the completion deadlines with your permanent staff to the satisfaction of the NORA and are in full compliance with your Franchise Agreement. Any NORA accounts that are in HOODZ Corporate Territories will be assigned by us to the nearest HOODZ Affiliate that is in compliance with HOODZ System and capable of servicing the NORA, as determined by us in our sole discretion.

If a NORA job is referred to you, you agree to abide by the HOODZ System, Methods and Procedures, as outlined in the Team Train Operations Manual, which includes, but are not limited to the following:

1. Respond to the customer within two days with scheduling information. If you do not make contact with the customer within two days of receiving a job, the job will be deemed to have been turned down. We may then assign the job to the next closest HOODZ Affiliate in compliance with the Franchise Agreement.
2. If you are conducting a NORA Service, and the client has additional requirements, you agree to follow those requirements, which are to be provided to you in writing. You may be required to sign a contract with the Customer amending the base NORA National Contract for that Service Location. All work is subject to the terms, conditions and pricing established by HOODZ for that National Contract or the National Strategic Partner as a prerequisite for participation in these programs. These terms may vary, as determined by us in our sole discretion, depending on the situations and circumstances.
3. At your option, you may decide not to perform services for any one or more of the NORA(s) contracted in the Territory. You agree to allow us to select another HOODZ Affiliate to perform the work with no further obligation or liability to you.
4. In the event that you do not comply with all of the requirements in a NORA contract, or if we are directed by a NORA customer at any time for any reason to not have you perform a NORA job in the Territory, then we reserve the right to refer such NORA business to another HOODZ Affiliate and you agree to fully indemnify us for any non-compliant work you perform on a NORA project. If a NORA customer expresses a concern about you, we will reasonably cooperate with you to resolve the NORA's concerns. However, after we exercise what we believe to be reasonable efforts to rectify the problem, if the NORA continues to refuse to do business with you, or you decline to do business with them, then you agree that any HOODZ Affiliate that we designate may provide services for that NORA in the Territory. In any event, neither we nor the HOODZ Affiliate are liable or obligated to pay you any compensation for doing so, and we and the HOODZ Affiliate will not be considered in breach of any provision of this Agreement or any other agreement between you and us.
5. For purposes of coordinating efforts and results of NORA programs, you must provide us with copies of all reports, forms and notices, in a form prescribed by us in our sole discretion, relating to your pursuit and servicing of a NORA contract, on a timely basis, using the forms we may specify from time to time. You also agree to coordinate with us any solicitations you conduct that may have potential for development as a NORA.
6. We may have a NORA contract which requires centralized invoicing. The HOODZ International corporate office may be required to invoice this customer for multiple services performed at multiple location, by multiple HOODZ franchisees and collect payment(s). We may also be required to submit invoices at specific intervals. Payment to individual HOODZ franchisees will be forwarded from us to you upon receipt of payment in full from the NORA. All revenue received is subject to royalty fees pursuant to this Franchise Agreement.

HOODZ or our designate may offer a job to you for less than what we are being paid for the job by the third party. This is to cover our administration responsibilities in securing the job and performing any

additional requirements as outlined in the NORA contract, and is in addition to the normal royalty that is due to HOODZ. You have the option to turn down the job, as described above.

Corporate Account Service Team (“CAST”) Program: The CAST Program provides an opportunity to establish and service NORAs in HOODZ Corporate Territory for the benefit of the overall HOODZ System. HOODZ Affiliates, at the sole discretion of HOODZ, in cases where extensive travel may be involved, may be offered the opportunity to perform Services in HOODZ Corporate Territory according to the following payout schedule:

- 1) Receive 100% of the contracted value for the Service, subject to royalty;
- 2) Receive compensation for travel outside of the HOODZ Affiliate Territory while in route to and from the Customer Service Location, not subject to royalty; and
- 3) Receive compensation for HOODZ Affiliate technician(s) wages and overhead while in route to and from the Customer Service Location, not subject to royalty.

G. CO-VENTURING

Any project or enterprise undertaken jointly by two or more franchisees will be known as “Co-venturing.” Co-venturing with other franchisees must be managed through HOODZ and you may not negotiate directly with other HOODZ Franchisees for co-venturing at any time. You may not on any occasion solicit any services or products from any other contractors including commercial kitchen exhaust cleaners and restoration contractors without our prior written consent. You may not hire temporary staff for the purposes of completing a specific job without our prior written consent. You may not service a customer if doing so is beyond your current equipment capabilities or qualifications, or if it would otherwise disrupt the normal servicing of your customers.

H. OTHER BUSINESSES.

It is agreed and understood no other business or business operations may be undertaken through your Franchised corporate entity, without our prior written consent, with the exception of a DUCTZ International, LLC franchise. Owners, including the Managing Owner, may not own or operate any business which conducts services identical or similar to us or our affiliates.

2. FEES AND OTHER MONETARY REQUIREMENTS.

A. INITIAL FRANCHISE FEE.

You promise to pay us a total initial fee (the “Initial Franchise Fee”) in the amount of \$44,900 (“Base Fee”) for a Territory to include at least 1,600 but no more than 2,000 Retail Food Service Customers and will contain a population which will be approximately between 750,000 and 1,000,000. We will determine the number of Retail Food Service Customers in our sole discretion based on business data provided by Environmental Systems Research Institute, Inc. (“ESRI”) and compiled by InfoUSA. Population information has been provided by ESRI. For a Territory with greater than 2,000 Retail Food Service Customers, the Initial Franchise Fee will equal the Base Fee, plus \$20.00 for each Retail Food Service Customer over 2,000 (the “Additional Fee”). For example, the Initial Franchise Fee for a location with a number of 2,200 RFSC’s will be computed as follows:

$$\$44,900 \text{ (Base Fee)} + (200 \times \$20.00) = \$48,900$$

Each Territory will have a maximum of 3,000 Retail Food Service Customers. The purchase of more than 3,000 RFSC's in the aggregate at any time during the term of this agreement will require the payment of an additional Initial Franchise Fee.

If at the time of your initial purchase you are purchasing multiple Franchise Agreements, we will discount the Base Fee for the second Franchise Agreement by \$10,000. The discount for multiple territories will be applied to and include the purchase of any HOODZ territories and any territories purchased from our affiliate DUCTZ. The discount is only applicable toward your initial purchase and will not be granted toward any future territory expansions.

The determination of RFSC's is only for the purposes of determining the Initial Franchise Fee and is not a representation as to the potential number of Customers or Customer Service Locations in the Territory, either at the commencement of or during the course of the Term of the Franchise Agreement.

Your Initial Franchise Fee shall be due and payable in full upon your execution of this Agreement.

Within four months of our notification to you to begin Business Manager and Technical Operations Training, which notification we will send to you within 60 days of our receipt of this Agreement, we expect you to complete our Business Manager and Technical Operations Training to our satisfaction, as defined below in Section 3.A. In the event that you do not do so, at our discretion we may terminate this Agreement. The Initial Franchise Fee is non-refundable.

If this is a Renewal Term (as defined in Section 11.A.), the Initial Franchise Fee is waived. However, you will need to pay the Renewal Fee for this Term of the Franchise Agreement in the amount which was agreed upon in your most recent Franchise Agreement or extension Term. The Renewal Fee is non-refundable.

If this is a Transfer Term, the Initial Franchise Fee is waived. However, you, or the Selling owner, will need to pay the then current Transfer Fee. The Transfer Fee is refundable up until you complete Business Manager and Technical Operations Training.

B. INITIAL PACKAGE FEE.

You promise to pay us or a vendor designated by us in our sole discretion, for specified equipment, products, supplies and services (the "Initial Package") in the amount of \$10,000, which monies shall be promptly due and payable before receipt of the Initial Package. You will be required to pay for shipping and sales tax separately. The Initial Package consists of certain equipment, products, a convention fee credit, and supplies as described and listed in Exhibit B, which is attached to this Agreement. The Initial Package materials will be shipped to you F.O.B. from certain locations which currently include Bloomington, IL, Palatine, IL, Ann Arbor, MI, Detroit, MI, Dexter, MI, West Bloomfield, MI, Mt. Laurel, NJ, Holland, OH, Charleroi, PA, Louisville, KY, Farmington Hills, MI and Mooresville, NC. The Initial Package Fee is non-refundable.

You will receive a Fast Track Marketing Allowance of \$1,000. The Marketing Allowance must be used within your first 60 days after the successful completion of training. You must work with our preferred vendor, which is currently Spectrum Printers, to send mailings to businesses within the Territory. Any unused amounts not utilize within the first 60 days, will not be refunded to you and may not be used for any future mailings or services.²

² If the 60th day falls on a weekend or holiday we will extend this timeframe to the next business day.

The Initial Package is not refundable, except that if you attend the first Convention that is scheduled to take place within one year of your successful completion of the HOODZ Train you will receive a \$500 Convention Allowance. The Convention Allowance is to be used primarily towards the registration fee, but any remaining balance may be applied towards travel, lodging and/or meals. This convention allowance will be rebated to you after you attend the first HOODZ Convention that is scheduled after your completion of Initial Training. If you do not attend the Convention, it will not be refunded to you.

If this is a Transfer and you are purchasing the entire Business from the previous owner, you are not required to purchase the Initial Package; however, you must pay the \$500 Convention Allowance Fee, which may be refundable as described above. If this is a Transfer and you are purchasing a portion of the Business being sold, you must purchase the entire Initial Package. If this is a Renewal Term or if you are purchasing an additional Franchise Agreement, you are not required to purchase the Initial Package.

C. ROYALTY.

You must pay us a weekly royalty (the "Royalty") equal to 10% of Gross Sales, as defined below in Subsection E. Every week, we will scan HOODZ Software and find amounts paid by customers and amounts due from customers. You will receive an email itemizing the jobs on which royalties will be assessed, and the total of the royalties. The Royalty will be assessed to you upon the earlier of (a) receipt of funds from the customer; or (b) 90 days after the date of the original invoice issued to the customer, regardless of whether the invoice is paid in full. The following Friday (the "Due Date"), we will initiate a transfer of funds between our bank accounts for the amount indicated in the email. We may specify different Due Dates periodically and in our sole discretion.

You promise to sign and deliver to us, before the Franchised Business opens, the documents we require to authorize us to automatically debit your business checking account each Due Date for the Royalty due on Gross Sales from the preceding week. You also promise to promptly and regularly report a correct statement of all of your Gross Sales in the HOODZ Software, including the date and amount of invoices issued, along with any other information we specify, in the form and on the schedule we require in our sole discretion. All customer information must be accurate and complete.

If you fail to report your Gross Sales for any week as required, or to record receipt of payments received within 48 hours of receipt, we can debit your account on Due Date for the same Royalty amount that we debited during the previous week. If the Royalty we debit from your account is greater than the Royalty you actually owe us (once we have determined your true and correct Gross Sales for the week), we will credit the excess against the amount we otherwise would debit from your account on the following Due Date. If the Royalty we debit from your account is less than the Royalty you actually owe us, we will debit your account for the balance of the Royalty due on the following Due Date. Our debit of your account will not relieve you of your obligation to pay any Late Report Fee or Late Payment Fee or interest due under Section 2.D.

We can require you to pay the Royalty by means other than automatic debit (e.g., by check) whenever we deem appropriate in our sole discretion, and you promise to comply with our payment instructions.

D. LATE REPORT FEE, LATE PAYMENT SERVICE FEE, NSF FEE AND INTEREST.

If the Royalty or any other fee that is due is not available in your account for debiting when due, a late payment fee will be imposed of 5% of the amount due or \$50, whichever sum is greater ("Late Payment Fee"), for each week past due. If you do not report your Gross Sales as required and/or you

fail to submit your Royalty reports when due, a late report fee will be imposed of 5% of the amount due or \$50, whichever sum is greater (“Late Report Fee”), for each week past due. Additionally, interest will be imposed at the rate of 18% per annum, or the maximum rate permitted by applicable law, whichever is less, from the date these amounts were originally due until the date paid. If when we debit your account for monies owed and there are insufficient available, we will also charge our current non-sufficient fund fee (“NSF Fee”). We can automatically debit your account for the Late Payment, NSF Fee, Late Report Fee, Interest Fees and all other fees owed to us

You acknowledge that this Paragraph does not constitute our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance the operation of your HOODZ Business. Notwithstanding the provisions of this Section, your failure to pay all amounts when due constitutes grounds for termination of this Agreement, as provided in Section 12.B.

E. DEFINITION OF GROSS SALES.

“Gross Sales,” as used in this Agreement, includes all revenue generated from operating the Business, whether in cash, in services in kind, from barter and/or exchange, or otherwise. All barter and/or exchange transactions for which you furnish HOODZ services and/or products in exchange for goods or services will, for the purpose of determining Gross Sales, are to be valued at the full retail value of the goods and/or services you provide. You may deduct from Gross Sales the amount of all sales tax receipts or similar tax receipts that, by law, are chargeable to customers, if these taxes are separately stated when the customer is charged. In accordance with our policies as published periodically, you may also deduct from Gross Sales the amount of any documented refunds that HOODZ considers appropriate. All payments received for jobs must be recorded in the HOODZ Software within 48 hours of being received.

F. REQUIREMENT TO ACHIEVE A MINIMUM LEVEL OF GROSS SALES.

You acknowledge and agree that we have awarded you this Franchise and the Territory with the expectation that you will be able to develop a Business that will achieve a minimum level of monthly Gross Sales (the “Minimum Gross Sales”) as follows:

Months in Operation	Minimum Monthly Gross Sales Required ³
Greater than 0 but less than 12	No Minimum
Greater than 12 but less than 24	\$9,200
Greater than 24 but less than 36	\$13,800
Greater than 36 but less than 48	\$18,000
Greater than 48	\$23,000

If you do not achieve the required Minimum Gross Sales for a period of two consecutive months after 12 months in operation, or any three out of six month period, we may collect a Royalty equal to

³ If you are awarded more than one Franchised Business, the dollar values for the minimum royalty would increase for each additional business you are awarded. For a second business the numbers would double, for a third, they would triple, etc.

what you would have been assessed had you achieved the Minimum Gross Sales for those months. In addition, if you fail to achieve the Minimum Gross Sales, we may also elect to establish another franchisee or company store in the Territory or allow another franchisee to advertise and service Customers in your territory.

If this is a Renewal Term, you will be required to meet the Minimum Monthly Gross Revenue requirement for the 48 month level for the each month of the Renewal Term, starting in the first month of the Renewal Term, for the entire length of the Renewal Term.. If you have been awarded more than one Franchise Agreement, you will be required to meet the Minimum Monthly Gross Sales for each individual Franchise Agreement.

G. LOCAL ADVERTISING, CUSTOMER ACQUISITION & RETENTION

You must participate in the Quick Launch Marketing Program included in your Initial Package and described in Section 2.B of this Agreement. You must also participate in marketing, advertising, and promotional programs at the local level.

In addition, we reserve the right to require you to spend up to 10% of Gross Sales on local advertising and promotion in accordance with Franchisor's standards and specifications (the "Local Marketing Requirement"). You must spend the Local Marketing Requirement within the Territory only, as we prescribe in the Operations Manual or otherwise in writing. You acknowledge and agree that the Local Marketing Requirement must be expended regardless of the amount(s) spent by other System franchisees on local advertising. You may spend any additional sums you wish on local advertising. However, you must use only such advertising and promotional materials as have been previously approved by us, as more fully set forth below.

As part of your local marketing, you promise to acquire and maintain a telephone number that is dedicated to your HOODZ business, which must have either a toll-free area code or an area code that is assigned to the Territory. You promise to maintain a 24-hour answering system on this business number, use an approved script for answering calls, and you promise to continually list the Business on the internet telephone directory site(s) of our choosing. You may elect to also list the Business in the "White Pages" of the primary telephone directory servicing the Territory or a trademark listing advertising your Business in the "Yellow Pages" of the primary directory servicing the Territory.

Any other forms of advertising that would also advertise inside the Territory must be approved by HOODZ in writing according to the procedure set forth in the next paragraph. We may, with 30 days notice to you, require that you use and pay for a Call Center that we authorize to answer incoming sales calls.

You must use our approved advertising and marketing materials or receive our written approval of any and all other advertising and marketing materials from us before their first use. In order to obtain approval of advertising and marketing materials, you must submit such proposed advertising material to us for review at least ten (10) business days before the proposed first use. If we take no action within such ten (10) business day period, the materials shall be deemed disapproved and you may not use such materials. The approval or disapproval is at our sole discretion. We also may, at our sole discretion, require you to immediately discontinue use of any advertising or marketing materials at any time, even if previously approved or provided by us. All advertising and marketing materials must meet our then current standards and specifications. We may, in our sole discretion, offer and sell advertising, marketing, and promotional materials at any time. Certain items, such as your truck, yard signs and hood stickers must reference the HOODZ National Toll Free number. You may not alter or remove reference to the Toll Free number. You have no obligation to purchase any of these materials or forms

from us, but if we implement local marketing programs, like a call center and/or direct mail solicitations, you may be required to participate, at your expense.

In addition, we reserve the right, but are not obligated to, establish a national marketing fund (the "National Marketing Fund") for the common benefit of System franchisees. We have the right to require you to participate in and contribute up to 5% of your Gross Sales quarterly to the National Marketing Fund (the "Advertising Fee") in the manner we prescribe. If we require you to contribute to the National Marketing Fund, you must pay the Advertising Fee on a quarterly basis within 15 days after the end of each quarter.

We will use the National Marketing contributions, in our sole discretion, to develop, produce and distribute national, regional and/or local advertising and to create advertising materials and public relations programs which promote, in our sole judgment, the services offered by System franchisees. We have the sole right to determine contributions and expenditures from the National Marketing Fund, or any other advertising program, and the sole authority to determine, without limitation, the selection of the advertising materials and programs; provided, however, that we will make a good faith effort to expend National Marketing Fund contributions in the general best interests of the System on a national or regional basis. We may use the National Marketing Fund to satisfy any and all costs of maintaining, administering, directing, preparing, producing, and implementing advertising, including the cost of preparing, producing, and implementing television, radio, magazine and newspaper advertising campaigns, the cost of direct mail and outdoor billboard advertising; the cost of public relations activities and advertising agencies; the cost of developing and maintaining an Internet website; and personnel and other departmental costs for advertising that we internally administer or prepare. Nevertheless, we acknowledge that not all System franchisees will benefit directly or on a pro rata basis from such expenditures. While we do not anticipate that any part of the National Marketing Fund contributions will be used for advertising which is principally a solicitation for franchisees, we reserve the right to use the National Marketing Fund for public relations or recognition of the "HOODZ[®]" brand, for the creation and maintenance of a web site, a portion of which can be used to explain the franchise offering and solicit potential franchisees, and to include a notation in any advertisement indicating "Franchises Available."

We may periodically assist franchisees to maintain high quality standards through customer surveys, customer interviews, and other similar initiatives ("Surveys"). The cost of such programs will be borne by the National Marketing Fund. The cost of these programs may be charged directly to you if the results from a survey fall below System established minimum standards for such Surveys.

We have the right to reimburse ourselves from the National Marketing Fund contributions for such reasonable costs and overhead, if any, that we may incur in activities reasonably related to the direction and implementation of the National Marketing Fund.

We are not required to contribute to the National Marketing Fund. We may, but are not obligated to, advance money to the National Marketing Fund to fund National Marketing Fund programs. In the event that we advance monies to the National Marketing Fund, we will determine, in our sole discretion, the manner and timing for the repayment, to us, of some, or all, of the funds we advance.

We will prepare on an annual basis, within one hundred and twenty (120) days of the end of the fiscal year, and make available to you upon written request a statement of contributions and expenditures for the National Marketing Fund. The National Marketing Fund is not required to be independently audited.

H. HOODZ SOFTWARE LICENSING AGREEMENT AND FEES.

Throughout the term of this Agreement, you must:

1. utilize our then-current HOODZ Franchise Management Software System (“HOODZ Software”) in the operation of the Franchised Business;
2. sign and maintain a quarterly renewable HOODZ Software System licensing agreement (attached to this Agreement as Exhibit C);
3. pay the then-current weekly Technology, Licensing & Upgrade Fee in the same manner as you pay the weekly Royalty.

I. HIGH SPEED INTERNET CONNECTION, ELECTRONIC MAIL NETWORK, WEBSITE AND BUSINESS PHONE.

You promise to subscribe to, maintain, and utilize a DSL, Cable, or Satellite high speed internet connection and electronic mail (referred to as “e-mail”) network account with independent suppliers which periodically we approve. If you do not receive written approval within ten (10) business days of our written receipt of your request, such supplier will be considered disapproved. You also promise to use, subscribe to, and pay for, as directed by us, a customized web site connected to our web site and managed by our web site provider. You may not attempt to redirect any traffic on the customized website. You may not implement a web site or URL for the Franchise Business either yourself or through a third party provider. As technology advances and new discoveries are made, we have the right to require that you use other technological items, as well as to designate the specific companies, models and/or types that you must use for these technological services. You must use an email name that we have approved and that will have, as its suffix, “@HOODZ.us.com.” Emails sent to you at HOODZ.us.com will be automatically forwarded to you at your electronic mail account.

J. ADMINISTRATIVE FEE.

When you ask us to amend or modify this Agreement or when an amendment is required by your actions or when you ask us to consent to various transactions or to services for which a specific fee is not imposed elsewhere in this agreement or the HOODZ system, you must pay to us the then current administrative fee (the “Administrative Fee”) in effect.

K. COLLECTION FEE.

We retain, as we deem appropriate, the right to contact your customers who are delinquent in their payment of 90 days or more, initiate collection procedures on your behalf, and take the full amount of any royalties owed to us from any amounts collected and apply collection fees up to an additional 10% (the “Collection Fee”) of the amounts collected on your behalf. We will credit you with any amounts collected, net of any royalties and collection fees. You may not sue or otherwise hold us liable in any way for our pursuit of these collection procedures.

L. OUTSTANDING ROYALTIES AND FEES OF PREDECESSOR.

In the event you were awarded your franchise as a result of your purchase of all or substantially all of the assets of the Franchised Business owned by a previous franchisee in the Territory, you promise to pay us the following fees if they are not timely paid by your predecessor:

1. Our current Transfer Fee; and

2. Any and all outstanding Royalties, amounts owed for purchases from us, Late Payments Fees, Late Report Fees, NSF Fees, Administrative Fees, Collection fees and any other fees owed, plus, interest, and applicable broker fees, whether incurred by you or by your predecessor franchisee.

3. TRAINING AND GENERAL GUIDANCE.

A. TRAINING.

Initial Training.

Your Managing Owner, of, if applicable, Designate Manager, must successfully complete our Initial Training program within one month of signing the Franchise Agreement, before attending Business Manager and Technical Operations and before the opening of the Franchised Business. Initial Training is our preparation program that includes numerous pre-opening activities.

This Initial Training is a self-guided process, with additional guidance from our training team, along with the Team Train Operations Manual. You must prepare a comprehensive financial plan, review the Team Train Operations Manual, complete a Territory review, coordinate your initial advertising program, acquire proper insurance, select and lease office space, and acquire all permits, licenses, and approved vehicles. All Initial Training activities are to be completed before attending Business Manager and Technical Operations Training and before the opening of the Franchised Business and are conducted in your hometown by you with assistance from our home office staff. You shall begin Initial Training immediately upon your signing and return to us of the Franchise Agreement and the Initial Fees. During Initial Training, we will schedule a Business Manager and Technical Operations Training for you to attend at a later time. Business Manager and Technical Operations Training sessions are typically offered each month.

The Initial Training Program may be waived by us if you already operate a HOODZ Franchised Business and purchase of additional franchises from us.

Business Manager and Technical Operations Training for Business Owner or Designated Manager

Before you begin operating the Business, we will furnish Business Manager and Technical Operations Training (the “Business Manager and Technical Operations Training”) to the Managing Owner or, if applicable, the Designated Manager, at no additional fee. The Managing Owner or, if applicable, the Designated Manager, must complete the Business Manager and Technical Operations Training to our satisfaction within four (4) months of signing this Agreement, and failure to do so will result in the termination of this Agreement. The Business Manager and Technical Operations Training may not commence until you have paid all fees due to us.

The Business Manager and Technical Operations Training will be up to six days in duration at our headquarters or another location designated by us. You will be responsible for all travel and living expenses that you incur for this Business Manager and Technical Operations Training.

In the event that you own multiple HOODZ franchises and have a Managing Owner already at another HOODZ franchise who has already completed the Business Manager and Technical Operations Training, the Managing Owner will still be required to successfully complete the most recent online training modules essential to the role of ownership. There is no charge for this training.

You may designate, with our approval and on a “space available” basis, additional persons to attend other sessions of the Business Manager and Technical Operations Training for which you will be

charged our then current Business Manager and Technical Operations Training Fee. In addition, each person we approve to attend the Business Manager and Technical Operations Training will be required to sign our then current Confidentiality and Non-Compete Agreement before the start of training. The Business Manager and Technical Operations Training fee will be due and payable before the start of the training program and you will be responsible for the payment of all travel and living expenses incurred by your designees while training.

The Managing Owner or, if applicable, the Designated Manager, must attend the HOODZ annual convention at least once every 2 years. The Managing Owner or, if applicable, the Designated Manager also must attend periodic refresher training courses and conferences, not to exceed one per year, at the times and locations we determine, and for which we may charge fees. This training may, at our option, be online. We will determine the duration, curriculum, and/or location of any online or other training. You will be responsible for all travel and living expenses that incurred while attending such session.

In the event that the Designated Manager terminates his or her employment with you, you are required to designate a successor for our written approval, which shall be at our sole discretion, within 10 days of such termination. Such successor Designated Manager must attend the next available Business Manager and Technical Operations Training. In the event, that the successor Designated Manger does not successfully complete the next available Business Manager and Technical Operations Training, you may appoint one additional person as successor Designated Manager. This second successor Designated Manager must attend and successfully complete the next available Business Manager and Technical Operations Training. If this second successor Designated Manager does not successfully complete the next available Business Manager and Technical Operations Training, you will be in default of your Franchise Agreement and subject to termination.

If this is a Renewal Term or if this is an additional Franchise being awarded to you, and your Managing Owner or, if applicable, the Designated Manager, have already attended the Business Manager and Technical Operations Training, the requirement that you attend the Business Manager and Technical Operations Training is waived, except as set forth above with respect to the online training modules. In such cases, if your Managing Owner or, if applicable, the Designated Manager do attend Business Manager and Technical Operations Training, you will be assessed our then current Training Fee. You will also be responsible for all travel and living expenses that you incur while training.

Technical Operations Training for Service Technician

Before you begin operating the Business, we will also furnish the Technical Operations Training (the "Technical Operations Training") to one service technician (the "Service Technician") who will be responsible for performing and overseeing your kitchen exhaust system cleaning services. There will not be any additional fee for this training. The Service Technician must complete the Technical Operations Training to our satisfaction within four (4) months of signing this Agreement, and failure to do so will result in the termination of this Agreement. The Technical Operations Training may not commence until you have paid all fees due to us.

The Technical Operations Training will be up to 5 days in duration at our headquarters or another location designated by us. You will be responsible for all travel and living expenses that you incur for this Technical Operations Training.

You may designate, with our approval and on a "space available" basis, additional persons to attend other sessions of the Technical Operations Training for which you will be charged our then current Technical Operations Training Fee. In addition, each person we approve to attend the Technical Operations Training will be required to sign our then current Confidentiality and Non-Compete

Agreement before the start of training. The Technical Operations Training Fee will be due and payable before the start of the training program and you will be responsible for the payment of all travel and living expenses incurred by your designees while training.

The Service Technician must attend periodic refresher training courses and conferences, not to exceed one per year, at the times and locations we determine, and for which we may charge fees. This training may, at our option, be online. We will determine the duration, curriculum, and/or location of any online or other training. You will be responsible for all travel and living expenses that incurred while attending such session.

In the event that the Service Technician terminates his or her employment with you, you are required to designate a successor for our written approval, which shall be at our sole discretion, within 10 days of such termination. Such successor Service Technician must attend the next available Technical Operations Training. In the event, that the successor Service Technician does not successfully complete the next available Technical Operations Training, you may appoint one additional person as successor Service Technician. This second successor Service Technician must attend and successfully complete the next available Technical Operations Training. If this second successor Service Technician does not successfully complete the next available Technical Operations Training, you will be in default of your Franchise Agreement and subject to termination.

B. GENERAL GUIDANCE.

You will have access to information helpful to the operation of the Business based on reports you submit to us and/or inspections that we may make from time to time in our sole discretion. In addition, we will furnish guidance to you on from time to time and in our sole discretion:

1. new products, services, and methods which we may from time to time in our sole discretion discover or develop for the System;
2. the purchase and use of supplies, uniforms, equipment, and products;
3. the formulation and implementation of advertising and promotional programs using such merchandising, marketing, and advertising research data and advice as we may periodically develop for use in your local market;
4. the financial and daily operation of the Business including its accounting and record keeping functions;
5. other business and marketing advice;
6. a 24-hour contact telephone number, which may be used by you for communications with us.

This guidance will, at our discretion, be furnished in our confidential Team Train Operations Manual, bulletins, or other written materials, conferences, conventions, or other training sessions, toll-free telephone consultations, electronic communications, and in consultations at our office or the offices of the Business.

C. TEAM TRAIN OPERATIONS MANUAL.

The various elements of our HOODZ Business System are incorporated into the HOODZ Team Train Operations Manual, online training modules, technical bulletins, on-line postings, our HOODZ Owner's Intranet website, directives, books, pamphlets, bulletins, memoranda, letters, e-mail, or other publications, documents, software programs, videos, transmittances or communications, in whatever form (including electronic form) prepared by or on behalf of us for use by the franchisees generally or

for you in particular (collectively the “Team Train Operations Manual”). The Team Train Operations Manual will contain mandatory and suggested specifications, standards, operating procedures, and rules (the “System Standards”) that we prescribe periodically for the operation of the HOODZ Business, and information on your other obligations under this Agreement and related agreements. The Team Train Operations Manual may be added to, deleted or otherwise amended by the us from time to time at our sole discretion.. You agree that the Team Train Operations Manual is specifically incorporated by reference into this Agreement and that it shall be considered a part hereof, and that you shall comply with the Team Train Operations Manual as an essential aspect of its obligations under this Agreement and failure by you to substantially comply with the Team Train Operations Manual may be considered a breach of this Agreement. To the extent that any terms in this Agreement conflict with those in the Team Train Operations Manual, this Agreement shall govern and supersede such conflicting terms.

You promise to keep your copy of the Team Train Operations Manual current and in a secure location in the principal office of the Business. If there is a dispute over its contents, the master copy of each of the Team Train Operations Manual that we maintain at our principal office will be controlling. You may not at any time copy, duplicate, record, electronically forward or otherwise reproduce any part of the Team Train Operations Manual. If all or any of the Team Train Operations Manual are lost, destroyed, or significantly damaged, you promise to obtain replacements at our then applicable charge.

You agree to use the Marks and System only as specified in the Team Train Operations Manual. The Team Train Operations Manual is the sole property of us and shall be used by you only during the Term and in strict accordance with the terms and conditions hereof. You agree that such Team Train Operations Manual shall be deemed to be a trade secret. You shall return the Team Train Operations Manual, together with all copies of any portion of the Team Train Operations Manual which you may have made, to us immediately upon the expiration, termination or assignment of this Agreement.

D. DELEGATION OF PERFORMANCE.

You agree that we have the right to delegate the performance of any portion or all of our obligations and duties under this Agreement to designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations.

4. MARKS AND SYSTEM.

A. OWNERSHIP AND GOODWILL OF MARKS AND SYSTEM.

1. You acknowledge that we own and have all rights to the Marks and the System.
2. Your right to use the Marks is derived only from this Agreement and is limited to your operation of the Franchised Business in accordance and in compliance with this Agreement and all System Standards we prescribe from time to time during its term.
3. You promise to use only the Marks that we designate in writing, and will use them only in the manner that we authorize. You may not use any Mark for unauthorized services or products, or in any other way we have not expressly authorized in writing.
4. You agree that your use of the Marks, and any goodwill established by this use, will be exclusively for our benefit and that this Agreement does not confer any goodwill or other interest in the Marks upon you (other than the right to operate a Franchised Business under this Agreement).

5. All provisions of this Agreement applicable to the Marks apply to any additional proprietary trade and service marks and commercial symbols that we authorize you to use from time to time and in our sole discretion.
6. The right and license of the Marks awarded to you under this Agreement is non-exclusive, and we may:
 - a. award other licenses and franchises for the Marks and the System, in addition to those licenses already awarded;
 - b. use the Marks and System in connection with marketing and selling any products and services as we deem appropriate.

B. NOTIFICATION OF INFRINGEMENTS AND CLAIMS.

You promise to notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any claim by any person of any rights in any Mark, and not to communicate with any person other than us and our attorneys, and your attorneys, in any infringement, challenge, or claim. We have sole discretion to take the action we deem appropriate and the right to control exclusively any litigation, U.S. Patent and Trademark Office proceeding, or any other administrative proceeding arising out of any infringement, challenge, or claim or otherwise relating to any Mark. Provided that you have timely notified us of the claim or proceeding and complied with the Franchise Agreement, we shall indemnify and hold you harmless against any loss or expense incurred in connection with any such infringement, challenge or claim. You promise to sign any and all instruments and documents, render the assistance, and do the acts and things that, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our interests in any litigation or Patent and Trademark Office or other proceeding, or otherwise to protect and maintain our interest in the Marks.

C. LIMITATIONS ON YOUR USE OF MARKS.

1. You promise to use the Marks as the only identification of the Business, except that you must identify yourself as an independently owned and operated as a franchisee, in the manner that we prescribe or approve, in the manner set forth in Section C.7. below.
2. You promise to affix the Marks upon such vehicles, uniforms, equipment, containers, fixtures, signs, stationary, advertising, sales/promotional materials, and such other objects, in such size, color, lettering style and fashion, and at such places as we may designate in the Team Train Operations Manual.
3. You promise to not use the Marks, or any words or symbols confusingly similar to them, as part of any corporate or other legal name or with any prefix, suffix, or other modifying words, terms, designs, or symbols. You may not use the Marks in connection with the sale of any unauthorized product or service, on an Internet web site of your own design, or in any other manner not explicitly authorized in writing by us or approved, in the manner set forth in Section C.8. below.
4. Except as expressly provided in the Team Train Operations Manual, you may not display any other trademarks, logotypes, symbols, or service marks, nor may you use any other marks in connection with the Marks, or with the Business, without our prior written approval in the manner set forth in Section C.8. below.
5. You promise that all advertising and promotional materials that you use will bear the appropriate “SM,” “TM,” “®,” or “©” registration symbol and/or such other appropriate notice of ownership, registration, or copyright as we may require.

6. You promise to submit to us, for our prior written approval, in the manner set forth in Section C.8. below, the assumed or trade name (the “DBA”) you intend to use in the operation of the Business before filing for it as required by local laws. We may approve or not approve such DBA at our discretion. All filings or affidavits, following your receipt from us of an approved DBA, must state that the filing or affidavit is made as “a franchisee of HOODZ.” The approved DBA is the only DBA that you may use. You may not use a different name under any circumstances, including as a domain name, URL address, marketing, or for any other function.

7. We are the lawful and sole owner of the domain name www.HOODZ.us.com. You cannot register any of the Marks that are now or in the future owned by us or any abbreviation, acronym or variation of the Marks, or any other name that could be deemed confusingly similar, as Internet domain names. We retain the sole right to advertise the system on the Internet and to create, operate, maintain and modify, or discontinue using of website using the Marks. You may access our website. Except as we authorize in writing in advance; however, you cannot: (i) link or frame our website; (ii) conduct any business or offer to sell or advertise any products or services on the worldwide web; or (iii) create or register any Internet domain names in connection with your Franchise. The only exception, is that you may list the HOODZ business in an online directory.

8. In order to obtain approval of any use of the Marks, including all advertising containing any Marks, your identification or your DBA, you must submit such proposed use, identification or DBA to us for review at least ten (10) business days before the proposed first use. If we take no action within such ten (10) business day period, such use, identification or DBA shall be deemed disapproved. The approval or disapproval is at our sole discretion. We also may, at our sole discretion, require you to immediately discontinue use of any Mark, advertising, identification or DBA at any time, even if previously approved or provided by us.

9. You must submit and receive our written approval in advance for any person which you desire to act as a representative for you in connection with local promotion of the Franchised Business or Marks in a public media.

D. DISCONTINUANCE OF USE OF MARKS.

If it becomes advisable at any time in our sole discretion to modify or discontinue the use of any Mark and/or use one or more additional or substitute names or marks, you promise to comply with our direction within a reasonable time after you have received notice. We will not be liable to you for any expenses, losses, or damages you sustain as the result of any such addition, modification, substitution, or discontinuance of a Mark, and you promise to not commence or join in any litigation or other proceeding against us for any such expenses, losses, or damages.

5. CONFIDENTIAL AND PROPRIETARY INFORMATION.

A. CONFIDENTIAL INFORMATION.

i. We possess (and will continue to develop and acquire) certain confidential information (the “Confidential Information”) relating to the development and operation of HOODZ Businesses. The Confidential Information includes (without limitation):

- a. general operating procedures for a Business;

- b. the proprietary HOODZ Franchise Management Software System.
- c. personnel guidelines for hiring, training, retaining, promoting, and supporting the marketing and sales staff;
- d. the Initial Training and Business Manager and Technical Operations programs;
- e. written marketing and advertising materials, audio tapes, and programs for their utilization;
- f. knowledge of specifications and suppliers of certain equipment and supplies for the Business;
- g. information on operating results and financial performance of HOODZ businesses other than your own.
- h. the Team Train Operations Manual and the HOODZ Owners Intranet Site and its contents.
- i. sales guidelines and strategies for developing business relationships in the insurance industry.
- j. The Customer Information, as defined in Section 5.B. below.

ii. You acknowledge and agree that you do not acquire any interest in Confidential Information, other than the right to utilize that which is disclosed to you in operating the Business during the term of this Agreement, and that the use or duplication of any Confidential Information in any other business would constitute an unfair method of competition and a misappropriation of trade secrets. You also acknowledge and agree that the Confidential Information is proprietary, which includes our trade secrets, and is disclosed to you only on the condition that you promise to, during and at all times after the term of this Agreement:

- a. not use Confidential Information in any other business or capacity;
- b. maintain the absolute confidentiality of Confidential Information;
- c. not make unauthorized copies of any portion of Confidential Information disclosed via electronic medium or in written or other tangible form;
- d. adopt and implement all reasonable procedures that we prescribe from time to time to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restrictions on disclosure to employees of the Franchised Business and others.
- e. immediately upon the expiration or termination of this Agreement, return and cease using in any way all Confidential Information and provide us with immediate access to all computer or other electronic or other storage media, including without limitation, hard drives, memories, CD's, floppy disks, DVDs, zip drives, PDAs, jump drives or other peripheral drives and memory cards, containing any Confidential Information for the purpose of removing such Confidential Information or, if mutually agreed upon, surrender such devices to us.

iii. The foregoing restrictions will not apply to the information that:

- a. is now public knowledge or hereafter becomes public knowledge through no fault of yours;

b. is properly provided to you without restriction by third parties having no such restriction;

c. is required to be disclosed by order of a competent court or governmental authority, provided, however, that you provide us with prompt written notice of any claim or litigation that could give rise to such a requirement, you furnish only that portion of the confidential information that you are required to disclose; and you advise the governmental authority or court of your confidentiality obligations under this Agreement and seek to obtain appropriate protective orders or other assurance satisfactory to us of confidential treatment for the information required to be so disclosed.

iv. You must disclose to us all ideas, concepts, methods, techniques and products concerning the development and operation of the Business that you, the Managing Owner or the Designated Manager or employees, conceive or develop during the Term of this Franchise Agreement. We shall own the rights to all such ideas, concepts, methods, techniques and products, regardless of the source and you must grant to us and agree to procure from the your affiliates, owners or employees a perpetual, royalty-free, exclusive and worldwide right to use such ideas, concepts, methods, techniques and products concerning the development and operation of the Business that the your or your employees conceive or develop during the Term in businesses the we operate. You must sign all documents we request to evidence our ownership or to assist us in securing intellectual property rights in such ideas, concepts, techniques or materials. We will have no obligation to make any lump sum or on-going payments to the you respect to any such idea, concept, method, technique or product. You must agree that you will not use nor will you allow any other person or entity to use any such concept, method, technique or product without obtaining our prior written approval.

B. PROPRIETARY INFORMATION/CUSTOMER INFORMATION/ INBOUND AND OUTBOUND CALL LISTS.

You acknowledge and agree that we own any and all customer lists and their contents that we provide to you and/or that you subsequently develop during the normal course of operating the HOODZ Business. You promise to keep an up-to-date list of all current and former customers in the HOODZ Software, including their name, telephone number, email, complete mailing address, frequency of service, last date serviced, and price of service (the "Customer Information"). You acknowledge and agree that we have available to us through the HOODZ Software, an electronic copy of the complete list of current and former customers, including their name, telephone number, email, complete mailing address, frequency of service, last date serviced, and price of service, and other information concerning such customers. You acknowledge and agree that we may have available to us, a listing of all inbound and outbound calls and emails. The information will be utilized periodically in the development and execution of various marketing strategies. We retain sole discretion in the development of all marketing strategies. You promise not to use any Customer Information for any purpose other than in the normal operation of the Business without our prior written approval. We reserve the right to communicate with all customers.

6. COVENANTS NOT TO COMPETE.

A. FOR YOU.

You and your Managing Owner, your Designated Manager (if applicable) and Service Technician promise, during the term of this Agreement, to not:

1. engage as an owner, partner, shareholder, director, officer, employee, consultant, agent, or in any other capacity in any other business offering commercial kitchen exhaust cleaning and restoration services the same as or similar to the services sold by the HOODZ Business, including but not limited to commercial kitchen exhaust cleaning and restoration (except for other franchises or authorizations we enter into with you);
2. use our Confidential Information, System, Team Train Operations Manual, Marks, customer lists, Customer Information, trade secrets, trade dress, proprietary knowledge, or know-how, or any colorable imitations, in the design, development, or operation of any business other than the HOODZ Business franchised hereunder and only as specified or specifically authorized by us.
3. Engage as an owner, partner, shareholder, director, officer, employee, consultant, agent, or in any other capacity in any business offering commercial kitchen exhaust cleaning and other services of the HOODZ System, without our prior written approval.

B. YOUR EMPLOYEES.

At the start of their employment, you promise to require, as consideration for employment, each of your Service Technicians, sales and/or account management employees to sign non-disclosure and confidentiality agreements that we have specified or approved in writing prior to such use. Such agreements will prohibit disclosure, by the employee to any other person or legal entity, of any Confidential Information, or other information, knowledge, or know-how regarding the System or the operation of the Business, which is deemed confidential or proprietary by us. Such employee non-disclosure and confidentiality agreements will, to the fullest extent permitted by applicable law, prevent employees from servicing or soliciting any of the customers of your Business, except in their capacities as employees of the HOODZ Business. We may require that a fully signed copy of each Service Technician and sales/account management employee confidentiality and non-disclosure agreement be sent to us.

C. OUR RIGHT TO ENFORCE NON-COMPETITION COVENANTS.

You agree and acknowledge that a violation of the covenants as listed in this Section and in Section 13.D. will result in immediate and irreparable injury to us for which no adequate remedy at law will be available. Accordingly, you consent to the entry of an injunction, without the requirement of a bond, prohibiting any conduct by you in violation of the terms of the covenants not to compete or the confidentiality and non-disclosure provisions or agreements. Further, you expressly agree that the existence of any claims you may have against us, whether or not arising from this Agreement or otherwise, will not constitute a defense to the enforcement by us of these covenants or agreements. You promise to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by us in connection with the enforcement of these covenants or agreements, if you are found to be in violation of the confidentiality and/or your non-competition obligation(s) under this Agreement. The protection awarded in this Paragraph and/or in Section 13.D. will be in addition to, and not in lieu of, all other protections for such trade secrets and confidential information as may otherwise be afforded in law or in equity.

You expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities to exploit such skills. Consequently, enforcement of the covenants and agreements set forth in this Section and in Section 13.D will not deprive you of the ability to earn a living.

The parties have attempted in this Section and in Section 13.D above to limit the your right to compete only to the extent necessary to protect the us from unfair competition. It is the desire and intent of the parties to this Agreement, that the provisions of this Section and in Section 13.D be enforced to

the fullest extent permissible under the laws and public policy applied in each jurisdiction in which enforcement is sought. Accordingly, if any part of this Section or Section 13.D is adjudicated to be invalid or unenforceable, then these Sections will be deemed amended to modify or delete that portion thus adjudicated to be invalid or unenforceable, such modification or deletion to apply only with respect to the operation of these Sections and the in the particular jurisdiction in which such adjudication is made. Further, to the extent any provision of this Section and/or in Section 13.D is deemed unenforceable by virtue of its scope or limitation, the parties to this Agreement agree that the scope and limitation provisions will, nevertheless, be enforceable to the fullest extent permissible under the laws and public policies applied in such jurisdiction where enforcement is sought.

The parties expressly agree that the time and geographical limitations contained in this Section and in Section 13.D are reasonable and necessary to protect us and other franchisees from unfair competition if this Agreement expires or is terminated for any reason.

7. SYSTEM STANDARDS.

A. COMPLIANCE WITH SYSTEM STANDARDS.

You acknowledge and agree that the operation and maintenance of your Franchised Business according to System Standards is essential to preserve the goodwill for the System, the Marks and all HOODZ franchises. Therefore, at all times during the term of this Agreement, you agree that the Managing Owner or, if applicable, the Designated Manager, shall devote his/her full-time best efforts to operate and maintain the HOODZ Business according to each and every System Standard, as we periodically modify and supplement them during the term of this Agreement, even if you believe that a System Standard, is not in the System's or your franchise's best interests. System Standards may be periodically modified and supplemented during the term of this Agreement. Furthermore, you promise to use your best efforts to assure that your employees and representatives conduct themselves, during business hours and/or whenever they are in a vehicle with a HOODZ logo, or a company uniform with a HOODZ patch, in a manner which is consistent with the professional and ethical image of the System.

You will offer and provide all of the services that we periodically require for HOODZ Franchisees, and in the manner we prescribe. You may not sell any services or products which we have not expressly authorized in writing.

System Standards, to be specified and periodically amended in the Team Train Operations Manual, may include, without limitation, standards and specification regarding:

1. use and display of the Marks;
2. services and products which we authorize you to sell to the public;
3. the use of supplies and equipment;
4. a dress code, during business hours, for you, your employees and your representatives;
5. suppliers you may use for the purchase of uniforms for you, your employees and your representatives;
6. vehicle type, model, color, trademark representation, and appearance (no rust or body damage). All vehicles purchased or leased for the business are to be, and maintained, in a "good" condition as defined by KELLY BLUE BOOK ("Good" condition means that the vehicle is free of any major defects and include a global positioning system. The data communications service for your global

positioning system must remain activated at all times. The paint, body and interior have only minor (if any) blemishes, and there are no major mechanical problems. In states where rust is a problem, this should be very minimal). All vehicles used in the business are to be decalated as required by HOODZ and the decals are to be free of defects;

7. business forms and stationary; designated and approved suppliers for trademarked business assets and supplies; types and amounts of insurance coverage;
8. compliance with applicable laws including obtaining required licenses and permits, payment of all taxes, assessments, fees, fines, and penalties arising out of the operation of the Franchised Business;
9. adhering to good business practices, observing high standards of honesty, integrity, fair dealing, and ethical business conduct in all dealings with customers, suppliers, and us, and notifying us if any action, suit, or proceeding is commenced against you or your Franchise;
10. general operations including maintaining, at a minimum, Monday through Friday 8:00 AM to 5:00 PM business hours, sales, marketing, advertising, and promotional programs, call center usage, phone type/model/provider, and materials and media used in these programs, personnel practices, bookkeeping, accounting, data processing, and record keeping systems, and forms, methods, content, and frequency of reports to us of sales and financial performance, and the furnishing of tax returns related to the Business and other operating and financial information to us;
11. responding to any and all customers' inquiries or complaints within one business day, and resolve it within 7 calendar days of the initial complaint, to reasonably insure positive customer relations and maintain the goodwill of the System, even when such response may necessitate re-performing a task not completed to the customer's satisfaction or a refund of moneys received;
12. any other aspect of the operation and maintenance of your HOODZ Business that we determine periodically to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks and the System.
13. public figures you choose in connection with local promotions;
14. use of a phone system, computer, electronic mail and website that meets our requirements, as periodically updated.
15. marketing, advertising, and promotional material prepared by you;
16. the HOODZ System Quality Assurance and Verification ("QAV") procedures and protocol, taught during Business Manager and Technical Operations training; the QAV accreditation is required to assure consistency and quality service throughout the HOODZ network of owners and to verify compliance to standards for Customers.
17. requiring installation, use and monthly maintenance of a global positioning system ("GPS") for your vehicle(s), including payment of monthly fees to a designated or approved GPS vendor;
18. requiring you to offer and honor warranties for services performed and providing such warranties in a form we prescribe, including, without limitation, on stickers to be placed on exhaust hoods and system serviced by you.

B. MODIFICATION OF SYSTEM STANDARDS.

You acknowledge and agree that the System may evolve to reflect changing market conditions and regulatory environment and to meet new and changing consumer demands. As a consequence, changes, modifications, and variations to the System's Standards may be required periodically to preserve and enhance the public image of the System and enhance the operational efficiency of all Franchises.

You agree that we may periodically, and upon reasonable notice to you, add to, modify, or change the System, including without limitation the adoption and use of new or modified trademarks, uniforms, signs, vehicle types, telephone numbers and technologies, products, equipment, services, techniques, proprietary software, non-proprietary software, methodologies and sales strategies. You promise to promptly accept, implement, use, and display in the operation of your Business, all such additions, modifications, and changes at your expense.

We will not require you to make any changes, modifications, and variations to the System that is not required of all Franchisees, with the exception of changes required or mandated by your state or a regulatory agency within your Territory. Your failure to comply with modifications to System Standards within 90 days is an incurable default under this Agreement (Section 12.B.).

All products and materials must meet System standards and specifications for representation of the Marks, and be pre-approved by us regardless of the supplier. Approval can be attained by submitting a proof of the materials you wish to order to us and a written request for approval. We will notify you in writing of our approval or disapproval within ten days of receipt of the materials and your written request for a Franchise. If you do not receive approval within 10 days, you should consider the materials disapproved. All products and materials must meet the quality of our current suppliers, and correctly bear the Marks. Standards and specifications are periodically modified to meet changing market conditions and are published in our Team Train Operations Manual and on our web site.

Use of products and materials that have not received our prior written approval and/or do not meet our standards and specifications can result in the termination of your franchise Standards and specifications are updated periodically at our sole determination and are made available to you in our Team Train Operations Manual.

C. INSURANCE

Before attending training, you shall purchase and maintain in full force and effect throughout the term of this Agreement and at your expense, insurance protecting you, your employees, and us, our officers, and employees, against loss, liability, fire, personal injury, death, property damages, or theft arising from, or occurring in connection with, the operation and promotion of the Franchised Business. You acknowledge and agree that the insurance you will maintain reflects the minimum amounts of coverage we require, are not meant to reflect the actual needs you may have, and that it is your responsibility to carefully evaluate if these minimums will adequately meet your needs.

All policies will be written by an insurance company(ies) that is/are licensed in the state in which you are doing business, and that has an A.M. Best rating of "A" or better. Currently you are not obligated by the terms of the Franchise Agreement to purchase your insurance from any specific provider, although we reserve the right to specify the specific provider that you must use in the future.

Insurance policies will be written by an insurance company which is satisfactory to us and will be in accordance with the standards and specifications set forth in the Team Train Operations Manual or otherwise in writing, and will include, at a minimum (except as additional coverage and higher policy limits may reasonably be specified for all Franchise Owners from time to time by us in the Team Train Operations Manual or otherwise in writing) the following:

Our current requirements are described below:

1. Commercial General Liability Insurance. You shall maintain insurance for “bodily injury,” “property damage,” and “personal and advertising injury” with no exclusion or limitation applying to the products/completed operations liability coverage. Limits shall be at least \$2,000,000 general aggregate, \$2,000,000 products and completed operations aggregate, \$1,000,000 personal and advertising injury limit, and \$1,000,000 per occurrence limit. Contractual liability coverage including the assumed personal injury endorsement shall be included to cover the indemnity provisions of this Franchise Agreement. The exclusion for employer’s liability shall not apply to claims for covered contractually assumed liability claims. HOODZ International, LLC and Belfor USA Group, LLC shall be named as an additional insured on such policy on a primary and noncontributory basis.
2. Automobile Liability Insurance. You shall maintain insurance with a combined single limit, CSL, of \$1,000,000 for bodily injury and property damage for all owner or lease vehicles and for hired and non-owned motor vehicles. Additionally, uninsured motorist and under-insured motorist coverage will be equal to the CSL.
3. Workers’ Compensation and Employers’ Liability. Statutorily required workers’ compensation insurance and employer’s liability insurance shall be maintained with limits of at least \$500,000 by accident, \$500,000 by disease and \$500,000 policy limit; or the minimum limit required by your state, whichever is higher. Such policy shall contain a waiver of subrogation endorsement as to claims against HOODZ International, LLC. In “Monopolistic States”, Ohio, North Dakota, Washington, Wyoming and West Virginia “Stop Gap” coverage must be purchased separately or added to the CGL policy. “Stop Gap” in Ohio must not contain exclusion with the "substantially certain to occur" language.
4. Employee Dishonesty Insurance. You shall maintain employee dishonesty insurance with minimum limits of \$50,000 per loss and such coverage shall also cover acts of stealing against third parties.
5. Umbrella Liability Insurance. You shall maintain a commercial umbrella liability insurance policy with a limit of at least \$2,000,000 per occurrence and aggregate and shall list the commercial general liability and automobile liability policies as scheduled underlying policies.
6. Other Insurance. You shall maintain compliance with any state, county, local, or other municipal insurance requirements.

The insurance levels listed above are the minimum we require you to maintain for the Franchised Business. Franchisor may, periodically determine and modify the minimum insurance limits and require different or additional kinds of insurance to reflect changes in insurance standards, normal business practices, higher court awards and other relevant circumstance. To gain adequate protection, you should discuss with your insurance agent and financial advisor to determine if your personal situation requires you to maintain coverage in excess of the minimums that we require.

All general liability insurance policies will name HOODZ International, LLC and Belfor USA Group, LLC, and its employees and officers and directors (see Section 14.C.) as additional insureds,

and will contain no provision which in any way limits or reduces coverage for you if a claim is made by any one or more of the Indemnified Parties, and will extend to and provide indemnity for all obligations assumed by you and all items for which you are required to indemnify us, will be primary to and without right of contribution from any other insurance purchased by the Indemnified Parties, and will provide, by endorsement, that we receive at least 10 days notice of any intent to cancel or materially alter any policy.

Before attending training, whenever a change is made to your policy, and before expiration of any insurance coverage, you promise to have your insurance provider send us a copy or certificate or other acceptable proof of such insurance. If you do not maintain the required insurance coverage, or do not furnish us with satisfactory evidence of insurance coverage and premium payments, we may obtain, at our sole option and in addition to our other rights and remedies under this Agreement, any required insurance coverage on your behalf. We are under no obligation whatsoever to obtain such insurance, but if we do so, you must fully cooperate with us in our efforts and must promptly sign all forms required to obtain or maintain the insurance. You must also allow any inspections of your HOODZ Business required to obtain or maintain the insurance. Finally, you must pay us, on demand, any costs and premiums we incur in obtaining insurance on your behalf. Neither your obligation to maintain insurance coverage nor our maintenance of insurance on your behalf, will reduce or absolve you of any obligations of indemnification described in this Agreement. You promise to promptly report all material claims, or potential claims, against you, any Indemnified Party or us, to the insurer and to us.

You may not reduce the policy limits, restrict coverage, cancel, or otherwise alter or amend any insurance policy without our written consent.

D. RECORDS, REPORTS AND FINANCIAL STATEMENTS.

We require you to use the HOODZ Software for maintaining customer records and other for the Franchised Business. You shall grant us access to your databases and related information from this software management system, which we use to compute the Royalty due on Gross Sales, and to make other evaluations and verifications. In addition, you shall establish and license and maintain, at your expense, an accounting system from a designated software vendor that conforms to the requirements and formats that, from time to time, we prescribe in the Team Train Operations Manual. You promise to furnish us, in the manner and format that we require in our sole discretion:

1. at our request, a complete employee list;
2. You shall maintain other records in accordance with the System and submit income and other statements in the form we prescribe on a monthly basis for the first 24 months of your HOODZ Business operation and then Quarterly thereafter. These statements must be submitted to us by the 20th of the following month for which the statement applies;
3. within 90 days after the close of your fiscal year, a complete income statement in a form we may prescribe in our sole discretion;
4. within 10 days of our request, exact copies of any state, federal, or other income tax returns covering the operation of the Business, we shall treat this tax information as your confidential information.
5. by November 1 of each year, Financial Projections for the upcoming year in a form we may prescribe in our sole discretion;
6. by November 1 of each year, a Marketing Plan for the upcoming year in a form we may prescribe in our sole discretion.

You shall verify and sign each report and financial statement in the manner that we prescribe. We may disclose data derived from these reports without specifically identifying you or the Business (unless we have your written consent to so identify you). We may require you to have audited financial statements prepared on an annual basis if you fail to comply with any provision of this Agreement. Finally, you will allow us, as we deem appropriate, timely access to your copy of any computer systems that you maintain, to retrieve all information relating to the operation of the Business.

We may require you to utilize a web-based financial accounting system for your business operations; we will have automatic password access to your financial reports on this system.

You shall maintain all records, reports, and financial statements from the operation of your Business for a period of 5 years during and following the termination or expiration of this Agreement.

E. COMPLIANCE WITH LAWS

You will, at your expense, secure and maintain in force all required licenses, permits, and certificates relating to the operation of the Franchised Business and shall operate the Franchised Business in full compliance with all applicable local, state and federal laws, rules and regulations. You must, at your expense, comply with all federal, state, and local laws and regulations that apply to commercial kitchen exhaust cleaning and restoration businesses in general. If your state or county licenses commercial kitchen exhaust cleaners, you must be licensed before commencing operation of the Franchised Business and maintain throughout the term of the Franchise Agreement and any Renewal Terms. In states or countries where commercial kitchen exhaust cleaning professionals are not licensed by any governmental authority, you must satisfy us that you possess the qualifications required to perform the services offered by HOODZ Businesses. It is your responsibility to investigate the federal, state and local laws and regulations that pertain to commercial kitchen exhaust cleaning businesses.

You will notify us in writing within five (5) days of the commencement of any action, suit, or proceeding for the issuance of any order, writ, injunction, award or decree or any court, agency or other governmental instrumentality which may adversely affect the operation or financial condition of the Franchised Business.

F. IKECA PARTICIPATION

We believe that continued education is a strategic, integral component of the success both for the individual owner as well the brand as a whole. Currently, IKECA is a national forum for promoting standards and providing education or certification opportunities. Therefore, it is a requirement that you become a member of IKECA prior to your Business Manager and Technical Operations Training and that you maintain your annual membership throughout the term of this Agreement and any Renewal Term. Since IKECA requires members to become CECS, Your Managing Owner or Designated Manager, if applicable, must become a CECS at the start of your second year in business and pay the then current fee of \$325 for the IKECA materials, class and exam.. If they do not pass the CECS test the first time, they must re-take it at your sole expense within three months. In addition, you must maintain certification, as defined by IKECA, and you must complete any required Continuing Education credits, which may be offered during the annual IKECA Convention. All costs relating to IKECA participation will be at your expense. If it is determined at a later point in time that the participation in IKECA is no longer worthwhile or in fact another organization proves to be more competitive in terms of continued education and support, we reserve the right, in our sole discretion, to modify this requirement.

8. INSPECTIONS AND AUDITS.

A. OUR RIGHT TO INSPECT THE BUSINESS.

To determine whether you are complying with this Agreement and all System Standards, we have the right at any time during business hours, and without prior notice to you, to perform an on-site inspection of your business at its principal office, and any other locations through which the Business is operated. During such inspection, we may participate in quality checks of home field services, review your books and records, review your promotional materials and media advertising, review your personnel files and practices, interview employees, and/or review any and all components of the Business.

You promise to cooperate fully with us in any inspection of your business, and we promise to use our best efforts to not interfere with your business operation.

B. OUR RIGHT TO AUDIT.

We have the right at any time during business hours, and without prior notice to you, to inspect and audit, or cause to be inspected and audited, any and all financial statements, reports, income tax records, sales tax records, payroll records, software databases, and other records. You promise to cooperate fully with our representatives, and independent accountants we hire, to conduct any inspection or audit.

If any inspection or audit discloses an understatement of Gross Sales, we can debit your account, as provided in Sections 2.C. and 2.H., for the Royalty and fees and all other amounts which are due in the amount of the understatement, plus interest, at the rate of 18% per annum or the maximum rate permitted by applicable law, whichever is less, from the date originally due until the date of payment.

Furthermore, if an inspection or audit is made necessary by your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if an understatement of Royalty is greater than 5% for any period reviewed, or for failure to record all customer payments in the HOODZ Software within 48 hours of their receipt, you promise to reimburse us for the cost of the inspection and/or audit, including without limitation, the charges of attorneys and accountants, the travel expenses, room and board, and compensation of our employees. Further, if an understatement of Royalty is greater than 5%, you also promise to pay us an additional penalty fee equal to 10% of the total amount of the understated Gross Sales.

These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

9. TAXES AND ADVANCES.

A. TAXES.

You promise to pay all taxes as required by local, state, or federal laws regarding the products, service, or equipment furnished or used in connection with the operation of the Business. You promise to promptly pay us, when due, the amount of all sales taxes, use taxes, personal property taxes, and similar taxes imposed upon, required to be collected, or paid by us, to your state and/or local government, on account of services or goods furnished by us to you through sale, lease, or otherwise, or on account of collection by us of the Initial Franchise Fee, the Initial Package Fee, Royalties, or any other payments to us called for by this Agreement.

B. ADVANCES.

You promise to promptly reimburse us for all amounts that we have paid, or have been obligated to pay, on your behalf for any unpaid tax liability, provided, however, that we are not obligated to may these or any other payments on your behalf.

10. TRANSFER, ASSIGNMENT, DELEGATION AND OWNERSHIP.

A. BY US.

You acknowledge that our obligations under this Agreement are not personal to us, and we can unconditionally transfer or assign, in our own discretion, this Agreement, and any rights or obligations thereunder, to another corporation or any other party without approval by you, any other franchisee or any other person.

1. We reserve the right to assign the System to anyone including the operator of a competing franchise system. We shall have the absolute right to transfer or assign this Agreement or any of its rights or obligation under this Agreement to any other person.

2. You acknowledge and agree that we may sell our assets, the Marks or the System to any third party of our choice; may offer our securities privately or publicly; may merge with or acquire other corporations or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring; or may terminate or cease to exist or dissolve, in any such case without your consent and, provided the transferee expressly assumes and undertakes to perform our obligations in all material respects, free of any responsibility or liability whatsoever to Franchisee after the transaction occurs.

3. With regard to any of the above sales, assignment and dispositions, you expressly and specifically waive any claims, demands, or damages against us arising from or related to the transferor or assignment of this Agreement, the Marks or the System from us to any other party.

From time to time, the we shall have the right to delegate the performance of any portion or all of its obligations and duties hereunder to third parties, whether the same are third parties, agents of the us or independent contractors which we have contracted with to provide such services. You agree in advance to any such delegation by the Franchisor of any portion or all of its obligations and duties hereunder.

B. BY YOU.

If you are in full compliance with this Agreement, then, with our prior written approval, you may transfer this Agreement, the Franchise and Franchised Business, and any part of your ownership in it (including any voluntary, involuntary, direct or indirect assignment, sale, gift, or other disposition). Any such assignment, transfer, or encumbrance without such approval, will constitute a breach of this Agreement. Any change of ownership requires our approval and must meet the conditions specified below, and the payment of the Transfer Fee will be due should the change of ownership be 33% or more in the aggregate. We will not, however, unreasonably withhold our approval provided that the conditions specified below are met:

1. you are in full compliance with this Agreement;

2. the transferee has demonstrated sufficient business experience, aptitude, and financial resources to meet our then current standards for new Franchisees, which may include aptitude or assessment testing;
3. the transferee and its owners, affiliates, or its or its owners' immediate family members are not engaged in a competitive business, unless they agree to operate all competitive commercial kitchen exhaust cleaning businesses as a part of the HOODZ System;
4. you provide us with written authorization to release to the transferee any and all information about the operation of the Franchised Business which we have collected;
5. the transferee has signed our then current form of Franchise Agreement for a full term; the terms thereof may materially differ from the terms of this Agreement;
6. you, or the transferee, pay us:
 - a. our then current Transfer Fee, per territory, upon your execution of the Franchise Agreement to defray expenses we incur in the transfer, including the costs of training the transferee (we will waive the Transfer Fee for transfers to your spouse or child);
 - b. all Royalties, fees, amounts owed for purchases from us, Late Payment Fees, Late Report Fees, NSF Fees, and all other fees or amounts owed to us, plus interest.
 - c. any applicable broker fees if you utilized a third party broker to locate the transferee
7. the transferee has successfully completed our Business Manager and Technical Operations Training and the Technical Operations training requirements set forth in Section 3.A of this Franchise Agreement prior to the commencement of the transferee's Franchised Business;
8. you have signed a general release, in the form of Exhibit A-6 of this Franchise Agreement, of any and all claims against us and our shareholders, officers, directors, employees, and agents;
9. we have approved the material terms and conditions of the transfer and determined that the price and terms of payment will not adversely affect the transferee's operation of the Franchised Business;
10. if you finance any part of the sale price of the transferred interest, you agree and will assure that all of the transferee's obligations under any promissory notes, agreements, or security interests that you have reserved in the Business, are subordinate to the transferee's obligation to pay Royalties, and other amounts due to us and otherwise to comply with this Agreement;
11. The proposed transferee must assume and agree to discharge all of your obligations under the Agreement and, if deemed necessary by us, the transferee's principals, individually, shall personally guarantee the performance of all such obligations in writing in a form satisfactory to us.
12. your Managing Owner or, if applicable, Designated Manager, must have attended Business Manager and Technical Operations Training and your business must be open in order to transfer the business.
13. Any transfer does not impact any of your post-termination obligations, including, without limitation, such obligations set forth in Sections 6, 13.
14. We shall have sixty (60) days from the date of the written notice to approve or disapprove in writing of your proposed assignment. You acknowledge that the proposed transferee shall be evaluated for approval by us based on the same criteria as is currently being used to assess new

franchisees of us and that such proposed transferee shall be provided, if appropriate, with such disclosures as may be required by state or federal law. If we have not given you notice of its approval or disapproval within such period, the request for the transfer or assignment is deemed rejected.

C. YOUR DEATH OR DISABILITY.

Upon your death or disability (or the death or disability of an owner of 33% or more of the Franchised Business, (referred to herein as “your death or disability”) the executor, administrator, conservator, guardian, or other personal representative must transfer your interest in this Agreement to a third party within a reasonable amount of time, but not to exceed one year. During this time the Franchise must be operated in full compliance with this Agreement. The transfer will be subject to all of the terms and conditions applicable to transfers that are contained in this Section, with the exception that the transfer fee will be waived if the third party is your spouse or child.

In the event of your death or disability, and before a transfer of your interests in this Agreement, your spouse, child, or parent may, if this party otherwise would qualify as a transferee, may operate the Business, provided that this person personally manages the business on a full time basis, successfully completes our Training Program set forth in Section 3.A, and signs a new Franchise Agreement.

For purposes of this section, disability is defined as a condition that materially impairs your ability to operate the Franchised Business in accordance with this Agreement.

D. OUR RIGHT OF FIRST REFUSAL.

If you at any time determine to sell, assign, or transfer for consideration your interest in this Agreement, you must obtain a bona fide, signed written offer and earnest money (in the amount of 5% or more of the offering price) from a responsible and fully disclosed offer or, and immediately submit to us a true and complete copy of the offer which includes details of the payment terms. To be a valid, bona fide offer, the proposed purchase price is to be denominated in a dollar amount.

We have the right, exercisable by written notice delivered to you within 30 days from the date of the delivery to us of both an exact copy of the offer and all other information we request, to purchase the interest for the same price, less the Transfer Fee, and on the same terms and conditions contained in the offer provided that:

1. we may substitute cash for any form of payment proposed in the offer;
2. our credit will be deemed equal to the credit of any proposed purchaser;
3. we will have 60 days, after giving notice of our election to purchase, to prepare for and complete the closing;
4. we are entitled to receive, and you must make, the same representations and warranties given to the proposed purchaser.

If we do not exercise our right of first refusal, you may complete the sale to the purchaser on the exact terms of the offer, subject to our approval of the transfer as provided in Paragraph B of this Section. If the sale is not completed within 60 days after the expiration of the right of first refusal, or if there is a material change in the terms of the sale (which you agree promptly to communicate to us), we will have an additional right of first refusal during the 30-day period following either the expiration of the 60-day period or notice to us of the material change(s) in the terms of the sale, either on the terms originally offered or the modified terms, at our option.

E. OWNERSHIP.

1. If you or any permitted successor is a partnership, Limited Liability Company (“LLC”) or corporation:

a. The Articles of Partnership, Partnership Agreement, Articles of Organization, Articles of Incorporation, by-laws and other organizational documents shall provide that the issuance and transfer of any interest in the franchisee is restricted by the terms of this Agreement. Copies of such documents and of resolutions of the franchisee’s board of directors or managers authorizing its entry into this Agreement shall be furnished to the Franchisor upon request.

b. All general partners, members and all direct and indirect holders of a ten percent (10%) or greater equity interest shall, upon franchisee’s execution of this Agreement, execute an agreement personally guaranteeing to us the full payment and performance of the franchisee’s obligations to us and undertaking to be bound, individually, jointly and severally, by all the terms of this Agreement including, without limitation, the restrictions on assignment contained herein. The Guaranty and Assumption of Franchisee’s Obligations shall be in the form attached hereto as Exhibit A-8 or in such other form as the Franchisor may from time to time prescribe.

c. The franchisee shall not use the name “HOODZ” or any other Proprietary Mark, or any name deceptively similar thereto, except to reflect its franchise relationship with us. Neither franchisee nor any of its owners may issue or sell, or offer to issue or sell, any securities of franchisee or an affiliate of franchisee, regardless of whether such sale or offer would be required to be registered pursuant to the provisions of the Securities Act of 1933, as amended, or the securities laws of any other jurisdiction, without obtaining our prior written consent, which is in our sole discretion, and complying with all of our requirements and restrictions concerning use of information about us.

d. The franchisee shall furnish us, at the time of execution of this Agreement and upon all transfers subject to the provisions of this Section 10, a list of all stockholders, members, managers and partners having an interest in the franchisee, their respective percentage interests and the number of shares directly and indirectly owned or controlled by each.

e. Franchisee, if a corporation, shall maintain stop transfer instructions against the transfer on its records of any securities with voting rights subject to the restrictions of this Section and shall cause all certificates representing outstanding voting securities to be surrendered for reissuance and cause all certificates for voting securities in the future to be issued with this legend printed conspicuously upon the face of each certificate:

“The transfer of this certificate and the shares it represents is subject to the terms and conditions of a certain Franchise Agreement with HOODZ International, LLC. Reference is made to that Agreement and to certain restrictive provisions of the Articles and by-laws of this corporation.”

f. Franchisee acknowledges and agrees that the restrictions on transfer imposed herein are reasonable and necessary to protect the System, the Marks, the Confidential Information, as well as the our high reputation and image, and are for the protection of the us and all franchisees.

11. EXPIRATION OF THIS AGREEMENT.

A. YOUR RIGHTS UPON EXPIRATION OF THIS AGREEMENT.

Upon the expiration of this Agreement, provided that during its term you complied substantially with its provisions, including the timely payment of all fees and royalties, you may continue your Franchise business for additional terms of 10 years each (the “Renewal Term”).

We may refuse to offer you a Renewal Term if you:

1. are not, at the time, in substantial compliance with this Agreement, or any other ancillary agreement then in effect between you and us;
2. have received written notice by us 3 or more times during the last 30 months of the Initial Term or any Renewal Terms for failure to comply with the terms of this Agreement and were in violation of your obligation(s), whether or not the failure is subsequently cured;
3. have failed on more than three separate occasions during the last 24 months of the Initial Term or any Renewal Terms to make timely payment to us of all sums due to us; or
4. have failed on more than three separate occasions during the last 24 months of the Initial Term or any Renewal Terms to service all customers in a manner consistent with our System Standards and reputation of ethical and professional conduct.

B. AWARD OF A RENEWAL AGREEMENT.

You promise to give us written notice of your election to pursue a Renewal Term no earlier than 9 months, and no later than 6 months, before the expiration of this Agreement. We promise to give you notice (referred to as “Our Notice”), not more than 45 days after we receive your notice, of our decision in accordance with Paragraph A of this Section:

1. to award you a Renewal Agreement;
2. to award you a Renewal Agreement on the condition that you correct any provisions of the Franchise Agreement with which you are not in compliance;
3. not to award you a Renewal Agreement based on our determination that you have not substantially complied with this Agreement during its term.

If applicable, our Notice will state the actions you promise to take to correct operating deficiencies and a reasonable time period in which these deficiencies are to be corrected.

Your right to a Renewal Agreement is subject to your continued compliance with all of the terms and conditions of this Agreement through the date of its expiration, in addition to your compliance with the obligations described in Our Notice.

C. AGREEMENTS/RELEASES.

If you satisfy all of the other conditions to the awarding of a Renewal Term, you promise to sign the form of franchise agreement and any ancillary agreements we then are customarily using in awarding Renewal Terms for HOODZ franchises, provided that in no event will the Territory or Royalty for the Renewal Term franchise agreement be changed from that contained in this Agreement. You and we further promise to sign a mutual general release, in the form of Exhibit A-5 of this Franchise Agreement, of any and all claims against either of us and our respective shareholders, officers, directors, employees, agents, successors, and assigns.

Notwithstanding any provision to the contrary, at our request, you will promise to upgrade and remodel the Business at your sole expense to conform with the then current Team Train Operations Manual (the completion of such upgrades shall be a condition of Franchisee receiving such Renewal Term).

D. RENEWAL TERM FEE.

You promise to pay us 20% of the then current Initial Franchise Fee and Initial Territory Fee upon execution of your Renewal Agreement.

12. TERMINATION OF AGREEMENT.

A. BY YOU.

At any time after your first full year of operations, you may terminate this Agreement by giving us thirty days prior written notice of termination and a signed general release, in a form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees, agents, successors, and assigns.

In the event after the completion of your first year in business, it is decided that you no longer wish to own and operate your HOODZ franchise, HOODZ International, LLC, will assume the lease of your vehicle, subject to the terms and conditions set forth below. Your vehicle must be leased through our preferred vendor and must be an approved HOODZ vehicle as defined in the Team Train Operations Manual. The lease assumption offer expires 30 days after the one year anniversary date⁴. You will be responsible for any damages or other assessments (including, without limitation, fines) associated the vehicle, as determined by us and/or our designee in our sole discretion and must pay the amount designated by us and/or our affiliate to make all repairs or pay such assessments as a condition precedent to our assumption of the vehicle. You will also be responsible to pay the reconditioning fee and agree to abide by all Post Termination Obligations.

B. BY US.

We have the right to terminate this Agreement, immediately, and without the opportunity to cure, effective upon delivery of written notice to you, or any of the following:

1. your Managing Owner or one or, if applicable, Designated Manager, fail to attend or successfully complete the Business Manager and Technical Operations Training within 4 months of signing this agreement and/or fulfill all the pre-training requirements, which include the payment of all

⁴ The one year anniversary date shall be defined as one year from the date of your successful completion of the Training Program.

monies due to us, and the completion of all the required tasks as designated in the Team Train Operations Manual.

2. you fail to commence operation of the Business within 4 months from the date the executed Franchise Agreement was received by us and/or 2 months following your successful completion of the Training Program;

3. you have made or make any material misrepresentation or omission in purchasing the Franchise or operating the Business;

4. you receive from us three or more notices to cure the same or similar defaults or violations of this Agreement, within any two year period of time, regardless of whether these defaults were cured after notice was sent to you;

5. you are or have been convicted by a trial court of, or plead no contest to, a felony;

6. you fail to make payment of any amounts due to us, or funds are not available in your account for debiting when they are due, or you do not record in the Software funds paid to you for jobs completed within 48 hours of their receipt, and you do not correct the failure within 10 days of your receipt of written notice of the failure; you default on any loan made to you by us or our preferred lender for the purchase of the Territory and fail to cure the default within 10 day of your written notice of the failure;

7. you understate your Royalty by 5% or more, in any reported financial statement, on three or more occasions, during any consecutive two-year time frame during the term of this Agreement, regardless of whether or not you subsequently rectify the deficiency;

8. you fail to have in your employ for a period of 2 consecutive months (a) at least one Service Technician or (b) a Designated Manager, if you are required to have one.

9. you violate any of the transfer provisions contained in Section 10 of this Agreement;

10. you engage in any dishonest or unethical conduct which may adversely affect the reputation of the Franchised Business, or the general goodwill associated with the Marks;

11. you fail, for a period of 15 days after notification of non-compliance by the appropriate authority, to comply with any federal, state or local, law, regulation or ordinance applicable to the operation of the Business;

12. you violate any covenant of confidentiality or non-disclosure provision contained in Section 6 and 13 of this Agreement;

13. you cease to continuously and actively operate the Business for five consecutive days, unless caused by an act of God, or other circumstance beyond the your control, as determined by us; or the business telephone is disconnected at any time and no new number is immediately reinstalled or reconnected; or your conduct is otherwise determined by Franchisor to constitute an abandonment of the Business;

14. you fail to comply with any part or condition, warranty, or certification requirement in this Agreement, the Team Train Operations Manual and/or other HOODZ Confidential Materials, and fail to cure the non-compliance or deficiency within 30 days of written notice from us;

15. you fail to comply with modifications to System Standards or Team Train Operations Manual within the required time period;

16. you fail to acquire or continuously maintain the required minimum levels of insurance, fail to have Franchisor named as an additional insured, or fail to provide a current certificate of insurance to Franchisor as required in Section 7.C. However, we will not exercise our right to terminate this Agreement if upon receipt of notice from us you immediately cease operating the Franchised Business and obtain such insurance within ten days after written notice is delivered to you prior to resuming operation;

17. you fail to receive our prior written approval and use products or materials that do not meet our System Standards and/or do not promptly discontinue use after written notice from us;

18. you fail to timely provide us with any report, statement, or return required by this Agreement within 10 days after written notice of the failure is delivered to you;

19. you fail to service all customers in a manner consistent with our System Standards and reputation and you fail to cure such inconsistency within 10 days after written notice of the failure is delivered to you;

20. you service a customer who is located in another HOODZ Affiliate Territory without permission.

21. you fail to attend the HOODZ annual convention at least once every two years, and you fail to get approval prior to commencement to miss them; or

22. your Managing Owner or, if applicable, your Designated Manager fail to attend, or send a representative in their place, to a minimum of one training course or regional meeting per two calendar years, provided that at least two of the above named events have been offered during that time period, and you fail to get approval prior to their commencement to miss them;

23. your Service Technician fails to attend or successfully complete the Technical Operations Training within 4 months of signing this agreement;

24. any franchise agreement you or your owner(s) or affiliates have with DUCTZ International, LLC is terminated for any reason; or

25. you commit three (3) or more defaults of the Franchise Agreement in any twelve (12) month period. We also have the right to terminate this Agreement, effective upon thirty (30) days written notice to you, if fail to cure the default during such thirty (30) day period, if you breach any other provision in this Franchise Agreement or the Team Train Operations Manual not specifically set forth in Section B. 1 through 24 above in this Section; including, without limitation, any warranty, or certification of this Agreement, and any System Standard or other provision in the Team Train Operations Manual, or if you breach any other agreement you have with us.

13. POST TERMINATION OBLIGATIONS.

A. PAYMENT OF AMOUNTS OWED TO US.

You promise to pay to us, on the effective date of termination or expiration of this Agreement, or at any later date that the amounts due to us are determined:

1. all Royalties, Referral Fees, Late Report Fees, Late Payment Fees, Promissory Note Balance(s), NSF fees for product purchases from us or any other fees, amounts or interest owed to us;
2. upon termination for any default, the actual and consequential damages, costs, and expenses (including reasonable attorney and expert fees) incurred by us as a result of your default.

The obligation to pay said sums will create a lien in favor of us against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory of the HOODZ Business and/or against any moneys we hold or otherwise come to our possession.

Any transferee (or purchaser of all or substantially all of the assets of the Franchised Business) shall be liable for payment of these items if you do not timely pay them; provided, however, the foregoing sentence will not release or discharge you from your obligations to pay us pursuant to this section and/or to indemnify or reimburse the transferee or purchaser pursuant to the applicable purchase or transfer agreement.

B. MARKS.

Upon the termination or expiration of this Agreement, you promise to:

1. strictly comply with, observe, and abide by all of the post-termination provisions of this Agreement, including those set forth in Sections 5, 6 and 13.
2. neither directly nor indirectly represent to the public that any other business you may then own or operate, is or was operated as, or was in any way connected to, the HOODZ System;
3. not hold yourself out or advertise in any context that you are a present or were a former Franchisee of ours;
4. immediately refrain from engaging in any business relationship with any contacts with customers or former customers of the Franchised Business, whether with respect to collection of accounts receivable, or to provide them services, or for any other purpose whatsoever;
5. assign any and all accounts receivable to us for collection, unless all Royalties and other payment obligations to us are paid in full. In connection with this assignment, you appoint us as attorney-in-fact to engage in these collection activities and you specifically undertake to refrain from engaging in any of these collection activities. We promise to employ good faith efforts, including where appropriate in our sole and exclusive judgment the commencement of legal proceedings to collect the accounts receivable. We have no duty or obligation to you to accomplish the collection of such accounts receivable. We will remit to you any of these sums collected after first deducting all moneys owed to us and our costs of collection;
6. not operate or do business under any name or in any manner which might tend to give the general public the impression that you are operating a HOODZ Franchise, or any confusingly similar business;
7. take the action required to cancel all DBAs or equivalent registrations or fictitious names relating to your use of any Mark;
8. deliver to us, within 7 days, all electronic and hard copies of Customer Information;
9. remove all signage from vehicles and store fronts and deliver to us, within 5 days, the Team Train Operations Manual and all copies thereof, and all proprietary information, confidential material, proprietary software, signs, sign-faces, marketing and advertising materials, forms, uniform patches, decals (or proof of their removal) and other materials containing any Mark or otherwise identifying or

relating to a HOODZ business, and allow us, without liability to you or third parties, to remove all of these items from your vehicles and place of business;

10. notify the telephone company and all telephone directory publishers and internet directory listings (including, Google, Yahoo! and others) of the termination or expiration of your right to use any listing, telephone, telecopy, or other numbers and any other directory listings associated with any Mark, and authorize the transfer of these numbers and directory listings to us or, at our direction, instruct the telephone company to forward all calls made to your telephone number to numbers we specify. You shall also notify all internet service providers of the termination or expiration of the right to use any Marks or domain names or URLs associated with the Business or the Marks and shall authorize the transfer of same to us or any new franchisee as may be directed by us. If you fail to do so, we can take whatever action is necessary, on your behalf and consistent with the Telephone and Other Listing Agreement attached to this Agreement as Exhibit D, to effect these events;

11. agree to cooperate with us to effectuate any change in domain names, URLs, telephone numbers or other transfers of our property to us, including the signing of any forms, authorizations or other documents necessary;

12. deliver to us, upon our request, an assignment of any real estate leases for property from which the Business was operated; and

13. deliver to us, within 30 days, evidence that is satisfactory to us of your compliance with each of the foregoing obligations.

C. CONFIDENTIAL INFORMATION.

You promise that, upon termination or expiration of this Agreement, you must immediately cease to use any of our Confidential Information (including any computer software that we have franchised to you) in any business or otherwise, return to us all copies of the Team Train Operations Manual and other confidential materials that we have loaned to you, and shall not maintain any copies of any such materials, in whole or part.

D. COVENANT NOT TO COMPETE.

For a period of 18 months from the time of expiration or termination of this Agreement, you and your owners and, if applicable, your Designated Manager, promise to not engage as an owner, shareholder, partner, director, officer, employee, consultant, salesperson, representative, or agent or in any other capacity in any commercial kitchen exhaust cleaning business, within:

1. the Territory as defined in this Agreement;

2. the geographic area encompassed by the Territories of any HOODZ Franchisees, HOODZ Company Store, or any other HOODZ business operator, as of the date of the termination or expiration of this Agreement; and

3. a geographic area that is contained in a circle having a radius of 100 miles outward from the outside boundary of the Territory as defined in this Agreement.

E. CONTINUING AND OTHER OBLIGATIONS.

All of our and your obligations that expressly or by their nature survive the expiration or termination of this Agreement, will continue in full force and effect subsequent to and notwithstanding its expiration or termination, until they are satisfied in full or by their nature expire.

If, within five (5) days after termination or expiration of this Agreement, you fail to remove all displays of the Marks, we may enter the Business to effect removal. In this event, you agree that you may not file any complaint or action against us for trespass or any other violation or claim, nor shall we be accountable or required to pay for any displays or materials. You agree that this Agreement shall constitute your complete consent to such entry set forth in this Section.

If, within thirty (30) days after termination or expiration you have not taken all steps necessary to amend or terminate any registration, telephone number, email address, domain name, URL, or filing of any business name or DBA or any other registration or filing containing the Marks or any names and marks which are identified or associated with the Marks and System, you hereby irrevocably appoint us as your true and lawful attorney-in-fact for you, and in your name, place and stead and on your behalf, to take action as may be necessary to amend or terminate all registrations and filings, this appointment being coupled with an interest to enable use to protect the Marks and System. We may, at our discretion, chose to have your telephone numbers, domain names and/or URLs forwarded or directed to us.

Termination or expiration of this Agreement shall not affect, modify or discharge any claims, rights, causes of action or remedies which we may have against you, whether such claims or rights arise before or after termination or expiration, including, without limitation, our rights to receive, or collect fees or other amounts payable by you under this Agreement, to enforce the provisions of this Agreement against you, to sue for damages, seek and obtain ex-parte or other injunctive relief, to pursue any other legal or equitable remedy for breach of this Agreement, or otherwise constitute a waiver of any of Franchisor's other rights upon the occurrence of an event giving rise to our right to terminate. We shall not be obligated following any such termination, expiration or cancellation, to refund any amount previously paid by you under the terms of this Agreement.

You shall, for three (3) years following any termination or expiration of this Agreement, keep us advised of your current business and residence address and telephone numbers, as well as the business address and phone number of its employer and the employer(s) of any of your principal owners.

Upon expiration or termination, you shall allow other us, our affiliates and franchisees of us to solicit your employees for employment.

You shall not from adopt or use in connection with, or in the name of, any subsequent business the terms or term HOODZ or Hoods or any term confusingly similar to such term or any other term which may have the effect of creating confusion or question regarding his/her affiliation with the System or us.

14. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

A. INDEPENDENT CONTRACTORS.

You acknowledge and agree that, under this Agreement, you are and will be an independent contractor of ours. You will not be deemed an employee of ours for any purpose, and no employee of yours will be deemed to be an employee of ours 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. Nothing in this Agreement will be construed so as to create a partnership, joint venture, or agency. It is expressly agreed that the parties intend by this Agreement to establish between us the relationship of franchisor and franchisee. You do not have any power to obligate us for any expenses, liabilities, or other obligations, other than as is

specifically provided for in this Agreement. We will not have the power to hire, fire or train your employees and, except as expressly provided in this Agreement, we may not control or have access to your funds or expenditures, or in any other way exercise dominion or control over the Business.

You promise to identify yourself conspicuously in all dealings with customers, suppliers, public officials, the HOODZ Business's employees, and others, and in the manner we prescribe, as the owner of the Business under a Franchise that we have awarded and to place notices of independent ownership on the forms, business vehicles, stationery, and advertising, and other materials we require you to use.

B. NO LIABILITY FOR ACTS OF OTHER PARTY.

Neither you nor we 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 you and us is other than that of franchisor and franchisee. We do not assume any liability, and will not be deemed liable for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement, for any damages to any person or property which directly or indirectly arise from or relate to your operation of the Business authorized by this Agreement.

C. INDEMNIFICATION.

You promise to protect, defend, and indemnify us, and all of our past, present, and future shareholders, direct and indirect parent companies, subsidiaries, affiliates, officers, directors, employees, attorneys, and designees (the "Indemnified Parties"), and hold Indemnified Parties harmless from and against any and all costs and expenses, including attorneys' fees, court costs, losses, liabilities, damages, claims and demands of every kind or nature on account of any actual or alleged loss, injury, or damage to any person, firm, or corporation, or to any property arising out of, or in connection with, your operation of the Business.

Notwithstanding the above-stated indemnification, we agree to waive and release the Managing Owner(s) from personal responsibility for these indemnifications as they relate to third party claims, provided at the time of any event giving rise to an indemnification the insurance coverages required in Section 7.C are maintained, we are included as additional named insureds, and covered by the insurance.

Under no circumstances will we, or any other Indemnified Party, be required to seek recovery from any insurer or other third party, in order to maintain and recover fully a claim against you. You agree that a failure to pursue recovery against others, will in no way reduce or alter the amounts we or another Indemnified Party may recover from you.

We promise to protect, defend and indemnify you, and all of your past, present and future shareholders, officers, directors, employees, attorneys and designees, and hold them harmless from and against any and all costs and expenses, including attorneys' fees, court costs, losses, liabilities, damages, claims and demands of every kind or nature on account of any actual or alleged loss, injury or damage to any person, firm or corporation, or any property arising out of or in connection with your use of the Marks, and/or Confidential Information provided to you by us pursuant to this Agreement and/or your right to operate the System.

D. NO LIABILITY FOR TECHNOLOGY FAILURE

We are not liable for any direct, incidental, or consequential damages, including but not limited to, lost profits, lost savings or consequential, punitive or incidental damages for any reason whatsoever, including but not limited to any cause arising out of or in any way connected to a technology related

problem, such as high speed internet connection, electronic mail, software, website, computer, phone systems and other electronic equipment, or call center.

15. ENFORCEMENT.

A. SEVERABILITY.

Nothing contained in this Agreement will be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provision of this Agreement or the Team Train Operations Manual, and any present or future statute, law, ordinance, or regulation, contrary to which the parties have no legal right to contract, the latter will prevail, but if the provisions of this Agreement, or the Team Train Operations Manual thus affected, will be curtailed and limited only if necessary to bring them within the requirements of the law. In the event that any part, article, paragraph, sentence, or clause of this Agreement, or the Team Train Operations Manual, will be held to be indefinite, invalid, or otherwise unenforceable, the indefinite, invalid, or unenforceable provision will be deemed deleted, and the remaining part of this Agreement will continue in full force and effect to the fullest extent permitted by law.

If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of termination, or refusal to renew, than this Agreement, the prior notice or other action required by such law or rule will be substituted for the notice requirements of this Agreement. Such modification to this Agreement will be effective only in such jurisdiction and this Agreement will otherwise be enforced as originally made and entered into in all other jurisdictions.

B. WAIVER OF OBLIGATIONS.

Either of us may, by written notice, unilaterally waive or reduce any obligation or restriction of the other party under this Agreement. The waiver or reduction may be revoked at any time.

C. FEES AND EXPENSES.

Should either we or you commence any action or proceeding for the purpose of enforcing, or preventing, the breach of any provision of this Agreement, whether by judicial or quasi-judicial action or otherwise, or for damages for any alleged breach of any provision, or for a declaration of such party's rights or obligations under this Agreement, then each party will bear its own fees and expenses, including attorney's and expert fees, regardless of whether or not they are a prevailing party. The Arbitrator(s) will have the discretion to require the losing party to pay for the fees and costs of the Arbitration(s). All sums that are due but unpaid to either party will bear interest from the date due at the highest rate applicable by law.

D. YOU MAY NOT WITHHOLD PAYMENT TO US.

You promise to not withhold payment of any amount due to us on the grounds of our alleged nonperformance or for any other reason.

E. RIGHTS OF PARTIES ARE CUMULATIVE.

Your and our rights are cumulative and no exercise or enforcement by either of us of any right or remedy in this Agreement will preclude the exercise or enforcement by that party of any other right or remedy to which it is entitled by law.

F. ARBITRATION.

EXCEPT FOR ANY CONTROVERSY OR CLAIM RELATING TO THE IMPROPER OR UNAUTHORIZED USE OR OWNERSHIP OF THE MARKS, THE BREACH OF NON-COMPETITION COVENANTS, OR THE DISCLOSURE OR IMPROPER OR UNAUTHORIZED USE OF CONFIDENTIAL OR PROPRIETARY INFORMATION BY YOU, ALL CONTROVERSIES, DISPUTES, OR CLAIMS BETWEEN US AND OUR SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, AND YOU, ARISING OUT OF OR RELATED TO:

1. THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN YOU AND US OR ANY PROVISIONS OF ANY THESE AGREEMENTS AND ANY REPRESENTATIONS BY EITHER PARTY IN CONNECTION THEREWITH;
2. OUR RELATIONSHIP WITH YOU;
3. THE VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN YOU AND US OR ANY PROVISION OF ANY OF THOSE AGREEMENTS; OR
4. ANY SYSTEM STANDARD RELATING TO THE ESTABLISHMENT OR OPERATION OF THE FRANCHISED BUSINESS;

WILL BE SUBMITTED FOR FINAL AND BINDING ARBITRATION, ON DEMAND OF EITHER PARTY, TO THE OFFICE OF THE AMERICAN ARBITRATION ASSOCIATION CLOSEST TO OUR THEN EXISTING PRINCIPAL BUSINESS ADDRESS. THE ARBITRATION PROCEEDINGS WILL BE CONDUCTED AT THAT AMERICAN ARBITRATION ASSOCIATION OFFICE, OR, IF THAT OFFICE IS NOT AVAILABLE FOR A HEARING OR IS LOCATED MORE THAN 100 MILES FROM OUR PRINCIPAL BUSINESS ADDRESS, THE HEARING LOCATION UTILIZED BY THE AMERICAN ARBITRATION, NEAREST TO OUR THEN EXISTING PRINCIPAL BUSINESS ADDRESS AND, EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, WILL BE HEARD BY AN ARBITRATOR, CHOSEN BY YOU AND US, BUT IF WE CANNOT AGREE UPON AN ARBITRATOR, THEN WE SHALL EACH SELECT ONE ARBITRATOR, AND THE TWO ARBITRATORS SHALL SELECT A THIRD ARBITRATOR, THIS THIRD ARBITRATOR WILL ALONE HEAR THE DISPUTE, IN ACCORDANCE WITH THE THEN CURRENT COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION. ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.) AND NOT BY ANY STATE ARBITRATION LAW.

AT LEAST FIVE (5) BUSINESS DAYS BEFORE THE ARBITRATION HEARING, WE WILL EACH PROVIDE OUR LAST BEST OFFER TO RESOLVE THE DISPUTE TO ONE ANOTHER, AS WELL AS TO THE ARBITRATOR(S). NOTWITHSTANDING ANY OTHER PROVISION SET FORTH IN THIS SECTION OR ELSEWHERE IN THE AGREEMENT, IT IS AGREED AND UNDERSTOOD THE ARBITRATOR(S) SHALL ONLY HAVE THE RIGHT TO SELECT ONE OR THE OTHER OF THESE LAST BEST OFFERS AS HIS/HER FINAL DECISION. THE ARBITRATOR(S) MAY NOT UNDER ANY CIRCUMSTANCES REACH ANY OTHER DETERMINATION. THE ARBITRATOR(S) MAY REQUIRE THE PARTY WHOSE LAST BEST OFFER IS NOT SELECTED TO PAY THE COSTS AND EXPENSES OF THE ARBITRATOR(S) THE PANEL MAY NOT MAKE AN AWARD THAT INCLUDES PAYMENT OF ANY PARTY'S FEES AND COSTS, INCLUDING ATTORNEY'S FEES. SO LONG AS IT IS SET FORTH IN A

PARTY'S LAST BEST OFFER TO RESOLVE THE DISPUTE, THE ARBITRATOR(S) SHALL HAVE THE RIGHT TO AWARD SPECIFIC PERFORMANCE AND/OR INJUNCTIVE RELIEF. THE ARBITRATOR WILL NOT HAVE THE RIGHT TO DECLARE ANY MARK GENERIC OR OTHERWISE INVALID OR TO AWARD EXEMPLARY OR PUNITIVE DAMAGES.

THE AWARD AND DECISION OF THE ARBITRATOR(S) WILL BE CONCLUSIVE AND BINDING UPON ALL PARTIES HERETO, AND JUDGMENT UPON THE AWARD MAY BE ENTERED IN ANY COURT OF COMPETENT JURISDICTION.

WE AND YOU PROMISE TO BE BOUND BY THE PROVISIONS OF ANY LIMITATION ON THE PERIOD OF TIME IN WHICH CLAIMS MUST BE BROUGHT UNDER APPLICABLE LAW OR THIS AGREEMENT, WHICHEVER EXPIRES EARLIER. WE AND YOU FURTHER PROMISE THAT, IN CONNECTION WITH ANY ARBITRATION PROCEEDING, EACH MUST SUBMIT OR FILE ANY CLAIM WHICH WOULD CONSTITUTE A COMPULSORY COUNTERCLAIM (AS DEFINED BY RULE 13 OF THE FEDERAL RULES OF CIVIL PROCEDURE) WITHIN THE SAME PROCEEDING AS THE CLAIM TO WHICH IT RELATES. ANY CLAIM WHICH IS NOT SUBMITTED OR FILED AS DESCRIBED ABOVE WILL BE FOREVER BARRED.

WE AND YOU AGREE THAT ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE, BASIS, AND THAT AN ARBITRATION PROCEEDING BETWEEN US AND OUR SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, AND YOU MAY NOT BE CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING BETWEEN US AND ANY OTHER PERSON, CORPORATION, OR PARTNERSHIP.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS PARAGRAPH, WE AND YOU EACH HAVE THE RIGHT IN A PROPER CASE TO SEEK TEMPORARY RESTRAINING ORDERS AND TEMPORARY OR PRELIMINARY INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION, PROVIDED, HOWEVER, THAT WE AND YOU MUST CONTEMPORANEOUSLY SUBMIT OUR DISPUTE FOR ARBITRATION ON THE MERITS AS PROVIDED IN THIS SECTION.

The provisions of this Paragraph are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to, and notwithstanding, the expiration or termination of this Agreement.

G. JURISDICTION.

Subject to Section 15.F., you agree that all actions arising under this Agreement, or otherwise, as a result of the relationship between you and us shall be commenced in the state, and in the state, or federal court of general jurisdiction, closest to where our principal business address then is located, and you irrevocably submit to the jurisdiction of such courts and waive any objection you may have to either the jurisdiction of or venue in such courts. Notwithstanding the foregoing, you agree that we may enforce this Agreement in the courts of the state or states in which you are domiciled or the Business is located.

H. CHOICE OF LAW AND FORUM.

All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 ET SEQ.). Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement shall be interpreted under the laws of the State of Michigan, and any dispute between the parties shall be governed by and determined in

accordance with the substantive laws of the State of Michigan, which laws shall prevail in the event of any conflict of law. For matters not submitted to arbitration under Section 15.F., the parties have negotiated regarding a forum in which to resolve any disputes which may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, unless expressly provided for otherwise herein, if a claim is asserted in any legal proceeding involving the Franchisee, its officers or directors and the Franchisor, its officers, directors or sales employees both parties agree that the exclusive venue for disputes between them shall be federal courts in the State of Michigan or State Courts in Washtenaw County, Michigan and each waive any objection either may have to the personal jurisdiction of or venue in the State of Michigan. The Franchisee irrevocably submits to the jurisdiction of such courts and waives any objection the Franchisee may have to either the jurisdiction or venue in such court. In the event that any party files an action in any forum or jurisdiction in violation of the this Section, that party shall pay the costs and fees, including attorneys' fees of the other party in connection with any efforts to order the dispute to the proper forum or jurisdiction.

I. WAIVER OF PUNITIVE DAMAGES, JURY TRIAL AND CLASS ACTIONS.

Except for the mutual indemnification obligations under Section 14.C and claims we bring against you for your unauthorized use of the Marks or unauthorized use or disclosure of any confidential information, we and you waive, to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages against the other and agree that, if there is a dispute between us, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains.

You and we irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of us.

We and you agree any permitted litigation will be conducted on an individual, not a class-wide, basis, and that a judicial proceeding between us and our shareholders, officers, directors, agents, employees, and you may not be consolidated or otherwise joined with any other judicial proceeding between us and any other person, corporation, or partnership. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration hereunder, except to the extent such issue may have been determined in another proceeding between the Franchisor and the Franchisee or any person in privity with or claiming through, in the right of or on behalf of the Franchisee or the Franchisor. [THIS PARAGRAPH IS NOT APPLICABLE TO FRANCHISEES IN CALIFORNIA]

J. BINDING EFFECT.

This Agreement is binding upon us and you and will inure to the benefit of the parties hereto and their respective executors, administrators, heirs, assigns, and successors in interest and may not be modified, except by a written agreement signed by you and us.

K. LIMITATIONS OF CLAIMS.

Except for claims arising from your non-payment or underpayment of amounts you owe us under this Agreement, any and all claims arising out of or relating to this Agreement or our relationship with you will be barred unless arbitration or a judicial proceeding is commenced within one year from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claim.

L. CONSTRUCTION AND INTEGRATION.

This Agreement and all exhibits to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations, and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you. You acknowledge that you are entering into this Agreement as a result of your own independent investigation of our franchised business and not as a result of any representations about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law.

You agree that no modifications of this Agreement (except those specifically authorized herein) shall be effective except those in writing and signed by both parties. You acknowledge that you have not received any express or implied representations or warranties regarding the sales, earnings, income, profits, gross revenues, business or financial success, value of the franchise, provided by the us or our representatives or any other matters pertaining to the franchise from us or any of our officers, employees or agents that were not contained in this Agreement or the Franchise Disclosure Document received by you (hereinafter "Representations"). You further acknowledge that if you had received any such Representations, you would not have executed this Agreement, and you would have: i) promptly notified us in writing of the person or persons making such Representations; and ii) provided to us a specific written statement detailing the Representations made. You acknowledge that we justifiably have relied on your representations made before the execution of this Agreement. Nothing in this Agreement is intended, nor is deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right, in our sole discretion, to refuse any request you make or to withhold our approval of any of your proposed initiated or effected actions that require our approval.

The headings of the sections and paragraphs in this Agreement are for convenience only and do not define, limit, or construe the contents of such sections or paragraphs.

References in this Agreement to "we," "us," and "our," with respect to all of our rights and all of your obligations to us under this Agreement, will be deemed to include any of our affiliates with whom you deal. The term "affiliate," as used in this Agreement with respect to you or us, means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. For purposes of this definition, "control" means the power to direct or cause the direction of management and policies.

If two or more persons are the Franchisee under this Agreement, their obligation and liability to us will be joint and several.

This Agreement may be signed in multiple copies, each of which will be deemed an original.

M. COMPLIANCE WITH OTHER LAWS

You must comply with all national, state, and local laws and regulations that apply. You should investigate these laws.

N. WAIVERS

We will not be deemed to have waived our right to demand exact compliance with any of the terms of this Agreement, even if at any time: (a) we do not exercise a right or power available to us under this Agreement; or (b) we do not insist on your strict compliance with the terms of this Agreement; or (c) if there develops a custom or practice which is at variance with the terms of this Agreement; or (d) if we accept payments which are otherwise due to us under this Agreement. Similarly, our waiver of any particular breach or series of breaches under this Agreement or of any similar term in any other agreement between you and us or between us and any other franchise owner, will not affect our rights with respect to any later breach by you or anyone else.

O. EFFECTIVE DATE AND LOCATION OF AGREEMENT.

This Agreement shall not be effective until accepted by us as evidenced by dating and signing by an officer of the Franchisor and the place of this Agreement shall be the State of Michigan.

P. DAYS

Unless otherwise specifically set forth herein, the term “days” shall refer to calendar days.

16. NOTICES AND PAYMENTS.

Any notice, report, payment, or other communication that is required to be delivered by the provisions of this Agreement, will be in writing and will be deemed to be delivered:

1. at the time of hand delivery;
2. at the time delivered via computer transmission (electronically verified and absent a notice of non-delivery) and, in the case of Royalty and other due fees, at the time we actually debit your account;
3. one business day after transmission by telecopy, facsimile, or other electronic system;
4. one business day after being placed in the hands of a commercial courier service for next business day delivery;
5. Five business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid.

All communications are to be addressed to the party to be notified at its most current principal business address. Both you and we agree to immediately notify the other of any change in address. Any required payment or report that we do not actually receive during regular business hours on the date due will be deemed delinquent.

17. YOUR AFFIRMATIONS.

In awarding this Franchise, we are relying upon your statements, as affirmed by your initials to the left of each statement, that:

____ the Managing Owner or, if applicable, the Designated Manager, shall devote his/her full-time best efforts to the development and management of your Business. At least one Managing Owner or Designated Owner will operate the Franchised Business on a full-time basis.

____ We have not made, nor have you relied, on any representation as to the past or future sales, volume or potential profitability, earnings or income of the Franchised Business, or any other HOODZ business other than the information provided in our Disclosure Document.

____ You have had the opportunity, and have been encouraged by us, to independently investigate and analyze both the HOODZ Franchise opportunity and the terms and provisions of this Agreement and Franchise Disclosure Document by utilizing the services of attorneys, accountants, or other advisors as you deem to be necessary.

____ You are not relying on any representation or statement that we have made, regarding the anticipated income, earnings and growth of HOODZ, the HOODZ Franchise system, or the viability of the HOODZ Franchise opportunity.

____ That, like any other business, the nature of the business conducted by HOODZ Businesses may, and probably will, evolve over time.

____ That your abilities and efforts are vital to the success of the Franchised Business.

____ That continually securing new customers is necessary to the Business and requires you to make consistent and repeated marketing and advertising efforts through a variety of mediums.

____ We have certain rights reserved to us to own and operate HOODZ Businesses, to franchise or franchise others to operate HOODZ Businesses, and to otherwise use the System, Marks, know-how, techniques, and procedures, including (without limitation) those expressly set forth in this Agreement.

____ As expressly set forth in Section 15, certain disputes, controversies, or claims between us will be submitted to final and binding arbitration, and we both waive rights to, or claims for, any punitive or exemplary damages either of us may have against the other.

____ We may sell our assets, Marks, or 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; may undertake a re-financing, re-capitalization, leverage buyout or other economic or financial restructuring; with regard to any or all of the above sales, assignments, and dispositions, you expressly and agree to provide reasonable closing certificates and other documentation as reasonably requested by us to conclude the transaction, and specifically waive any claims, demands, or damages arising from or related to the loss of said Marks (or any variations of them) and/or the loss of association with or identification of HOODZ International, LLC., as the franchisor of this Agreement.

____ The covenants not to compete set forth in this Agreement are fair and reasonable, and will not impose any undue hardship on you, since you have other considerable skills, experience, and education which will afford you the opportunity to derive income from other endeavors.

____ All information that you have set forth in any and all applications, financial statements, and submissions to us is true, complete, and accurate in all respects, and you expressly acknowledge that we are relying upon the truthfulness, completeness, and accuracy of this information.

IN WITNESS WHEREOF, the parties hereto have signed and delivered this Agreement on the date stated on the first page hereof.

HOODZ INTERNATIONAL, LLC, a Delaware Limited Liability Company

April 1, 2010

By: _____
John Rotche
Its: President and Authorized Representative

Date: _____

MANAGING OWNER

«Name1»

Date: _____

MANAGING OWNER

«Name2»

Date: _____

FRANCHISEE: «LLC_or_Corp»

By: _____
«Name1»
Its: Authorized Representative

Date: _____

FRANCHISEE: «LLC_or_Corp»

By: _____
«Name2»
Its: Authorized Representative

Date: _____

EXHIBIT A - TERRITORY
TO THE FRANCHISE AGREEMENT
BETWEEN
HOODZ INTERNATIONAL, LLC
AND «Legal_Name»
DATED _____, 2010

The “Territory” referred to in Section 1 of the Franchise Agreement will be defined by the following zip-codes, as located on the attached map, and are as follows:

This is to confirm your acknowledgement and understanding that zip codes and/or their boundaries change periodically, and in the event of a future change you may continue to market to an existing customer, who is now outside your Territory as a result of a zip code change. Provided, it will be your responsibility to clearly demonstrate that the customer was located in your Territory, when they first became your customer.

In the event a new zip code is created entirely within your existing geographic Territory, it will become a part of your Territory, and you may market in it. If a new zip code is created along the boundary of your Territory, if at least one-third of the new zip code area is within your Territory, as indicated on the attached map, then you can market to the new zip code, with the understanding an adjoining HOODZ owner, who also has 1/3 of the new zip code in their previous Territory, may also be able to market in this new zip code.

HOODZ INTERNATIONAL, LLC, a Delaware Limited Liability Company

By: _____
John Rotche
Its: President and Authorized Representative

Date: _____

MANAGING OWNER

«Name1»

Date: _____

MANAGING OWNER

«Name2»

Date: _____

FRANCHISEE: «LLC_or_Corp»

By: _____
«Name1»

Date: _____

Its: Authorized Representative

FRANCHISEE: «LLC_or_Corp»

By: _____
«Name2»

Date: _____

Its: Authorized Representative

**EXHIBIT B – INITIAL PACKAGE
TO THE FRANCHISE AGREEMENT
BETWEEN
HOODZ INTERNATIONAL, LLC
AND «Legal_Name»
DATED _____, 2010**

Item
HOODZ Apparel
Print and Marketing Materials
Small Tools Package
Safety Package
Quick Launch Marketing Package
Convention Allowance
*A full listing of the equipment included
in the packages, will be provided in
your Team Train Operations Manual

**EXHIBIT C – FRANCHISE MANAGEMENT SOFTWARE LICENSE AGREEMENT
TO THE FRANCHISE AGREEMENT**

BETWEEN

HOODZ INTERNATIONAL, LLC AND

AND «Legal_Name»

DATED _____, 2010

HOODZ International, LLC, a Delaware Limited Liability Company, having its principal office at 731 Fairfield Court, Ann Arbor, Michigan 48108 ("HOODZ"), grants a renewable license ("License") to «Address» with offices at «Address» ("Licensee"), upon the terms set forth in this Agreement and subject to all the terms of a Franchise Agreement between HOODZ and Licensee signed concurrently with this Agreement.

Licensee shall, during the term of this Agreement and upon the start of their HOODZ franchised business, pay HOODZ a weekly Technology, Licensing & Upgrade Fee. The amount of this fee may change periodically at the discretion of HOODZ. Failure to make any payment shall result in the immediate termination of this License.

TERMS AND CONDITIONS

1. **License Grant:** HOODZ grants to Licensee a renewable License to use the HOODZ Franchise Management Software System ("Product" or "HOODZ Software"), and all subsequent upgrades, on Licensee's computer. This License does not extend to other parties, even if they use the same computer. HOODZ reserves the right to issue new modules, which may be separately licensed.
2. **Title:** Title to the Product shall remain with HOODZ.
3. **Term:** This License is a quarterly license. It shall automatically renew each quarter and shall remain in effect throughout the term of the Franchise Agreement between HOODZ and Licensee.
4. **Copies and Listings:** The Licensee shall not copy or reverse-engineer the Product in whole or in part, nor shall it permit other parties to do so.
5. **Protection of Product:** Licensee agrees not to make available to any party the Product or any of its parts. Licensee agrees to take appropriate action with its employees and any other parties to obtain assurances of non-disclosure consistent with this Agreement.

Licensee recognizes that the Product is HOODZ copyrighted property, represents a large investment of human and financial resources by HOODZ, is a trade secret of HOODZ, and is confidential information. Licensee agrees to keep the Product, and all related materials, confidential. Licensee will use its best efforts, including any reasonable security precautions as HOODZ may request, to insure that the proprietary rights of HOODZ are preserved to the fullest extent possible under the law. In addition to the right to terminate this Agreement, HOODZ shall be entitled to seek appropriate injunctive relief in the event of any violation of the confidentiality of its copyrighted materials, and to bring an action at law where appropriate.

6. **Assignment and Sub-Licensing:** This License shall not be assigned or sub-licensed by Licensee, except with the prior, specific written consent of HOODZ.

7. **Warranty:** HOODZ warrants that the Product, when delivered to Licensee, shall be free from material defects and shall conform to the program documentation. Licensee acknowledges that the Product is of a complexity that it may have certain defects when delivered. Licensee agrees that the sole liability of HOODZ shall be to correct program errors in the Product, and not to correct problems due to the hardware upon which the Product is operated, interaction with other non-standard software, or incorrect handling or employment of the Product by Licensee. All warranties extend only to the Licensee.

THE ABOVE WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, STATUTORY OR OTHERWISE, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

8. **Limitation of Liability; Limitation of Actions:** HOODZ SHALL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO LOST PROFITS FROM ANY CAUSE ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE PRODUCT, NOR FOR ANY CLAIM OR DEMAND BY OR AGAINST LICENSEE. No action arising out of the transactions under this Agreement may be brought by either party more than one year after the cause of action has occurred. Additionally, any cause of action for improper use, transfer, sub-licensing, or disclosure of the Product or materials may be brought within one year of the date when HOODZ shall have actual knowledge thereof. In the event HOODZ must institute suit to enforce the terms and conditions of this Agreement, Licensee shall pay reasonable attorneys fees and costs incurred by HOODZ.
9. **Termination by HOODZ:** The parties agree that any of the following events shall be considered to be a default under the terms of this Agreement, shall entitle HOODZ to terminate this Agreement, and shall authorize HOODZ to immediately terminate Licensee's access to the Product:
- a. Failure to maintain the Franchise Agreement between HOODZ and Licensee in good standing;
 - b. Failure to make payments of any kind to HOODZ in full or on time;
 - c. Failure to comply with any covenants or agreements herein;
 - d. Licensee's disposing of, licensing, or transferring the Product, other than strictly in accordance with the terms of this Agreement.
 - e. Upon termination of this Agreement, Licensee shall immediately deliver to HOODZ all Products, and copies of Products, and related materials in its possession , and shall not maintain any copies of any of these materials, in whole or part, for itself..
10. **Miscellaneous:** In the event that any part of this Agreement shall be found to be unenforceable, these findings shall not invalidate the other parts of this Agreement. This Agreement expresses the entire understanding of the parties with respect to the subject matter herein, all promises, undertakings, representations, agreements and arrangements with reference to the subject matter of this Agreement. This Agreement shall be construed in accordance with the laws of the State of Michigan, and shall be deemed to have been made in the State of Michigan. This Agreement may not be modified, except by a written agreement signed by HOODZ and Licensee.

HOODZ INTERNATIONAL, LLC, a Delaware Limited Liability Company

By: _____

John Rotche

Its: President and Authorized Representative

Date: _____

MANAGING OWNER

«Name1»

Date: _____

MANAGING OWNER

«Name2»

Date: _____

FRANCHISEE: «LLC_or_Corp»

By: _____

«Name1»

Its: Authorized Representative

Date: _____

FRANCHISEE: «LLC_or_Corp»

By: _____

«Name2»

Its: Authorized Representative

Date: _____

**EXHIBIT D – TELEPHONE AND OTHER LISTING AGREEMENT
TO THE FRANCHISE AGREEMENT**

BETWEEN

HOODZ INTERNATIONAL, LLC

AND «Legal_Name»

DATED _____, 2010

In accordance with the terms of the Franchise Agreement between HOODZ INTERNATIONAL, LLC (“FRANCHISOR”), a Delaware Limited Liability Company, and «Legal_Name» (“FRANCHISEE”) signed concurrently with this Agreement, under which FRANCHISOR granted FRANCHISEE the right to own and operate a franchised business (the “Franchised Business”), FRANCHISEE, for value received, hereby agrees with FRANCHISOR that all of FRANCHISEE’S right, title, and interest in and to those certain telephone numbers and regular, classified, or other telephone directory listings, domain names, internet directory listings or rights and/or URLs (collectively, the “Telephone Numbers and Listings”) associated with FRANCHISOR’S trade and service marks and used periodically in connection with the operation of the Franchised Business, shall be promptly transferred to the FRANCHISOR, upon termination or expiration of the Franchise Agreement.

Upon termination or expiration of the Franchise Agreement (without renewal or extension), it is agreed and acknowledged that as between FRANCHISOR and FRANCHISEE, title or interest in the Telephone Numbers and Listings, directly or indirectly, will be assigned to the FRANCHISOR. Further, the FRANCHISEE will not seek to utilize, directly or indirectly, call forwarding messages of any nature, or otherwise seek to take advantage of the goodwill and/or marketing advantage associated with the Telephone Numbers and Listings. It is further agreed and understood, FRANCHISEE will remain liable to the Telephone Company or other vendor for all past due fees owing to the Telephone Company or other vendor on or before the effective date of the cancellation hereunder.

FRANCHISEE appoints FRANCHISOR as FRANCHISEE’S true and lawful attorney-in-fact to direct the Telephone Company or other vendor to assume the Telephone Number and Listings, and sign any necessary documents and take any actions as may be necessary to effectuate the assumption.

The parties further agree that if the Telephone Company or other vendors requires that the parties sign any change forms or other documentation at the time of transfer, FRANCHISOR’S execution of the forms or documentation will effectuate Franchisee’s consent and agreement to the change. The parties finally agree they will perform these acts and sign and deliver the documents as may be necessary to assist in or accomplish the transfer described herein, upon termination or expiration of the Franchise Agreement.

HOODZ INTERNATIONAL, LLC, a Delaware Limited Liability Company

By: _____

Date: _____

John Rotche

Its: President and Authorized Representative

MANAGING OWNER

Date: _____

«Name1»

MANAGING OWNER

Date: _____

«Name2»

FRANCHISEE: «LLC_or_Corp»

By: _____

Date: _____

«Name1»

Its: Authorized Representative

FRANCHISEE: «LLC_or_Corp»

By: _____

Date: _____

«Name2»

Its: Authorized Representative

**EXHIBIT E – PROMISSORY NOTE
TO THE FRANCHISE AGREEMENT**

BETWEEN

HOODZ INTERNATIONAL, LLC

AND «Legal_Name»

DATED _____, 2010

Amount of the note

1. FOR VALUE RECEIVED, «Legal_Name» and «LLC_or_Corp», (the “Undersigned”) promises to pay to the order of **HOODZ International, LLC**, a Delaware Limited Liability Company, at 731 Fairfield Court, Ann Arbor, Michigan 48108 (the “Holder”), the principal sum of \$XXX together with interest at a rate of an annual percentage rate of 8%. The principal and interest shall be paid in equal monthly installments as stated in the Payment Schedule attached to this Promissory Note as Exhibit “1”, which is made a part of this Promissory Note. The first installment shall be due via Electronic Funds Transfer (EFT) on the first of the month following the successful completion of the HOODZ International, LLC Initial Training Program, and thereafter monthly installments will be due via EFT on the first day of each successive month until the principal and interest due under this Promissory Note have been paid in full. PROVIDED, HOWEVER, that the entire principal balance together with all accrued interest thereon shall be due and payable on or before thirty-six months following the payment of the first installment, anything herein to the contrary notwithstanding.
2. Monthly installments shall be applied first upon interest and the balance upon principal. This Promissory Note may be prepaid in full at any time without restriction or penalty.
3. Should any monthly installment not be paid when due, then the whole sum of the remaining principal and interest shall become due immediately and payable without notice or demand at the option of the holder of this Promissory Note. All unpaid amounts owing on this Note shall immediately become due and payable at the option of Holder without notice or demand upon the occurrence of any of the following events of default: (i) the default of any provision of the Note; or (ii) the death, dissolution, insolvency (however expressed or indicated) or the filing of a petition in bankruptcy, reorganization or for the adjustment of debts for, by or against the Undersigned; (iii) the sale of substantially all of the Undersigned’s stock or assets; (iv) the Undersigned’s failure to permit Holder to collect amounts via EFT.
4. The Undersigned hereby waives presentation for payment, demand, notice of non-payment, protest, and all other demands and notices required by law (statutory or otherwise). In the event that the undersigned should default under this Promissory Note, and legal proceedings are commenced to collect the indebtedness evidenced hereby, the undersigned agrees to pay all costs and expenses, including reasonable attorney fees, incurred in the collection of this Promissory Note.
5. Should the undersigned transfer or assign their franchise rights to a third party prior to the pay-off of this Promissory Note, said Promissory Note must be paid in full before HOODZ International, LLC, will approve such transfer or assignment.
6. The validity, construction, interpretation and enforceability of the terms of this Promissory Note shall be determined and governed by the laws of the State of Michigan.

7. The undersigned hereby confirms that the proceeds of this Promissory Note will be used for the business purpose of starting up a HOODZ franchised business.

8. It is the parties' intent that the provisions of this Promissory Note be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the provisions contained herein shall not render any other part unenforceable.

9. Holder's failure to enforce any rights granted to it under this Promissory Note will not constitute a waiver of such rights.

10. This note is binding upon and will insure to the benefit of the parties and their successors, heirs, and assigns.

The persons executing this Note on behalf of the Undersigned acknowledge their authority to do so.

I HAVE READ THE ABOVE NOTE AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS NOTE IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

As provided in this Franchise Agreement this Promissory Note is personally guaranteed by «Legal_Name».

MANAGING OWNER

_____ Date: _____
«Name1»
In his personal capacity

MANAGING OWNER

_____ Date: _____
«Name2»
In his personal capacity

«LLC_or_Corp»

_____ Date: _____
By: «Name1»
Its Authorized Representative

«LLC_or_Corp»

_____ Date: _____
By: «Name2»
Its Authorized Representative

EXHIBIT 1 TO PROMISSORY NOTE
PAYMENT SCHEDULE

EXHIBIT A-2.
STATE ADDENDA TO THE FRANCHISE AGREEMENT

Addendum to the Franchise Agreement for use in California

ADDENDUM

THE FRANCHISE AGREEMENT BETWEEN

HOODZ INTERNATIONAL, LLC

AND «Legal_Name»

FOR USE IN CALIFORNIA

DATED _____

This is an addendum to the Franchise Agreement between HOODZ International, LLC., a Delaware Limited Liability Company, with its principal place of business at 731 Fairfield Court, Ann Arbor, Michigan (referred to in this Agreement as “we,” “us,” and “ourselves”), and NAME, (referred to as “you” and “Managing Owner”), residents of the State of STATE, and CORPORATION, a STATE company to be formed or already existing, whose principal address is ADDRESS (referred to in this Agreement as “you,” “your” or “Franchisee”).

Notwithstanding anything to the contrary in the Franchise Agreement, if there is a conflict between the terms of this Addendum and the terms of your Franchise Agreement, the terms of this Addendum shall control and supersede the Franchise Agreement. Any terms not defined herein shall have the same meanings as in the Franchise Agreement and any references to sections and paragraphs refer to the sections and paragraphs of the Franchise Agreement unless stated otherwise.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties signing below, it is hereby agreed and understood that the following will supersede and replace section 13.D. of the Franchise Agreement:

13.D. COVENANT NOT TO COMPETE.

You acknowledge and reaffirm that the HOODZ customer list developed under your Franchise Agreement, is the sole and exclusive proprietary information of HOODZ International, LLC, and you have no ownership right(s) or any other interest in this customer list except as a HOODZ franchisee. In the event of any future termination and/or expiration of your franchise agreement with HOODZ International, LLC, you will not retain, in any form, a copy of this customer list. You further agree not to market to, service or otherwise deal with any customers on the list for commercial kitchen exhaust cleaning for a period of 24 months after the termination and/or expiration of your Franchise Agreement.

It is also agreed and understood that if you sell any one or more of your HOODZ franchise businesses, as a condition precedent to our approving your purchaser as a new HOODZ franchisee, you will agree with your purchaser and with us not to compete for 24 months after the sale closing, in the commercial kitchen exhaust cleaning business, within a geographic area extending out from the purchased HOODZ territory boundaries, in every direction, for fifty (50) miles. Provided, however, these non-competition provisions do not create or imply any additional restrictions upon your ownership of other HOODZ franchise business(es) in and around this geographic area.

* * *

The terms of this Addendum shall remain confidential and may not be disclosed except when and to the extent necessary to comply with applicable federal, state, or local laws or regulations.

In all other respects, the terms and conditions contained in your original Franchise Agreement, and any previous addendums to your Franchise Agreement, remain in full force and effect. Further this it to confirm that we have made no other promises or commitments of any nature concerning this or any other aspect of your franchise business that have not been set forth in writing, and any future promises, commitments or assurances must be in writing and signed by both of us, to be enforceable.

HOODZ INTERNATIONAL, LLC, a Delaware Limited Liability Company

By: _____
John Rotche
Its: President and Authorized Representative

Date: _____

MANAGING OWNER

«Name1»

Date: _____

MANAGING OWNER

«Name2»

Date: _____

FRANCHISEE: «LLC_or_Corp»

By: _____
«Name1»
Its: Authorized Representative

Date: _____

FRANCHISEE: «LLC_or_Corp»

By: _____
«Name2»
Its: Authorized Representative

Date: _____

Addendum to the Franchise Agreement for use in Hawaii

ADDENDUM

THE FRANCHISE AGREEMENT BETWEEN

HOODZ INTERNATIONAL, LLC

AND «Legal_Name»

FOR USE IN HAWAII

DATED _____

This is an addendum to the Franchise Agreement between HOODZ International, LLC, a Delaware Limited Liability Company, with its principal place of business at 731 Fairfield Court, Ann Arbor, Michigan (referred to in this Agreement as “we,” “us,” and “ourselves”), and NAME, (referred to as “you” and “Managing Owner”), residents of the State of STATE, and CORPORATION, a STATE company to be formed or already existing, whose principal address is ADDRESS (referred to in this Agreement as “you,” “your” or “Franchisee”).

Notwithstanding anything to the contrary in the Franchise Agreement, if there is a conflict between the terms of this Addendum and the terms of your Franchise Agreement, the terms of this Addendum shall control and supersede the Franchise Agreement. Any terms not defined herein shall have the same meanings as in the Franchise Agreement and any references to sections and paragraphs refer to the sections and paragraphs of the Franchise Agreement unless stated otherwise.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties signing below, it is hereby agreed and understood that the following will be added to section 2.A. and 2.B. of the Franchise Agreement:

1. FEES AND OTHER MONETARY REQUIREMENTS.

We will defer your payment of the Base Fee and Initial Package Fee until we have completed our pre-opening obligations. This requirement is imposed by the Hawaii Department of Commerce and Consumer Affairs, Business Registration Division.

* * *

The terms of this Addendum shall remain confidential and may not be disclosed except when and to the extent necessary to comply with applicable federal, state, or local laws or regulations.

In all other respects, the terms and conditions contained in your original Franchise Agreement, and any previous addendums to your Franchise Agreement, remain in full force and effect. Further this it to confirm that we have made no other promises or commitments of any nature concerning this or any other aspect of your franchise business that have not been set forth in writing, and any future promises, commitments or assurances must be in writing and signed by both of us, to be enforceable.

HOODZ INTERNATIONAL, LLC, a Delaware Limited Liability Company

By: _____
John Rotche
Its: President and Authorized Representative

Date: _____

MANAGING OWNER

«Name1»

Date: _____

MANAGING OWNER

«Name2»

Date: _____

FRANCHISEE: «LLC_or_Corp»

By: _____
«Name1»
Its: Authorized Representative

Date: _____

FRANCHISEE: «LLC_or_Corp»

By: _____
«Name2»
Its: Authorized Representative

Date: _____

RIDER TO THE FRANCHISE AGREEMENT IN ILLINOIS

RIDER TO HOODZ INTERNATIONAL, LLC FRANCHISE AGREEMENT FOR USE IN ILLINOIS

This is a Rider to the [Date] Franchise Agreement, which is being executed concurrently with this Rider, between HOODZ International, LLC a Michigan Corporation, with its principal place of business at 731 Fairfield Court, Ann Arbor, Michigan (referred to in this Agreement as “we,” “us,” and “ourselves”), and [Legal Name 1] and [Legal Name 2] (referred to as “you” and “Managing Owner”), residents of the State of [State] and a [State] company to be formed or already existing whose principal address is [Address] (referred to in this Agreement as “you,” “your” or “Franchisee”).

Notwithstanding anything to the contrary in the Franchise Agreement, in the event of a conflict between the terms of this Rider and the terms of the Franchise Agreement, the terms of this Rider shall control and supersede the Franchise Agreement. Any terms not defined herein shall have the same meanings as in the Franchise Agreement and any references to sections and paragraphs refer to the sections and paragraphs of the Franchise Agreement unless stated otherwise.

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, (Ill. Comp. Stat. §§ 705/1 to 705/44), the parties to the HOODZ International, LLC Franchise Agreement (the “Agreement”) agree as follows:

1. Background.

We and you are parties to that certain Agreement dated _____, 20__ that has been executed concurrently with the execution of this Rider. This Rider is annexed to and forms part of the Agreement. This Rider is being executed because (a) the offer or sale of the franchise for franchise you will operate under the Agreement was made in the State of Illinois and you will operate the Franchise in the State of Illinois and/or (b) you are a resident of the State of Illinois.

2. Initial Franchise Fee

The following language is added to Section 2.A. of the Agreement entitled “Initial Franchise Fee”.

We have secured a surety bond in the amount of \$120,000 from the Hartford Fire Insurance Company to ensure fulfillment of all our obligations to you under the Franchise Agreement. The Illinois Attorney General has imposed the bond requirement because of our financial condition.

3. Jurisdiction.

Section 15.G. entitled “Jurisdiction” is superseded and replaced by the following:

Subject to Section 15.F., you agree that all actions arising under this Agreement, or otherwise, as a result of the relationship between you and us shall be commenced in the state, and in the state or federal court of general jurisdiction, closest to where our principal business address then is located, and you irrevocably submit to the jurisdiction of such courts and waive any objection you may have to either the jurisdiction of or venue in such courts. Notwithstanding the foregoing, you agree that we may enforce this Agreement in the courts of the state or states in which you are domiciled or the Franchised Business is located. Except any provision in the Franchise Agreement restricting jurisdiction or venue to a forum outside of Illinois or requiring

the application of the laws of another state is void with respect to any cause of action otherwise enforceable under the Illinois Franchise Disclosure Act

3. Choice of Law and Forum

Section 15.H. entitled “Choice of Law and Forum” is superseded and replaced by the following”

All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 ET SEQ.). Except to the extent governed by the Federal Arbitration Act as required hereby, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 ET SEQ.) or Federal Law, and except for claims arising under the Illinois Franchise Disclosure Act. This Agreement, the Franchise and all claims arising from the relationship between us and you will be governed by the laws of the state where our principal business address is located except that the provisions will not apply unless its jurisdictional requirements are met independently without reference to this section.

4. Limitation of Claims.

The following is added to the beginning of Section 15.K. of the Agreement, entitled “Limitations of Claims

“Except for claims arising under the Illinois Franchise Disclosure Act, and...”

5. Illinois Franchise Disclosure Act.

The following language is added to Section 15.M. of the Agreement:

15.M. Illinois Franchise Disclosure Act. Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any law of this state is void. This section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

6. Your Affirmations.

Section 17 of the Franchise Agreement.

- (a) The second affirmation, beginning with the phrase “We have not made” is hereby amended to read as follows:

“We ask that, before you execute this Agreement, you bring to our attention any statements or representations that have been made to you by any of our officers, directors, employees, or agents that are contrary to or inconsistent with the statements made in the HOODZ Franchise Disclosure Document you received or the provisions of this Agreement.”

- (b) The ninth affirmation, beginning with the phrase, “As expressly set forth in Section 15” is hereby amended to read as follows:

“As expressly set forth in Section 15, certain disputes, controversies, or claims between us will be submitted to Arbitration.”

(c) The tenth affirmation, beginning with the phrase, "We may sell our assets," the following is deleted:

"...you expressly and specifically waive any claims, demands, or damages arising from or related to the loss of said Marks (or any variations of them) and/or the loss of association with or identification of HOODZ International, LLC as the FRANCHISOR of this Agreement."

7. Agreements/Releases.

Section 11 Paragraph C of the Franchise Agreement is deleted in its entirety and replaced by the following:

"If you satisfy all of the other conditions to the awarding of a Renewal Term, you promise to execute the form of franchise agreement and any ancillary agreements we then are customarily using in awarding Renewal Terms for HOODZ franchises, provided that in no event will the Territory or Royalty for the Renewal Term franchise agreement be changed from that contained in this agreement."

* * *

Each provision of this Rider shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act of 1987 are met independently without reference to this Rider.

HOODZ INTERNATIONAL, LLC, a Delaware Limited Liability Company

By: _____
John Rotche
Its: President and Authorized Representative

Date: _____

MANAGING OWNER

«Name1»

Date: _____

MANAGING OWNER

«Name2»

Date: _____

FRANCHISEE: «LLC_or_Corp»

By: _____
«Name1»

Date: _____

Its: Authorized Representative

FRANCHISEE: «LLC_or_Corp»

By: _____

Date: _____

«Name2»

Its: Authorized Representative

RIDER TO THE FRANCHISE AGREEMENT IN MARYLAND

RIDER
TO A HOODZ INTERNATIONAL, LLC.
FRANCHISE AGREEMENT
FOR USE IN THE STATE OF MARYLAND
DATED _____

The parties to this Rider are HOODZ INTERNATIONAL, LLC (“we”, “us” or “FRANCHISOR”), a Delaware Limited Liability Company, and «Legal_Name» (“you” or “FRANCHISEE”). The parties to the attached Franchise Agreement (the "Agreement") agree as follows:

1. Background:

We and you are parties to that certain Agreement dated _____, 200__ that has been executed concurrently with the execution of this Rider. This Rider is annexed to and forms part of the Agreement. This Rider is being executed because (a) the offer or sale of the franchise for the HOODZ franchise you will operate under the Agreement was made in the State of Maryland and you will operate the Franchise in the State of Maryland and/or (b) you are a resident of the State of Maryland.

2. Our Obligations:

We have secured a surety bond in the amount of \$90,000 from The Hartford Fire Insurance Company (#35BSBFI9159) to ensure fulfillment of all of our obligations to you under the terms of the Franchise Agreement.

3. Expiration of this Agreement:

Pursuant to COMAR 02.02.08.16L, the following is added at the end of Sections 10.B.8 11.C., and 12.A. of the Agreement:

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.

4. Enforcement:

The following is added at the end of Section 15.F. and 15.K. of the Agreement:

Any limitation of claims provisions shall not act to reduce the three year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

5. Jurisdiction:

Pursuant to Section 14-216(c)(25) of the Maryland Franchise Registration and Disclosure Law, the following is added at the end of Sections 15.G. and 15.H. of the Agreement:

You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. Acknowledgment:

Pursuant to Section 14-226 of the Maryland Franchise Registration and Disclosure Law The following is added at the end of Section 17 of the Agreement and to the Disclosure Acknowledgement Statement:

The representations, acknowledgements and affirmations in the preceding section 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 Act.

In all other respects, the terms and conditions contained in your Franchise Agreement, and any previous Addendums to your Franchise Agreement, remain in effect.

HOODZ INTERNATIONAL, LLC, a Delaware Limited Liability Company

By: _____
John Rotche
Its: President

MANAGING OWNER

_____ Date: _____
«Name1»

MANAGING OWNER

_____ Date: _____
«Name2»

FRANCHISEE: «LLC_or_Corp»

By: _____ Date: _____
«Name1»
Its: Authorized Representative

By: _____ Date: _____
«Name2»
Its: Authorized Representative

RIDER TO THE FRANCHISE AGREEMENT IN MINNESOTA

RIDER TO HOODZ INTERNATIONAL, LLC FRANCHISE AGREEMENT FOR USE IN THE STATE OF MINNESOTA

This is a Rider to the [Date] Franchise Agreement, (the "Agreement") which is being executed concurrently with this Rider, between HOODZ International, LLC., a Delaware Limited Liability Company, with its principal place of business at 731 Fairfield Court, Ann Arbor, Michigan (referred to in this Agreement as "we," "us," and "ourselves"), and [Legal Name 1] and [Legal Name 2] (referred to as "you" and "Managing Owner"), residents of the State of [State] and [LLC or Corp Name], a [State] company to be formed or already existing whose principal address is [Address] (referred to in this Agreement as "you," "your" or "Franchisee").

Notwithstanding anything to the contrary in the Franchise Agreement, in the event of a conflict between the terms of this Rider and the terms of the Franchise Agreement, the terms of this Rider shall control and supersede the Franchise Agreement. Any terms not defined herein shall have the same meanings as in the Franchise Agreement and any references to sections and paragraphs refer to the sections and paragraphs of the Franchise Agreement unless stated otherwise.

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. 80C.01 through 80C.22, and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rule 2860.0100 through 2860.9930, the parties to the attached HOODZ International, LLC. Franchise Agreement (the "Agreement") agree as follows:

Background. We and you are parties to that certain Franchise Agreement that has been executed concurrently with the execution of this Rider (the "Franchise Agreement"). This Rider is annexed to and forms part of the Agreement.

This Rider is being executed because (a) the offer or sale of the franchise for the HOODZ franchise you will operate under the Agreement was made in the State of Minnesota and you will operate the Franchise in the State of Minnesota and/or (b) you are a resident of the State of Minnesota.

Marks. The following language is added at the end of Section 4 of the Agreement:

Pursuant to Minnesota Stat. Sec. 80C.12, Subd. 1(g), we are required to protect any rights that you have to use our proprietary rights, including your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suite or demand regarding the use of the name.

Termination by Franchisor. The following language is added to Section 12.B of the Agreement:

With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the franchise agreement.

Waiver of Punitive Damages and Jury Trial. The following is added to Section 15.I, if the Agreement:

Minn. Rule 2860.4400J. prohibits the waiver of a jury trial.

Limitations of Claims. The following is added to Section 15.K. of the Agreement:

Minn. Stat. 80C.17, Subd. 5 requires that no action may be commenced pursuant to this section more than three years after the cause of action occurs.

Governing Law/Consent to Jurisdiction. The following language is added to Section 15.G. if the Agreement:

PURSUANT TO MINN. STAT. 80C.21 AND MINN. RULE 2860.4400J, THESE SECTIONS SHALL NOT IN ANY WAY ABROGATE OR REDUCE YOUR RIGHTS AS PROVIDED FOR IN MINNESOTA STATUTES 1984, CHAPTER 80C, INCLUDING THE RIGHT TO SUBMIT MATTERS TO THE JURISDICTION OF THE COURTS OF MINNESOTA.

Agreements/Releases. The following language is added to Section 11.C.:

Provided; however, that such general releases do not apply to the extent prohibited by applicable law with respect to claims which arise under Minn. Rule 2860.4400D.

* * *

In all other respects, the terms and conditions contained in your Franchise Agreement, and any previous Addendums to your Franchise Agreement, remain in effect.

HOODZ International, LLC, a Delaware Limited Liability Company

By: _____ Date: _____
John Rotche
Its: President and Chief Operating Officer

MANAGING OWNER

_____ Date: _____
«Name1»

MANAGING OWNER

_____ Date: _____
«Name2»

FRANCHISEE: «LLC_or_Corp»

By: _____ Date: _____
«Name1»
Its: Authorized Representative

FRANCHISEE: «LLC_or_Corp»

By: _____ Date: _____
«Name2»
Its: Authorized Representative

RIDER TO THE FRANCHISE AGREEMENT IN NEW YORK

RIDER TO
HOODZ INTERNATIONAL, LLC
FRANCHISE AGREEMENT
FOR USE IN THE STATE OF NEW YORK

DATED _____

This is a Rider to the [Date] Franchise Agreement, (the “Agreement”) which is being executed concurrently with this Rider, between HOODZ International , LLC., a Delaware Limited Liability Company, with its principal place of business at 731 Fairfield Court, Ann Arbor, Michigan (referred to in this Agreement as “we,” “us,” and “ourselves”), and [Legal Name 1] and [Legal Name 2] (referred to as “you” and “Managing Owner”), residents of the State of [State] and [LLC or Corp Name], a [State] company to be formed or already existing whose principal address is [Address] (referred to in this Agreement as “you,” “your” or “Franchisee”).

Notwithstanding anything to the contrary in the Franchise Agreement, in the event of a conflict between the terms of this Rider and the terms of the Franchise Agreement, the terms of this Rider shall control and supersede the Franchise Agreement. Any terms not defined herein shall have the same meanings as in the Franchise Agreement and any references to sections and paragraphs refer to the sections and paragraphs of the Franchise Agreement unless stated otherwise.

1. BACKGROUND. We and you are parties to that certain Franchise Agreement that has been signed concurrently with the signing of this Rider (the “Franchise Agreement”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the HOODZ Business that you will operate under the Franchise Agreement was made in the State of New York, and/or (b) you are a resident of New York and will operate the Business in New York.
2. AGREEMENTS/RELEASES. Section 11.C. of the Franchise Agreement is amended by adding the following language to the end of the last sentence of the paragraph:

Provided, however, that all rights Franchisee enjoys and any causes of action arising in Franchisee’s 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 the proviso that the non-waiver provisions of GBL 687 and 687.5 be satisfied.

3. TERMINATION OF AGREEMENT BY FRANCHISEE. Section 12.A. of the Franchise Agreement is amended by adding the following as the last sentence:

Franchisee also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

4. TRANSFER BY US Section 10.A. of the Franchise Agreement is amended by adding the

following language at the end:

However, to the extent required by applicable law, no assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

- 5. GOVERNING LAW/CONSENT TO JURISDICTION. Sections 15.G. and 15.H. of the Franchise Agreement are amended by adding the following language:

HOWEVER, THE GOVERNING CHOICE OF LAW SHALL NOT BE CONSIDERED A WAIVER OF ANY RIGHT CONFERRED UPON FRANCHISEE BY THE PROVISIONS OF ARTICLE 33 OF THE GENERAL BUSINESS LAW OF THE STATE OF NEW YORK.

- 6. BINDING EFFECT. Section 15.J. of the Franchise Agreement is amended by adding the following language:

Modifications to the Team Train Operations Manual will not unreasonably affect Franchisee’s obligations, including economic requirements, under this Agreement.

* * *

In all other respects, the terms and conditions contained in your Franchise Agreement, and any previous Addendums to your Franchise Agreement, remain in effect.

HOODZ INTERNATIONAL, LLC, a Delaware Limited Liability Company

By: _____
John Rotche
Its: President

MANAGING OWNER

«Name1»

Date: _____

MANAGING OWNER

«Name2»

Date: _____

FRANCHISEE: «LLC_or_Corp»

By: _____
«Name1»
Its: Authorized Representative

Date: _____

By: _____
«Name2»
Its: Authorized Representative

Date: _____

AMENDMENT TO THE FRANCHISE AGREEMENT IN NORTH DAKOTA

AMENDMENT TO A HOODZ INTERNATIONAL, LLC. FRANCHISE AGREEMENT REQUIRED BY THE STATE OF NORTH DAKOTA

This is a Amendment to the [Date] Franchise Agreement, (the “Agreement”) which is being executed concurrently with this Amendment, between HOODZ International, LLC., a Delaware Limited Liability Company, with its principal place of business at 731 Fairfield Court, Ann Arbor, Michigan (referred to in this Agreement as “we,” “us,” and “ourselves”), and [Legal Name 1] and [Legal Name 2] (referred to as “you” and “Managing Owner”), residents of the State of [State] and [LLC or Corp Name], a [State] company to be formed or already existing whose principal address is [Address] (referred to in this Agreement as “you,” “your” or “Franchisee”).

This Amendment pertains to franchises sold in the State of North Dakota and is for the purpose of complying with North Dakota statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement is amended as follows:

1. Section 13 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

Covenants not to compete may not be enforceable under North Dakota law.

2. Section 15(H) of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

Covenants requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota may not be enforceable in North Dakota.

3. Section 15(H) of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

For North Dakota franchisees, North Dakota law shall apply.

4. Section 11(C) of the Franchise Agreement is hereby amended by the addition of the following language that appears therein:

Provisions requiring North Dakota franchisees to sign a general release upon renewal of the franchise agreement is not enforceable in North Dakota.

5. Section 15(K) of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

Provisions requiring a franchisee to consent to a limitation of claims within one year have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, for North Dakota franchisees, the statute of limitations under North Dakota Law will apply.

6. Any language imposing liquidated damages upon termination or other termination damages in the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

Provisions requiring the franchisee to consent to termination or liquidated damages have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, for North Dakota franchisee, this provision shall be deleted in its entirety.

7. Section 15(I) of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

Provisions requiring the franchisee to consent to a waiver of exemplary and punitive damages are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.

* * *

In all other respects, the terms and conditions contained in your Franchise Agreement, and any previous Addendums to your Franchise Agreement, remain in effect.

HOODZ INTERNATIONAL, LLC, a Delaware Limited Liability Company

By: _____ Date: _____

John Rotche

Its: President

MANAGING OWNER

_____ Date: _____

MANAGING OWNER

_____ Date: _____

FRANCHISEE: a LLC or Corporation to be formed later

By: _____ Date: _____

Its: Authorized Representative

RIDER TO THE FRANCHISE AGREEMENT IN RHODE ISLAND

RIDER TO HOODZ INTERNATIONAL, LLC FRANCHISE AGREEMENT FOR USE IN THE STATE OF RHODE ISLAND

This is a Rider to the [Date] Franchise Agreement, (the “Agreement”) which is being executed concurrently with this Rider, between HOODZ International, LLC., a Delaware Limited Liability Company, with its principal place of business at 731 Fairfield Court, Ann Arbor, Michigan (referred to in this Agreement as “we,” “us,” and “ourselves”), and [Legal Name 1] and [Legal Name 2] (referred to as “you” and “Managing Owner”), residents of the State of [State] and [LLC or Corp Name], a [State] company to be formed or already existing whose principal address is [Address] (referred to in this Agreement as “you,” “your” or “Franchisee”).

Notwithstanding anything to the contrary in the Franchise Agreement, in the event of a conflict between the terms of this Rider and the terms of the Franchise Agreement, the terms of this Rider shall control and supersede the Franchise Agreement. Any terms not defined herein shall have the same meanings as in the Franchise Agreement and any references to sections and paragraphs refer to the sections and paragraphs of the Franchise Agreement unless stated otherwise.

In recognition of the requirements of the State of Rhode Island Franchise Investment Act §19-28.1 et seq., the Franchise Agreement for HOODZ International, LLC, for use in the State of Rhode Island is amended as follows:

The following language is added at the end of Section 15.F. of the Agreement:

1. §19-28.1-21 of the Rhode Island Franchise Investment Act provides that (a) A person who violates any provision of this act is liable to the franchisee for damages, costs, and attorneys and experts fees. In the case of a violation of §§19-28.1-5, 19-28.1-8, or 19-28.1-17(1)-(5), the franchisee may also sue for rescission. No person shall be liable under this section if the defendant proves that the plaintiff knew the facts concerning the violation. (b) Every person who directly or indirectly controls a person liable under this section, every principal executive officer or director of the liable person, every person occupying a similar status or performing similar functions, and every agent or employee of a liable person, who materially aids in the act or transaction constituting the violation, is also liable jointly and severally with and to the same extent as the person liable under this section, unless the agent, employee, officer, or director proves he or she did not know, and in the exercise of reasonable care could not have known of the existence of the fact by reason of which the liability is alleged to exist.

The following language is added at the end of Section 15.G and Section 15.H. of the Agreement:

2. §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 this state or requiring the

application of the laws of another state is void with respect to a claim otherwise enforceable under this act.

* * *

In all other respects, the terms and conditions contained in your Franchise Agreement, and any previous Addendums to your Franchise Agreement, remain in effect.

HOODZ International, LLC, a Delaware Limited Liability Company

By: _____ Date: _____

John Rotche

Its: President and Chief Operating Officer

MANAGING OWNER

_____ Date: _____

«Name1»

MANAGING OWNER

_____ Date: _____

«Name2»

FRANCHISEE: «LLC_or_Corp»

By: _____ Date: _____

«Name1»

Its: Authorized Representative

FRANCHISEE: «LLC_or_Corp»

By: _____ Date: _____

«Name2»

Its: Authorized Representative

RIDER TO THE FRANCHISE AGREEMENT FOR USE IN WASHINGTON

RIDER REQUIRED BY THE STATE OF WASHINGTON TO THE FRANCHISE AGREEMENT OF HOODZ INTERNATIONAL, LLC

DATED _____

This is a Rider to the [Date] Franchise Agreement, (the "Agreement") which is being executed concurrently with this rider, between HOODZ International, LLC., a Delaware Limited Liability Company, with its principal place of business at 731 Fairfield Court, Ann Arbor, Michigan. (referred to in this Agreement as "we," "us," and "ourselves"), and [Legal Name1] and [Legal Name 2](referred to as the "Managing Owner"), residents of the State of [State], and [LLC or Corp Name] a [State] company to be formed or already existing, whose principal address is [Address] (referred to in this Agreement as "you," "your" or "Franchisee").

Notwithstanding anything to the contrary in the Franchise Agreement, in the event of a conflict between the terms of this Rider and the terms of the Franchise Agreement, the terms of this Rider shall control and supersede the Franchise Agreement. Any terms not defined herein shall have the same meanings as in the Franchise Agreement and any references to sections and paragraphs refer to the sections and paragraphs of the Franchise Agreement unless stated otherwise.

We and you are parties to that certain Franchise Agreement that has been signed concurrently with the signing of this Rider (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the HOODZ Business that you will operate under the Franchise Agreement was made in the State of Washington, and/or (b) you are a resident of Washington and your Business will be located or operated in Washington.

1. 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. If any provision in the Franchise Agreement is inconsistent with the relationship provisions of the Revised Code of Washington, Section 19.100.180, or any other requirements of the Washington Franchise Investment Protection Act (the "Act"), the provisions of the Act will prevail over the inconsistent terms of the Franchise Agreement. 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.
2. 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.
3. 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, rights, or remedies under the Act such as right to a jury trial may not be enforceable.

- 4. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
- 5. We have secured a surety bond in the amount of \$120,000 from The Hartford Fire Insurance Company (#35BSBFI9162) to ensure fulfillment of all of our obligations to you under the terms of the Franchise Agreement.

The undersigned does hereby acknowledge receipt of this Rider.

* * *

In all other respects, the terms and conditions contained in your Franchise Agreement, and any previous Addendums to your Franchise Agreement, remain in effect.

HOODZ INTERNATIONAL, LLC, a Delaware Limited Liability Company

By: _____
John Rotche
Its: President and Authorized Representative

Date: _____

MANAGING OWNER

«Name1»

Date: _____

MANAGING OWNER

«Name2»

Date: _____

FRANCHISEE: «LLC_or_Corp»

By: _____
«Name1»
Its: Authorized Representative

Date: _____

FRANCHISEE: «LLC_or_Corp»

By: _____
«Name2»
Its: Authorized Representative

Date: _____

EXHIBIT A-3 TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY/NON-DISCLOSURE AGREEMENT

With respect to determining the feasibility of whether or not to purchase a HOODZ franchise, HOODZ International, LLC., is prepared to provide you with certain financial, business, marketing, and/or operational information concerning the business operations of HOODZ International, LLC.

We are able to provide you this Information with your explicit understanding and agreement that you recognize and agree that this information is confidential and valuable, and that this information constitutes special and unique proprietary rights and assets of HOODZ International, LLC.

The term "Confidential Information" shall mean and include any and all information disclosed by us to you relating to the HOODZ business and potential trade name and internet web names, whether copyrighted or patented. Provided; however, confidential information shall not include information which:

- A. Is disclosed to you following the date of this Agreement by a third party who is not under an obligation to keep the information confidential;
- B. Is or becomes publicly disclosed through no act or omission of yours; and/or
- C. Information previously known by you prior to contact with HOODZ.

In accepting this Information, you agree that you will not disclose it to any third party or make use of it yourself, in any regard, with the exception that it may be disclosed to an attorney, accountant or business consultant that you utilize as part of your due diligence process, provided you assure they are informed of and comply with all the terms of this Non-Disclosure Agreement.

You further agree to maintain the confidentiality of any and all confidential information which has been provided to you in a manner using at least the same degree of care as the manner used to maintain the confidentiality of your most confidential information.

In the event that you do not purchase a HOODZ business, or upon our request at any time, you agree to return all materials furnished to you or to certify in writing that such information has been destroyed.

You further recognize that breach of this Confidentiality and Non-Disclosure Agreement by you will cause severe and irreparable damage to HOODZ International, LLC., and that HOODZ International, LLC., may pursue all of its rights and remedies after any breach, including specific performance.

Please indicate that you agree to the conditions, as stated above, under which confidential information will be furnished to you by signing a copy of this letter in the space provided below.

ACKNOWLEDGED:

By: _____ Date: _____
Signature

By: _____ Date: _____
Signature

EXHIBIT A-4 TO THE FRANCHISE AGREEMENT.

DISCLOSURE ACKNOWLEDGEMENT STATEMENT

To be completed by each signatory to the Franchise Agreement.

Through the use of this document, we desire to ascertain that you understand and comprehend that the purchase of a HOODZ INTERNATIONAL, LLC franchise is a business decision, complete with its associated risks, and that it is the policy of HOODZ INTERNATIONAL, LLC to verify that you are not relying upon any oral statement, representations, promises, or assurances during the negotiations for the purchase of the franchise which have not been authorized by HOODZ INTERNATIONAL, LLC.

1. I recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including my skills and abilities, the hours I work, the competition, interest rates, the economy, inflation, business location, operation costs, lease terms, and costs and the market place. I hereby acknowledge my willingness to undertake these risks.
2. I acknowledge receipt of the HOODZ INTERNATIONAL, LLC Franchise Disclosure Document and Exhibits. I acknowledge that I have had the opportunity to personally and carefully review these documents. Furthermore, I have been advised to seek professional assistance, to have professionals review the documents, and to consult with other Franchisees regarding the risks associated with the purchase of the franchise.
3. I agree and state that the decision to enter into this business risk is in no manner predicated upon any oral representations, assurances, warranties, guarantees, or promises made by HOODZ INTERNATIONAL, LLC or any of its officers, employees, or agents (including any franchise broker) as to the likelihood of success of the franchise. I further acknowledge that I have not received any information from HOODZ INTERNATIONAL, LLC or any of its officers, employees, or agents (including any franchise brokers) concerning actual, average, projected, or forecasted franchise sales, profits, or earnings, other than that which is contained in Item 19 of the Franchise Disclosure Document. If I believe that I have received any information concerning actual, average, projected, or forecasted franchise sales, profits, or earnings, I will describe them in the space below. If no information concerning actual, average, projected, or forecasted franchise sales, profits, or earnings, other than those contained in Item 19, have been received, please write "None."

ACKNOWLEDGED BY:

Signature

Date: _____

ACKNOWLEDGED BY:

Signature

Date: _____

EXHIBIT A-5 TO THE FRANCHISE AGREEMENT.

GENERAL RELEASE – RENEWAL

THIS SETTLEMENT AND RELEASE is being made by and between HOODZ INTERNATIONAL, LLC (“HOODZ”) and [Name] (together referred to as the “FRANCHISE OWNER” and/or “you”) resident of [State], and [Corp/LLC.,] (“Franchisee”) and shall be effective as of the date of the last signature below.

W I T N E S S E T H:

WHEREAS, HOODZ and FRANCHISE OWNER(S) entered into Franchise Agreement on the [date] (the “Franchise Agreements”) for the operation of a HOODZ business in a defined territory(s) in the state of [State] (the “Business”), which Franchise Agreements is being renewed;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by and between each of the parties, it is agreed and understood as follows:

1. FRANCHISE OWNER(S) and FRANCHISOR have agreed upon new renewal Franchise Agreements, to be executed contemporaneously with this Mutual Release, which will replace your original Franchise Agreements, thus continuing FRANCHISE OWNER(S)’s rights to operate a HOODZ business within a Territory, as defined in the Franchise Agreement in the State of [State].
2. In reliance upon the execution of renewal Franchise Agreements, the parties agree to the following mutual releases:
 - A. FRANCHISE OWNER(S) and FRANCHISEE, for themselves and for their employees, agents, heirs, successor and assigns, and for every other person, firm, entity, and/or corporation succeeding to the interest of FRANCHISE OWNER(S) and/or FRANCHISEE, hereby releases, acquits, and forever discharges HOODZ and its directors, officers, shareholders, employees, agents, legal representatives, successors and assigns, and every other person, firm, entity, and/or corporation succeeding to its interests, from any and all claims, actions, causes of action, demands, costs, losses, expenses and suits whatsoever and of every conceivable kind, character, and nature, whether absolute or contingent, and whether known or unknown, which either party may have against the other, by reason of, or arising out of, or in any way related to any acts or omissions of the other party occurring prior to the date of this Release.
 - B. HOODZ, for themselves and for their employees, agents, heirs, successor and assigns, and for every other person, firm, entity, and/or corporation succeeding to the interest of FRANCHISOR, hereby releases, acquits, and forever discharges FRANCHISE OWNER(S) and/or FRANCHISEE and their directors, officers, shareholders, employees, agents, legal representatives, successors and assigns, and every other person, firm, entity, and/or corporation succeeding to its interests, from any and all claims, actions, causes of action, demands, costs, losses, expenses and suits whatsoever and of every conceivable kind, character, and nature, whether absolute or contingent, and whether known or unknown, which either party may have against the other, by reason of, or arising out of, or in any way related to any acts or omissions of the other party occurring prior to the date of this Release.

C. **[CALIFORNIA ONLY]** Except as set forth herein, HOODZ, FRANCHISE OWNER(S) and FRANCHISEE expressly waives and relinquishes all rights and benefits afforded by Section 1542 of the Civil Code of the State of California (“Section 1542”), and does so understanding and acknowledging the significance and consequence of such specific waiver of Section 1542. Section 1542 states as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH EITHER PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN ITS FAVOR AS OF THE DATE OF EXECUTION OF THIS AGREEMENT, WHICH IF KNOWN BY SUCH PARTY WOULD HAVE MATERIALLY AFFECTED THE TERMS OF THE AGREEMENT.”

Notwithstanding the provisions of Section 1542, and for the purpose of implementing the general release and discharges described in this paragraph, HOODZ, FRANCHISE OWNER(S) and FRANCHISEE expressly acknowledge that this Agreement is intended to include in its effect without limitation, all claims described in this paragraph which HOODZ, FRANCHISE OWNER(S) and/or FRANCHISEE does not know or suspect to exist in its favor at the time of execution hereof, and that this Agreement contemplates the extinguishment of any such claims.

3. Any controversy or claim whatsoever arising out of or relating to this Release or the enforcement of the promises made by the parties herein or with regard to the interpretation, formation, or breach of this Release, shall be settled by arbitration conducted in Southfield, Michigan in accordance with the Commercial Arbitration Rules of the American Arbitration Association and judgment upon the award rendered by the Arbitrator may be entered in any court having jurisdiction thereof. The Arbitrator must award costs and attorneys’ fees, including the Arbitrator’s fee, to be paid by the unsuccessful party.

4. Both parties acknowledges and agree that money damages will not be a sufficient remedy for any breach of this provision and that either party shall be entitled to specific performance as a remedy for any such breach. Such remedy shall not be deemed to be the exclusive remedy, but shall be in addition to all other remedies available at law or equity to the party. In the event of any litigation to enforce any of the terms of this Mutual Release, the unsuccessful party shall pay the costs and attorneys’ fees of the successful party.

5. Neither this Release nor any provision of this Release can be modified or waived in any way, except by an agreement in writing signed by each of the parties hereto, consenting to such modification or waiver.

6. All parties hereto do hereby acknowledge and agree that they have been represented by independent counsel of their own choice throughout all negotiations which preceded the execution of this Release, and that they have executed this Release with the consent and upon the advice of said independent counsel.

7. This Release may be signed in two or more counterparts, and will be effective when all the parties and signatories have affixed their signatures to two or more of the counterparts and they have been delivered as aforesaid, at which time the counterparts together will be deemed one original document.

8. The terms of this Mutual Release shall remain confidential and may not be disclosed except when and to the extent necessary to comply with applicable federal, state, or local laws or regulations.

9. This Agreement contains the entire agreement between the parties hereto concerning the resolution of any and all disputes or controversies between or among them.

10. **[MARYLAND ONLY]** This Mutual Release may not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

* * *

IN WITNESS WHEREOF, the parties have caused this Release to be executed as of the day and year written below.

HOODZ INTERNATIONAL, a Delaware Limited Liability Company:

By: _____ Dated: _____
John Rotche
Its: President

FRANCHISE OWNERS:

_____ Dated: _____
[Name]

_____ Dated: _____
[Name]

FRANCHISEE: [Corp., or LLC.]

By: _____ Dated: _____
[Name]
Its: Authorized Representative

And: _____ Dated: _____
[Name]
Its: Authorized Representative

EXHIBIT A-6 TO THE FRANCHISE AGREEMENT.

GENERAL RELEASE - ASSIGNMENT

THIS SETTLEMENT AND RELEASE is being made by and between HOODZ International, LLC. (“HOODZ” and/or “Franchisor”) and [Franchise Owner Name(s)] (together referred to as the “FRANCHISE OWNER(S)”), resident(s) of [State], and [Company] (“Franchisee”) and shall be effective as of the date of the last signature below.

WITNESSETH:

WHEREAS, HOODZ and FRANCHISE OWNER(S) entered into a Franchise Agreement on the _____ day of _____, 20__ (the “Franchise Agreement(s)”) for the operation of a HOODZ business in a defined territory(s) in the state of [State Name(s)], (the “Business”);

WHEREAS, HOODZ and FRANCHISE OWNER(S) have reached agreement that it is in the best interest of all parties for FRANCHISE OWNER(S) to discontinue operations and terminate the Franchise Agreement, upon the terms and conditions specified below, and for the parties to exchange mutual releases;

NOW THEREFORE, in consideration of the mutual covenants and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by and between each of the parties, it is agreed and understood as follows:

1. Effective as of the date last signed below, FRANCHISE OWNER(S) hereby transfer, set over and assign to HOODZ all right, title and interest in and to the Franchise Agreement and agrees to abide by and observe all Post-Termination Obligations and Covenants Not to Compete as set forth in the Franchise Agreement.

2. HOODZ hereby releases FRANCHISE OWNER(S) from any further duties and obligations thereunder except those continuing duties and obligations specifically set forth in Paragraph 1 of this Agreement.

3. The parties hereby agree to the following mutual releases:

A. Except for the obligations of the parties herein contained, FRANCHISE OWNER(S) and FRANCHISEE for themselves, and their employees, agents, heirs, successors and assigns, and for every other person, firm, entity, and/or corporation succeeding to the interests of FRANCHISE OWNER(S) and/or FRANCHISEE, hereby releases, acquits, and forever discharges HOODZ and its directors, officers, members, shareholders, employees, agents, legal representatives, heirs, successors and assigns, and every other person, firm, entity, and/or corporation succeeding to its interests, from any and all claims, actions, causes of action, demands, costs, losses, expenses, and suits whatsoever and of every conceivable kind, character and nature, whether absolute or contingent and whether known or unknown, which FRANCHISE OWNER(S) and/or FRANCHISEE has, has had or may ever have against HOODZ, by reason of, or arising out of, or in any way related to any acts or omissions of the other party prior to the date of this Agreement.

B. Except for the obligations of the parties herein contained, HOODZ for themselves, and their employees, agents, heirs, successors and assigns, and for every other person, firm, entity, and/or corporation succeeding to the interests of HOODZ, hereby releases, acquits, and forever discharges FRANCHISE OWNER(S) and FRANCHISEE and its directors, officers, members, shareholders, employees, agents, legal representatives, heirs, successors and assigns, and every other person, firm, entity, and/or corporation succeeding to its interests, from any and all claims, actions, causes of action, demands, costs, losses, expenses, and suits whatsoever and of every conceivable kind, character and nature, whether absolute or contingent and whether known or unknown, which HOODZ has, has had or may ever have against FRANCHISE OWNER(S) and/or FRANCHISEE, by reason of, or arising out of, or in any way related to any acts or omissions of the other party prior to the date of this Agreement.

C. [CALIFORNIA – for use in CA only] Except as set forth herein, HOODZ, FRANCHISE OWNER(S) and FRANCHISEE expressly waives and relinquishes all rights and benefits afforded by Section 1542 of the Civil Code of the State of California (“Section 1542”), and does so understanding and acknowledging the significance and consequence of such specific waiver of Section 1542. Section 1542 states as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH EITHER PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN ITS FAVOR AS OF THE DATE OF EXECUTION OF THIS AGREEMENT, WHICH IF KNOWN BY SUCH PARTY WOULD HAVE MATERIALLY AFFECTED THE TERMS OF THE AGREEMENT.”

Notwithstanding the provisions of Section 1542, and for the purpose of implementing the general release and discharges described in this paragraph, HOODZ, FRANCHISE OWNER(S) and FRANCHISEE expressly acknowledge that this Agreement is intended to include in its effect without limitation, all claims described in this paragraph which HOODZ, FRANCHISE OWNER(S) and/or FRANCHISEE does not know or suspect to exist in its favor at the time of execution hereof, and that this Agreement contemplates the extinguishment of any such claims.

4. Any controversy or claim whatsoever arising out of or relating to this Mutual Release or the enforcement of the promises made by the parties herein or with regard to the interpretation, formation, or breach of this Mutual Release, shall be settled by arbitration conducted in Southfield, Michigan in accordance with the Commercial Arbitration Rules of the American Arbitration Association and judgment upon the award rendered by the Arbitrator may be entered in any court having jurisdiction thereof. The Arbitrator must award costs and attorney’s fees of the successful party.

5. Neither this Mutual Release nor any provision of this Mutual Release can be modified or waived in any way, except by an agreement in writing signed by each of the parties hereto, consenting to such modification or waiver.

6. All parties hereto do hereby acknowledge and agree that they have been represented by independent counsel of their own choice throughout all negotiations which preceded the execution of this Mutual Release, and that they have executed this Mutual Release with the consent and upon the advice of said independent counsel.

7. This Mutual Release may be signed in two or more counterparts, and will be effective when all the parties and signatories have affixed their signatures to two or more of the counterparts and they have been delivered as aforesaid, at which time the counterparts together will be deemed one original document.

8. The terms of this Mutual Release shall remain confidential and may not be disclosed except when and to the extent necessary to comply with applicable federal, state, or local laws or regulations.

9. This Agreement contains the entire agreement between the parties hereto concerning the resolution of any and all disputes or controversies between or among them.

10. [MARYLAND – for use in MD only] This Mutual Release may not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

11. [TRANSFERS – WHEN BUYER IS PAYING IN INSTALLMENTS]
FRANCHISE OWNER(S) and Franchisee acknowledge and agree (i) that they negotiated the sale of their franchise to Buyer Company without the assistance, or any other involvement of the Franchisor; (ii) that the purchase price for such sale (the “Purchase Price”) will not be paid in full at closing, but will be paid over a period of time after closing, and (iii) that they are assuming the full risk of nonpayment of the Purchase Price, FRANCHISE OWNER(S) and Franchisee further agree that they will not, in any manner, at any time, under any set of circumstances, seek payment of any portion of the Purchase Price from Mr. HOODZ International, LLC., and/or any of its directors, officers, members, shareholders, employees, agents, representatives, heirs, successors or assigns.

* * *

IN WITNESS WHEREOF, the parties have caused this Release to be executed as of the day and year written below.

HOODZ INTERNATIONAL, a Delaware Limited Liability Company:

By: _____ Dated: _____
John Rotche
Its: President

FRANCHISE OWNERS:

_____ Dated: _____
[Name]

_____ Dated: _____
[Name]

FRANCHISEE: [Corp., or LLC.]

By: _____ Dated: _____
[Name]
Its: Authorized Representative

And: _____ Dated: _____
[Name]
Its: Authorized Representative

**EXHIBIT A-7 TO THE FRANCHISE AGREEMENT.
ELECTRONIC FUNDS TRANSFER (EFT) AUTHORIZATION**

AUTOMATIC DEBIT OF AMOUNT DUE TO FRANCHISOR

Franchise Managing Owner: _____

I, Franchise Managing Owner of _____ (company) a HOODZ INTERNATIONAL, LLC Franchised Business, authorize HOODZ INTERNATIONAL, LLC; (referred to as "Franchisor") to debit on Fridays (or such other day we designate in our sole discretion, (the "Due Date")) from Franchise Owner's bank account, the amount of Royalty due to the Franchisor based on Gross Sales of the above referenced HOODZ INTERNATIONAL, LLC franchise, the Weekly Technology & License Fees, the Home Page Fee, as well as fees associated to the call center, regional and/or national account programs, the direct mail campaign, Human Resource Assistance and the annual convention, any Late Fees or Interest, and any other fees owing to Franchisor as they come due.

I understand that I must pay Royalties for Gross Sales as agreed in the Franchise Agreement. I also understand that for purposes of paying Royalty, Franchisor defines their week as beginning on Monday and ending on Sunday. The following week, Franchisor will run a report of my weekly sales through the franchise management software, and notify me of any royalty payments due. Franchisor will then draft the royalty from my bank account on the Due Date. I also understand that Franchisor may, with seven days prior notice to me, periodically specify other dates for payment of the royalty.

Franchisee Bank Information

Bank Name	
Bank Address	
Account Name	
ABA Routing Number	
Account Number	

FRANCHISEE: «LLC_or_Corp»

By: _____

Date: _____

«Name1»

Its: Managing Owner and Authorized Representative

**EXHIBIT A-8
TO FRANCHISE AGREEMENT**

GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the Franchise Agreement executed between _____ (“Franchisee”) HOODZ International, LLC, a Delaware Limited Liability Company, with its principal place of business at 731 Fairfield Court, Ann Arbor, Michigan 48108 (“Franchisor”) on _____, _____ (the “Agreement”) by the Franchisor, each of the undersigned hereby personally and unconditionally:

Guarantees to the Franchisor, its affiliates, and their successors and assigns, for the term of the Agreement, including renewals thereof, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and

Agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, including but not limited to all obligations thereunder to pay the Franchisor and the post-termination obligations, including, without limitation, such obligations set forth in Sections 6, 13.D.

Each of the undersigned waives the following:

1. Acceptance and notice of acceptance by the Franchisor of the foregoing undertaking;
2. Notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;
3. Protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;
4. Any right he or she may have to require that any action be brought against Franchisee or any other person as a condition of liability; and
5. Any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each of the undersigned consents and agrees that:

1. His or her direct and immediate liability under this guaranty shall be joint and several;
2. He or she shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so;
3. Such liability shall not be contingent or conditioned upon pursuit by the Franchisor of any remedies against Franchisee or any other person; and
4. Such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the Term, including renewals thereof.

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

WITNESS

GUARANTOR(S)

Dated:

Dated:

Dated:

Dated:

Dated:

Dated:

Dated:

Dated:

EXHIBIT B.

EXHIBIT B TO FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

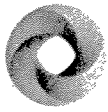
Financial Statements and Report of Independent
Certified Public Accountants

Hoodz International, LLC

December 31, 2009 and 2008

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Report of Independent Certified Public Accountants

To the Member of
Hoodz International, LLC

We have audited the accompanying balance sheets of Hoodz International, LLC (a Delaware limited liability corporation and wholly-owned subsidiary of Belfor Franchise Group, LLC) as of December 31, 2009 and 2008, and the related statements of operations and member's equity and cash flows for the year ended December 31, 2009 and the period October 3, 2008 (date of inception) through December 31, 2008. These financial statements are the responsibility of the Company's management. 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 as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hoodz International, LLC as of December 31, 2009 and 2008, and the results of its operations and its cash flows for the year ended December 31, 2009 and the period October 3, 2008 through December 31, 2008 in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

February 12, 2010
Southfield, Michigan

Hoodz International, LLC

Balance Sheets

December 31,

	<u>2009</u>	<u>2008</u>
Current Assets		
Cash	\$ 848,246	\$ -
Accounts receivable	434,027	-
Notes receivable, current portion (less allowance of \$60,000 and \$0, respectively)	<u>321,767</u>	-
Total current assets	<u>1,604,040</u>	-
Property and Equipment		
Software	46,285	-
Computers	13,464	-
Furniture and fixtures	11,067	-
Leasehold improvements	<u>3,908</u>	-
	74,724	-
Accumulated depreciation	<u>(5,954)</u>	-
	68,770	-
Other Assets		
Notes receivable, net of current portion	<u>642,593</u>	-
Total Assets	<u><u>\$2,315,403</u></u>	<u><u>\$ -</u></u>
Liabilities and Member's Equity		
Current Liabilities		
Accounts payable	\$ 62,609	\$ 1,659
Accrued expenses	<u>754,411</u>	-
Total current liabilities	<u>817,020</u>	1,659
Long-Term Liabilities		
Accounts payable – related parties	<u>435,676</u>	16,159
Total liabilities	<u>1,252,696</u>	17,818
Member's Equity (Deficit)	<u>1,062,707</u>	(17,818)
Total Liabilities and Member's Equity	<u><u>\$2,315,403</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

Hoodz International, LLC

Statements of Operations

	December 31, 2009	Period October 3, 2008 Through December 31, 2008
Revenues		
Franchise fees	\$1,705,640	\$ -
Royalties	<u>5,006</u>	<u>-</u>
	1,710,646	-
Selling expenses	588,121	-
General and administrative expenses	<u>692,000</u>	<u>17,818</u>
Net Income (Loss)	<u>\$ 430,525</u>	<u>\$ (17,818)</u>

The accompanying notes are an integral part of these financial statements.

Hoodz International, LLC
Statement of Member's Equity

October 3, 2008 (date of inception) through December 31, 2009

Balance – October 3, 2008 (date of inception)	\$ -
Net loss	<u>(17,818)</u>
Balance – December 31, 2008	(17,818)
Member contribution	650,000
Net income	<u>430,525</u>
Balance – December 31, 2009	<u><u>\$1,062,707</u></u>

The accompanying notes are an integral part of this financial statement.

Hoodz International, LLC

Statements of Cash Flows

	December 31, 2009	Period October 3, 2008 Through December 31, 2008
Cash Flows From Operating Activities		
Net income (loss)	\$ 430,525	\$ (17,818)
Adjustments to reconcile net income (loss) to net cash provided from operating activities:		
Depreciation	5,954	-
Bad debt expense	60,000	-
Changes in assets and liabilities:		
(Increase) in accounts receivable	(434,027)	-
(Increase) in notes receivable	(1,024,360)	-
Increase in accounts payable	60,950	1,659
Increase in accounts payable – related parties	419,517	16,159
Increase in accrued expenses	754,411	-
Net cash provided from operating activities	272,970	-
Cash Flows From Investing Activities		
Purchase of property and equipment	(74,724)	-
Net cash used in investing activities	(74,724)	-
Cash Flows From Financing Activities		
Capital contribution	650,000	-
Net cash provided from financing activities	650,000	-
Net increase in cash	848,246	-
Cash – beginning of period	-	-
Cash – end of period	<u>\$ 848,246</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Hoodz International, LLC
Notes to Financial Statements
December 31, 2009 and 2008

Note A – Nature of Business and Organization

Hoodz International, LLC (the “Company”) was formed and began operations on October 3, 2008 by Belfor Franchise Group LLC (Formerly Ductz Holdings, LLC), (the “Member”), a wholly-owned subsidiary of Belfor (USA) Group Inc. (“Belfor”). The Company’s operations are principally related to the sales and support of franchises for commercial premises cleaning businesses, particularly commercial kitchen equipment cleaning in the United States. For the year ended December 31, 2009, the Company added and currently has 69 franchised operations in the United States.

The Member is also the sole member of Hoodz North America, LLC, Ductz International, LLC, and Ductz North America, LLC.

The Company has evaluated all subsequent events through February 12, 2010, which is the date that the financial statements were issued.

Note B – Summary of Significant Accounting Policies

Revenue Recognition

Fees from the sales of franchises are recognized when a new franchise agreement is entered into with a franchisee. Royalty fee income, determined as a percentage of franchisee gross sales, is recognized in the period when earned.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

Cash consisted of deposits in operating accounts at December 31, 2009. Cash balances may be in excess of the amounts insured by the Federal Deposit Insurance Corporation.

Accounts Receivable

Accounts and royalty fees receivable are carried at customer invoice amounts. Royalty fees receivable are generated from billings performed by franchisees for services performed. Royalty fees receivable are reviewed monthly and based upon collection information and existing economic conditions, delinquent receivables are written-off in the period that determination is made. An allowance for doubtful accounts is established based on a specific assessment of all invoices that remain unpaid following normal customer payment periods. There was no allowance for doubtful accounts as of December 31, 2009.

Hoodz International, LLC
Notes to Financial Statements
December 31, 2009 and 2008

Note B – Summary of Significant Accounting Policies (Continued)

Notes Receivable

During the normal course of business, the Company may provide financing to franchisees in the form of notes. Notes receivable generally require monthly payments of principal and interest, generally ranging from 7% to 10%, due one to three years from the original issuance date. Such notes are generally secured by the related assets or business. The carrying amounts of these notes approximate fair value. Notes receivable are reviewed periodically and based upon collection information and existing economic conditions, delinquent receivables are written-off in the period in which the determination that they are delinquent is made. A reserve is established based on a specific assessment of each individual note. As of December 31, 2009 and 2008, the allowance for notes receivable was \$60,000 and \$0, respectively.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided using the straight-line method over the estimated economic useful lives of the individual assets, which range from three to five years. Depreciation of leasehold improvements is provided using the straight-line method over the lesser of the economic useful life of the improvement or the term of the lease. The cost of assets retired or otherwise disposed and the related accumulated depreciation are removed from the accounts, with any gain or loss realized upon sale or disposal credited or charged to income. Repairs and maintenance are charged to expense as incurred. Depreciation expense was \$5,954 and \$0 for the year ended December 31, 2009 and period ended October 3, 2008 through December 31, 2008, respectively.

Income Taxes

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable by, or provided for the Company. The Company adopted Accounting Standards Codification (“ASC”) Topic 740, Income Taxes during the year. The Company had no unrecognized tax benefits as defined by ASC Topic 740 as of December 31, 2009 and 2008 and expects no significant increases or decreases in unrecognized tax benefits due to changes in tax positions within one year of December 31, 2009.

Broker Commissions

The Company may pay a broker commission for a new franchisee. Broker commissions are expensed when a new franchise agreement is entered into with a franchisee.

Note C – Related Party Transactions

During the year ended December 31, 2009 and period October 3, 2008 through December 31, 2008, Ductz North America, LLC, a related party through common ownership, advanced \$429,206 and \$16,159, respectively, to the Company for working capital purposes. These amounts are included in accounts payable – related parties at December 31, 2009 and 2008.

Hoodz International, LLC
Notes to Financial Statements – Continued
December 31, 2009 and 2008

Note C – Related Party Transactions (Continued)

During the year ended December 31, 2009, Belfor advanced \$7,470 to the Company for working capital purposes. This amount is included in accounts payable – related parties at December 31, 2009.

The above amounts are offset by a \$1,000 advancement of funds from the Company to Hoodz North America, LLC a related party through common ownership.

On July 31, 2009 Belfor made a \$650,000 contribution to Hoodz in order for the Company to obtain franchise licenses in certain states. The activity is appropriately reflected in member's equity.

Note D – Advertising

The Company expenses advertising costs as incurred. Total advertising expenses for the year ended December 31, 2009 and period October 3, 2008 through December 31, 2008 amounted to \$104,481 and \$0, respectively.

EXHIBIT C TO THE FRANCHISE DISCLOSURE DOCUMENT.

STATE ADMINISTRATORS

State	State Administrator
CALIFORNIA	Commissioner of Corporations Department of Corporations 320 West 4 th Street, Suite 750 Los Angeles, CA 90013 213.576.7500 or Toll Free 866.275.2677
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 808.586.2722
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 217.782.1090
INDIANA	Indiana Secretary of State Securities Division Franchise Section, Room E-111 302 West Washington Street Indianapolis, IN 46204 317.232.6681
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 410.576.6360
MICHIGAN	Michigan Department of Attorney General; Division of Securities Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 517.373.7117
MINNESOTA	Minnesota Department of Commerce Commissioner of Commerce 85 7 th Place East, Suite 500 St. Paul, MN 55101 651.296.4026

State	State Administrator
NEW YORK	New York State Department of Law Bureau of Investor Protection and Securities, 23 rd Floor 120 Broadway New York, NY 10271 212.416.8222
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capital, Fifth Floor Dept. 414 Bismarck, ND 58505-0510 701-328-4712
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Securities 350 Winter Street, N.E. #410 Salem, OR 97310 503.378.4387
RHODE ISLAND	Department of Business Regulation Division of Securities 233 Richmond Street, Suite 232 Providence, RI 02903-4232 401.222.3048
SOUTH DAKOTA	Department of Revenue and Regulation Division of Securities 445 East Capital Avenue Pierre, SD 57501-3185 605.773.4823
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 th Floor Richmond, VA 23219 804.371.9051
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 360.902.8760
WISCONSIN	Wisconsin Securities Commissioner Department of Financial Institutions 345 W. Washington Ave., 4 th Floor Madison, WI 53703 608-266-1064

EXHIBIT D TO FRANCHISE DISCLOSURE DOCUMENT.

AGENTS FOR SERVICE OF PROCESS

State	Agent for Service of Process
CALIFORNIA	California Corporations Commissioner 320 West 4 th Street, Suite 750 Los Angeles, CA 90013 213.576.7500 or Toll Free 866.275.2677
HAWAII	Commissioner of Securities of the State of Hawaii 335 Merchant Street, Room 203 Honolulu, HI 96813 808.586.2722
ILLINOIS	Illinois Attorney General 500 South Second Street Springfield, IL 62706 217.782.1090
INDIANA	Indiana Secretary of State 201 State House Indianapolis, IN 46204 317.232.6681
MARYLAND	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 410.576.6360
MICHIGAN	Michigan Department of Commerce, Corporations and Securities Bureau 670 Law Building Lansing, MI 48913 517.373.7117
MINNESOTA	Minnesota Commissioner of Commerce 85 7 th Place East, Suite 500 St. Paul, MN 55101 651.296.4026
NEW YORK	Secretary of State, New York 41 State Street Albany, NY 12223
NORTH DAKOTA	North Dakota Securities Commissioner 600 East Boulevard Avenue State Capital, Fifth Floor Dept. 414 Bismarck, ND 58505-0510 701-328-4712
OREGON	Director of Oregon Department of Insurance and Finance 350 Winter Street, N.E. #410 Salem, OR 97310 503.378.4387

State	Agent for Service of Process
RHODE ISLAND	Director of Rhode Island Department of Business Regulation 233 Richmond Street, Suite 232 Providence, RI 02903-4232 401.222.3048
SOUTH DAKOTA	Director of South Dakota Division of Securities 445 East Capital Avenue Pierre, SD 57501-3185 605.773.4823
VIRGINIA	Clerk of State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, VA 23219 804.371.9051
WASHINGTON	Director of Washington Financial Institutions P.O. Box 9033 Olympia, WA 98507-9033 360.902.8760
WISCONSIN	Commissioner of Securities of Wisconsin 345 W. Washington Ave., 4 th Floor Madison, WI 53703 608-266-1064

EXHIBIT E TO FRANCHISE DISCLOSURE DOCUMENT.

STATE ADDENDA TO DISCLOSURE DOCUMENT

ADDITIONAL DISCLOSURES FOR THE STATE OF CALIFORNIA.

In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516, and the California Franchise Relations Act, Cal. Bus. & Prof. Code §§ 20000 – 20043, the Franchise Disclosure Document, in connection with the offer and sale of franchises for use in the State of California, shall be amended to include the following:

The following is added to the Cover Page of this Disclosure Document:

THE FRANCHISOR HAS BEEN IN EXISTENCE FOR A SHORT PERIOD OF TIME. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT

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.

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF CORPORATIONS BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

The cover page of this Disclosure Document is amended to state that the California's Department of Corporations toll free number is 866.275.2677 .

The following paragraphs are added at the end of Item 17 of the Disclosure Document:

1. California Law Regarding Termination and Non-Renewal. 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 contains any provision that is inconsistent with the law, the law will control.
2. Non-Competition Covenants. The Franchise Agreement contains a covenant not to compete that extends beyond the termination of the franchise. This provision may not be enforceable under California law.
3. Applicable Law. The Franchise Agreement requires application of the laws of the State of Michigan. This provision may not be enforceable under California law.
4. General Release. The Franchise Agreement requires you to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000-31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000-20043).

5. Applicable Law. The Franchise Agreement requires application of the laws and forums of the State of Michigan. This provision may not be enforceable under California law.
6. Arbitration. The Franchise Agreement requires binding arbitration. The arbitration will occur at the American Arbitration Association office located nearest to the offices of HOODZ International, LLC., or if that office is not available for a hearing or is located more than 100 miles from our principal business address, with each party to bear its own fees expenses, including attorney's and expert fees, regardless of whether or not they are a prevailing party, and the Arbitrator(s) will have the discretion to require the losing party to pay for the fees and costs of the Arbitration(s). This provision may not be enforceable under California law. 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 the Franchise Agreement restricting venue to a forum outside of the State of California.

OUR WEBSITE WWW.HOODZ.US.COM HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS, ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS AT WWW.CORP.CA.GOV.

Neither HOODZ, nor 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. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

California Effective Date: April 14, 2010

ADDITIONAL DISCLOSURES FOR THE STATE OF HAWAII

The following is added to the Cover Page of this Disclosure Document:

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

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

THE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT, THE CONTRACT OR

AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS, AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

SINCE ITS INCEPTION, THE FRANCHISOR HAS LOST \$17,818 CAUSING IT TO HAVE A DEFICIT NET WORTH OF \$17,818 AS OF DECEMBER 31, 2008.

The following is added to the end of Item 5 for the State of Hawaii:

We will defer your payment of the Base Fee and Initial Package Fee until we have completed our pre-opening obligations. The requirement is imposed by the Hawaii Department of Commerce and Consumer Affairs, Business Registration Division.

Registered agent in the state authorized to receive service of process: Director of Commerce and Consumer Affairs, Business Registration Division, 1010 Richards Street, Honolulu, HI, 96813

In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. Sections 482E-, *et. seq.*, the Franchise Disclosure Document of HOODZ International, LLC, in connection with the offer and sale of franchises for use in the State of Hawaii, shall be amended to include the following:

1. The following list is hereby added to the end of Item 20 of the Disclosure Document to reflect the status of our franchise registrations in states which have franchise registration and/or disclosure laws:
 - a. The states in which a registration is effective, in which we are relying on an exception, or where an offering has been filed:

California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.
 - b. The states in which a proposed registration of filing is or will be shortly on file:

None
 - c. The states, if any, which have refused, by order or otherwise, to register these franchises: None.
 - d. The states, if any, which have revoked or suspended the right to offer these franchises: None
 - e. The states, if any, in which proposed registration of these franchises has been withdrawn: None

Hawaii Effective Date: April 12, 2010

ADDITIONAL DISCLOSURES FOR THE STATE OF ILLINOIS.

The following is added to the cover page of this Disclosure Document as a Risk Factor:

THE FRANCHISOR HAS BEEN IN EXISTENCE FOR A SHORT PERIOD OF TIME, THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT

THE FRANCHISE AGREEMENT REQUIRES YOU TO ATTAIN, THEN MAINTAIN, CERTAIN MINIMUM MONTHLY GROSS SALES. IF AFTER TWO YEARS OF BUSINESS YOU DO NOT

ACHIEVE THE REQUIRED MINIMUM GROSS SALES OF A PERIOD OF 3 OR MORE CONSECUTIVE MONTHS, THE FRANCHISOR MAY COLLECT FROM YOU A ROYALTY EQUAL TO WHAT YOU WOULD HAVE BEEN ASSESSED HAD YOU ACHIEVED THE MINIMUM GROSS SALES.

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, 815 ILCS 88705/1 et. seq., the Franchise Disclosure Document, in connection with the offer and sale of franchises for use in the State of Illinois, shall be amended to include the following:

The following language is added to the table in Item 17 at the end of the Summary sections of provisions (v) and (w) entitled Choice of Forum and Choice of Law: “subject to state law, and except for any claims arising under the Illinois Franchise Disclosure Act of 1987.” Illinois law will govern the Agreement and all litigation will be commenced in Illinois.

Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Investment Act of 1987 are met independently without reference to this Addendum to the Disclosure Document.

Item 5 is amended to include notice that HOODZ is bonded by the Hartford Fire Insurance Company for the amount of \$120,000 to ensure fulfillment of all of our obligations to you under the Franchise Agreement. The Illinois Attorney General has imposed the bond requirement because of our financial condition.

Illinois Effective Date: April 1, 2010

ADDITIONAL DISCLOSURES FOR THE STATE OF INDIANA.

In recognition of the requirements of the Indiana Code, Title 23, Article 2, Chapter 2.7, Sections 1 -7; amended by Laws of 1985, PL 233, the Franchise Disclosure Document, in connection with the offer and sale of franchises for use in the State of Indiana, shall be amended to include the following:

1. It is unlawful for any Franchise Agreement entered into between any franchisor and a franchisee that is either a resident of Indiana or a nonresident who will be operating a franchise in Indiana, to contain any of the following provisions. The following statements are added at the end of the Franchise Agreement table in Item 17: “Any release required as a condition of renewal and/or transfer will not apply to any claims that may arise under the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Act.”
2. The Summary section of Item 17(r.) entitled Non-Competition Covenants after the Franchise Terminates or Expires is amended to provide that the provisions contained in the Franchise Agreement and Item 12 of this Disclosure Document are subject to Indiana Code 23-2-2-7-1(9), which prohibits covenants not to compete which extend beyond any exclusive Territory granted to you.
3. Item 17(v) and 17(w) entitled Choice of Forum and Choice of law are amended to provide that Michigan law generally applies except for matters arising under the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Act.
4. In reference to Section 15.I. of the Franchise Agreement, such waivers constitute a limitation on litigation and therefore violate IC 23-2-2.7-1(10) and may not occur under this provision.

5. In reference to Section 15.K. of the Franchise Agreement, such a limitation of claims may only be barred unless an action is brought more than two years after the violation pursuant to IC 23-2-2.7-7.

Each provision of these Additional Disclosures to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Franchise Disclosure Law, Indiana Code 23-2-2.5-1 to 23-2-2.5-51, and the Indiana Deceptive Franchise Practices Act, Indiana Code 23-2-2.7-1 to 23-2-2.7-10, are met independently without reference to these Additional Disclosures to the Disclosure Document.

Indiana Effective Date: March 31, 2010

ADDITIONAL DISCLOSURES FOR THE STATE OF MARYLAND.

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the Uniform Franchise in connection with the offer and sale of franchises for use in the State of Maryland, shall be amended to include the following:

Item 5 is amended to include notice that HOODZ is bonded by The Hartford Fire Insurance Company for the amount of \$90,000 to ensure fulfillment of all of our obligations to you under the Franchise Agreement.

Item 15. The following is added to the end of Item 15.

Only the Franchise Owners need to personally guarantee the business (first paragraph of Franchise Agreements.) Any partners or spouses involved in the business, a designated Managing Owner and/or employee will need to execute non-disclosure and confidentiality agreements that we have approved. (Section 6.C. of the Franchise Agreements). We do not have a standard form, as laws vary between states; however, we do require that such agreements will prohibit disclosure, by the employee to any other person or legal entity, of any trade secrets, customer lists, or other information, knowledge, or know-how regarding the System or the operation of the Business, which is deemed confidential or proprietary by us. Such employee non-disclosure and confidentiality agreements will, to the fullest extent permitted by applicable law, prevent employees from servicing or soliciting any of the customers of your Business, except in their capacities as employees of the Business. The agreements to be signed by a partner, spouse, or designated Managing Owner, will also need to include a non-compete agreement, which must comply with your state law. A fully executed copy of each agreement is to be sent to us.

Item 17.C. and 17.M. require a general release as a condition of renewal, sale, and/or transfer. Any such release shall not apply to any liability that falls under the Maryland Franchise Registration and Disclosure Law.

Item 17.U. requires that except for certain claims, all disputes must be arbitrated before the American Arbitration Association office closest to our then principal business address, or if that office is not available for a hearing or is located more than 100 miles from our principal business address, the hearing location utilized by the American Arbitration Association nearest to our the existing principal business address,. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought by you within three (3) years after the grant of the Franchise.

Item 17.V. requires that all actions will be commenced in the state, and in the state, or federal court of general jurisdiction, closest to our principal business address at the time of the action except for claims arising under the Maryland Franchise Registration and Disclosure Law, which may be commenced by you in Maryland.

Exhibit A-4 of the Franchise Agreement is a Disclosure Acknowledgement Statement. Such representations 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.

The following is added to the end of the Item 17 chart:

Despite any contradicting provision in the Franchise Agreement, you have 3 years from the date on which we grant you the franchise to bring a claim under the Maryland Franchise Registration and Disclosure Law.

ADDITIONAL DISCLOSURES FOR THE STATE OF MINNESOTA.

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat 80C.01 through 80C.22, and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules 2860.0100 through 2860.9930, the Franchise Disclosure Document in connection with the offer and sale of franchises for use in the State of Minnesota shall be amended to include the following:

Item 13 “Trademarks, Service Marks, Trade Names Logotypes and Commercial Symbols,” is amended by the addition of the following:

Pursuant to Minnesota Stat. Sec. 80C.12, Subd. 1(g), we are required to protect any rights that you have to use our proprietary rights, including your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suite or demand regarding the use of the name.

Item 17 “Renewal, Termination, Transfer, and Dispute Resolution,” is amended by the addition of the following paragraphs:

1. Minn. Rule 2860.4400J. prohibits the waiver of a jury trial.
2. Minn. Stat. 80C.17, Subd. 5 requires that no action may be commenced pursuant to this section more than three years after the cause of action occurs.
3. Minn. Stat. Sec. 80C, 14 Subds. 3, 4, and 5 requires that, except in certain specified cases, a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Franchise Agreement, and that consent to the transfer of the franchise can not be unreasonably withheld.
4. Minn. Stat. 80C.21 and Minn. Rule 2860.4400J might prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or agreement can abrogate or reduce any rights you have under the Minnesota Franchises Law, including (if applicable) the right to submit matters to the jurisdiction of the courts of Minnesota and the right to any procedure, forum, or remedies that the laws of jurisdiction provide.
5. Minn. Rule 2860.4400D. prohibits us from requiring you to assent to a general release.

Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchises Law or the Rules and Regulations promulgated by the Minnesota Commissioner of Commerce, are met independently without reference to these Additional Disclosures in the Disclosure Document.

Minnesota Effective Date: April 5, 2010

ADDITIONAL DISCLOSURES FOR THE STATE OF NEW YORK.

The following is added to the Cover Page of the Disclosure Document:

SPECIAL RISK FACTORS:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT C 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 DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NY 10271.

THE FRANCHISOR HAS BEEN IN EXISTENCE FOR A SHORT PERIOD OF TIME. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT.

REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NY 10271.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATION PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

The following should be added to Item 3 of this Disclosure Document:

Item 3. Litigation. The first paragraph is deleted in its entirety and replaced with the following:

“Neither we, nor anyone identified in Item 2:

1. Has an administrative, criminal, or civil action alleging: a felony; 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.
2. 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 or pleaded nolo contendere to a misdemeanor charge; or been held liable in a civil action alleging:

violation of a franchise, antitrust, or securities law; fraud; embezzlement; misappropriation of property; unfair or deceptive practices, or comparable allegations.

3. Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise or under any federal, state, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, as a result of 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 franchise as a real estate broker or sales agent.

Item 4. Bankruptcy. The first paragraph is deleted in its entirety and replaced with the following:

“Neither we, nor any of our predecessors, affiliates, officers or general partners have, during the 10 year period immediately preceding the date of the Disclosure Document; (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 U.S. 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 ours held this position in the company or partnership.”

Item 11. The following is inserted at the end of Item 11: “Advertising on the Internet”. We have no restrictions regarding our use of the internet or the worldwide web for advertising purposes. You must have a customized web site connected to our web site and managed by our web site provider (Items 6 and 8 of this Disclosure Document). You may not develop and implement a HOODZ web site through a third party provider (Item 8 of the Disclosure Document and section 4.C.3. of the Franchise Agreement).

Item 15. The following is inserted to the end of paragraph 1: If you hire an employee to serve as the Managing Owner of the business (“delegate”), the delegate does not need to have any ownership in the business. However, the delegate must attend Business Manager and Technical Operations Training and sign our Confidentiality and Non-Disclosure document prior to assuming this role. Your delegate must not have pleaded no contest or been convicted of a felony and must submit to a background check, whose cost is to be paid by the Franchisee.

The following is added to the end of 17(c) and 17 (m):

“However to the extent required by applicable law, all rights you enjoy and any causes of action arising by 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.”

Item 17.D. Summary Column, is amended to read: “You may terminate any time with at least 60 days prior written notice. You may terminate on any grounds available by law.”

Item 17.J. Summary Column, is amended to read: “No restriction on us of the right to assign however, no assignment will be made except to an assignee that, in our good faith judgment, is willing and able to assume our obligations under the Franchise Agreement.”

Item 17.S. Summary Column, the following is added to the end of Item 17.S.:

“Modifications to the Team Train Operations Manual will not unreasonably affect your obligations under the Franchise Agreement.”

Item 17.V. and 17.W. Summary Column, is amended to read:

“However, the governing choice of law and choice of forum should not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York.”

New York Effective Date: May 7, 2010

ADDITIONAL DISCLOSURES FOR THE STATE OF NORTH DAKOTA

For franchises and franchisees subject to the North Dakota Franchise Investment Law, the following information supersedes on supplements, as the case maybe, the corresponding disclosures in the main body of the text of the Hoodz International, LLC Franchise Disclosure Document.

1. Item 17 is amended by the addition of the following language to the original language that appears therein:

(a) Covenants not to compete upon termination or expiration of a Franchise Agreement are generally unenforceable in North Dakota, except in certain instances as provides by law.

(b) Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.

(c) Any provision in the Franchise Agreement which requires a franchisee to waive his or her right to a jury trial has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(d) Any provision requiring a franchisee to sign a general release upon renewal of the Franchise Agreement has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(e) Apart from civil liability as set forth in Section 51-19-12 of the 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 and it is unfair to franchise investors to require them to waive their rights under North Dakota Law.

(f) Any provision in the Franchise Agreement requiring that the agreement be construed according to the laws of a state other than North Dakota are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

North Dakota Effective Date: April 27, 2010

ADDITIONAL DISCLOSURES FOR THE STATE OF RHODE ISLAND

The following is added to the Cover Page of the Disclosure Document:

EVEN THOUGH THE FRANCHISE AGREEMENT PROVIDES THAT “HOME STATE” LAW APPLIES, LOCAL LAW MAY SUPERSEDE IT IN YOUR STATE. PLEASE REFER TO ANY STATE-SPECIFIC ADDENDUM THAT MAY BE ATTACHED TO THE OFFERING FOR DETAILS.

In recognition of the requirements of the State of Rhode Island Franchise Investment Act §19-28.1 et seq., the Franchise Disclosure Document for HOODZ International, LLC, for use in the State of Rhode Island is amended as follows:

- 1) Item 17 (u) shall be amended to read: §19-28.1-21 (a) A person who violates any provision of this act is liable to the franchisee for damages, costs, and attorneys and experts fees. In the case of a violation of §§19-28.1-5, 19-28.1-8, or 19-28.1-17(1)-(5), the franchisee may also sue for rescission. No person shall be liable under this section if the defendant proves that the plaintiff knew the facts concerning the violation. (b) Every person who directly or indirectly controls a person liable under this section, every principal executive officer or director of the liable person, every person occupying a similar status or performing similar functions, and every agent or employee of a liable person, who materially aids in the act or transaction constituting the violation, is also liable jointly and severally with and to the same extent as the person liable under this section, unless the agent, employee, officer, or director proves he or she did not know, and in the exercise of reasonable care could not have known of the existence of the fact by reason of which the liability is alleged to exist.
- 2) Item 17 (v)(w) shall be amended to read: §19-28.1-14 A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this act.

RHODE ISLAND Effective Date: October 18, 2010

ADDITIONAL DISCLOSURES FOR THE STATE OF WASHINGTON

The following is added to the cover page for the state of Washington:

Risk Factor:

THE FRANCHISOR HAS BEEN IN EXISTENCE FOR A SHORT PERIOD OF TIME. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT

IT IS IMPORTANT TO NOTE THAT HOODZ INTERNATIONAL, LLC’S LIABILITIES EXCEEDS ITS TANGIBLE ASSETS WHICH MAY ENTAIL ADDITIONAL RISK OF FINANCIAL LOSS.

Item 5 is amended to include notice that HOODZ is bonded by the Hartford Fire Insurance Company for the amount of \$120,000 to ensure fulfillment of all of our obligations to you under the Franchise Agreement.

Washington Addendum and Item 17 should state: “If any provision in this Disclosure Document or Franchise Agreement are inconsistent with the relationship provisions of Revised Code of Washington, Section 19.100.180 or any other requirements of the Washington Franchise Investment Protection Act (the “Act”), the provisions of the Act will prevail over the inconsistent terms of the Disclosure Document or Franchise Agreement.

WASHINGTON Effective Date: April 14, 2010

EXHIBIT F TO FRANCHISE DISCLOSURE DOCUMENT.

LIST OF FRANCHISEES

HOODZ of Greater Palm Beach
Jeff Koc
9933 Cobblestone Creek Drive
Boynton Beach, FL 33472
(561) 200-0734
jeffrey.koc@hoodz.us.com

HOODZ of Auburn / Columbus
Vernon (Chris) Brown
1484 South Thompson Road
Pine Mountain, GA 31822
(706) 358-4045
chris.brown@hoodz.us.com

HOODZ of the Triad
Rick Christy
1577D New Garden Road, Suite 293
Greensboro, NC 27410
(336) 310-0149
rick.christy@hoodz.us.com

HOODZ of Omaha / Lincoln
Bill Carter and Jim Haiar
17330 W. Center Road, Suite 110
Omaha, NE 68130
(402) 884-8681
bill.carter@hoodz.us.com

HOODZ of Greater Columbia
Timothy Mozley
7001 St. Andrews Road, Suite 313
Columbia, SC 29212
(803) 233-4097
timothy.mozley@hoodz.us.com

HOODZ of S. Nashville/Brentwood/Murfreesboro
Paul DePhillips
9725 Turner Lane
Brentwood, TN 37027
(615) 283-3582
paul.dephillips@hoodz.us.com

HOODZ of Orlando
James and Maggie VonBruchhaeuser
2493 Tahoe Circle
Winter Park, FL 32792
(989) 528-0003
mark.christ@hoodz.us.com

HOODZ of Buckhead, Downtown & S. Atlanta
James and Carolyn Christensen
100 Millbrook Village Drive, Suite A
Tyrone, GA 30290
(770) 631-2424
carolyn.christensen@hoodz.us.com

HOODZ of the Triangle
Gus and Lissette Gruber
5020 Departure Dr., Ste. G, Apt #104
Raleigh, NC 27616
(704) 541-1689
gus.gruber@hoodz.us.com

HOODZ of Northwest and Central Ohio
Frank and Andrea Kuhr
3605 Eber Road
Monclova, OH 43542
(419) 367-5853
frank.kuhr@hoodz.us.com

HOODZ of Greater South Dakota
Bradley Schmeling
740 19th Street NE
Watertown, SD 57201
(605) 520-0629
bradley.schmeling@hoodz.us.com

HOODZ of N. Nashville/Dickson/Bowling Green
Larry and Debra Jameson
73 White Bridge Road, Ste. 103-109
Nashville, TN 37205
(615) 457-1495
larry.jameson@hoodz.us.com

HOODZ of Northern Wasatch Front
Brent and Kristine Roylance
2122 W. 1800 N., #343
Clinton, UT 87015
(801) 731-6653
brent.roylance@hoodz.us.com

EXHIBIT G TO FRANCHISE DISCLOSURE DOCUMENT.

LIST OF FORMER FRANCHISEES

HOODZ of Anniston/Gadsden/Downtown Birmingham
William Smith⁵
317 Lenlock Drive
Anniston, AL 36206
(256) 820-0608

⁵ William Smith entered into a Franchise Agreement with HOODZ International, but decided not to move forward. He did not complete training or launch his business.

EXHIBIT H1 TO FRANCHISE DISCLOSURE DOCUMENT.

FRANCHISE ORGANIZATIONS WE HAVE CREATED, SPONSORED OR ENDORSED

As of the date of this Disclosure Document, to our knowledge, there are no Independent HOODZ Franchise Associations.

**EXHIBIT H2 TO FRANCHISE DISCLOSURE DOCUMENT.
INDEPENDENT FRANCHISEE ASSOCIATIONS**

As of the date of this Disclosure Document, to our knowledge, there are no Independent HOODZ Franchise Associations.

EXHIBIT I TO FRANCHISE DISCLOSURE DOCUMENT : RECEIPT

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 HOODZ International, LLC offers you a franchise, it must provide the disclosure document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

If HOODZ International, 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, D.C. 20580 and the state agency listed on Exhibit D

[Maryland, New York and Rhode Island require 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, Oregon, and Washington require that we give you this Disclosure Document at least 10 business days before the execution of the franchise or other Agreement, or the payment of any consideration that relates to the Franchise Relationship.]

_____, of _____ acts as our franchise broker. His/her address is _____ and his/her telephone number is (____) _____.

_____, of HOODZ acts as our franchise salesperson. His/her address is 731 Fairfield Court, Ann Arbor, MI 48108 and his phone number is (734) 864- _____.

Date of Issuance: April 1, 2010

See Exhibit D for our registered agents authorized to receive service of process.

I have received a disclosure document dated _____, 20__ that included the following Exhibits:

- A. Exhibit A-1 Franchise Agreement and Related Materials
 - Exhibit A - Franchised Territory
 - Exhibit B - Initial Package
 - Exhibit C - Software Agreement
 - Exhibit D - Telephone and Other Listing Agreement
- Exhibit A-2 - State Addenda to Franchise Agreement
- Exhibit A-3 - Confidentiality/Non-Disclosure Agreement
- Exhibit A-4 - Disclosure and Acknowledgment
- Exhibit A-5 - General Release – Renewal
- Exhibit A-6 - General Release – Assignment
- Exhibit A-7 - Electronic Funds Transfer Agreement
- Exhibit A-8 - Guaranty and Assumption of Franchisee’s Obligations
- B. Financial Statements
- C. State Administrators
- D. Agents For Service of Process
- E. State Addenda to Disclosure Document
- F. List of Franchisees
- G. List of Former Franchisees
- H1. Franchisee Organizations We Have Created, Sponsored Or Endorsed
- H2. Independent Franchisee Associations
- I. Receipt

Date Received: _____

Signature of Prospective Franchisee

Print Name

You should return one copy of the signed receipt by signing, dating, and mailing it to HOODZ at 731 Fairfield Court, Ann Arbor, MI 48108 or faxing it to 734 222-0531, attention Janet Hughes. You may keep the second copy for your records.

April 1, 2010

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Signature of Prospective Franchisee

Print Name

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