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## Franchise Disclosure Circular - Mexico

EFFECTIVE DATE: March 1, 2002

Pursuant to Article 65 of the Regulations under the Industrial Property Law, the franchisor is now obligated to disclose the following ten items of information.

To simplify the language in this Franchise Disclosure Circular, "We" or "Company" means The Franchisor, WASH GUY.COM, INC. "You" means the person who buys the franchise, including any corporation, limited partnership, limited liability company or other business entity, including their owners.

### ITEM 1

#### THE NAME, CORPORATE NAME, ADDRESS AND THE CITIZENSHIP OF THE FRANCHISOR

Wash Guy.Com, Inc.  
4400 N. Scottsdale Road, Suite 9 #217  
Scottsdale, Arizona 85251  
An Arizona, United States Corporation

## ITEM 2

### DESCRIPTION OF THE FRANCHISE BEING GRANTED

We franchise a service business for the mobile cleaning of cars utilizing our systems, procedures and logos. You will establish and operate a unit of The Car Wash Guys, a mobile car wash service specializing in on-site washes at customer's homes and offices as well as fleet car and light vehicle washing for large companies or government organizations.

You must buy a fully mobile and self-contained car washing truck, or upon prior written approval, a fully mobile and self-contained car wash trailer. If we decide to approve your use of a trailer, we must approve the vehicle that will tow the trailer. You must paint and logo the tow vehicle as well.

## ITEM 3

### EXPERIENCE OF THE FRANCHISOR AND, TO THE EXTENT THAT THE FRANCHISE IS BEING GRANTED PURSUANT TO A MASTER FRANCHISE ARRANGEMENT, THE EXPERIENCE OF THE MASTER FRANCHISEE

We grant franchises and advise and assist you to establish and operate your own franchise known as THE CAR WASH GUYS. Our activities may include education, market planning, consulting, training and coordination of products and equipment distribution to you. We are a franchising company and anticipate franchising many other brand names in the future, all networked together.

Lance Winslow, President and Founder has operated several businesses similar to the business you will run since June 1979. From June 1979 until October 1984, Lance Winslow operated an aircraft washing service at three different airports under the names Speedy Waxers and Aero Speed Waxing. Lance Winslow then operated his mobile cleaning business under the name Aero-Auto Wash from November 1985 until April 1990. In June of 1989 Lance Winslow founded THE CAR WASH GUYS a sole proprietorship mobile car washing business based in California, United States which eventually became the basis of The Company prototype. He currently owns this business but does not operate any mobile car washing units. In October 1996 Lance Winslow founded and became president of Car Wash Guys International Inc., a California Corporation, a company that offered national and international franchises similar to the business you will run. He was President of this company from October 1996 until its closing in August 2000. In December 1999, in honor of the new millennium, to incorporate the extensive aspects of the internet and the world wide web into his business and to incorporate the requested service needs of the consumer and the franchisees, Lance Winslow founded and became president of Wash Guy.Com, Inc. (The Company). We have been offering franchises since January 2000.

Once a franchisee Core Services operating franchise has been established and operating for a period of one hundred twenty (120) calendar days, we may grant to the franchisee the right to become a Master Franchise.

## ITEM 4

### INTELLECTUAL PROPERTY RIGHTS THAT ARE BEING GRANTED PURSUANT TO THE FRANCHISE

No patents are material to the franchise. The Confidential Operations Manual is described in the Franchise Agreement. Although we have not filed an application for a copyright registration for the operations manual, we claim a copyright and the information is proprietary. The Franchise Agreement describes

limitations on the use of this manual by you and your employees. You must also advise us when you learn about unauthorized use of this proprietary information.

The Company has proprietary know-how in the form of trade secrets, operating methods, specifications, techniques, information and systems used in servicing customers efficiently and in the marketing of your business. This know-how is disclosed in part by a Confidential Operations Manual, written by Lance Winslow, which you receive solely for the purpose of developing the franchise and only for the term of the Franchise Agreement. You have access to this manual on loan for the term of the Franchise Agreement.

We grant you the right to operate a mobile car wash business under the service marks "THE CAR WASH GUYS" and any other marks we may designate conveyed to you on our intranet system or revisions to our Confidential Operations Manual. A Certificate of Registration of the service mark "THE CAR WASH GUYS" has been granted to Lance Winslow, a United States citizen, by the United States Commissioner of Patents and Trademarks on the Principal Register as Certificate of Registration No. 75/172580 on September, 26, 1996. This registration has been assigned to Lance Winslow, who in turn has leased to us the use of the name.

**ITEM 5**

**AMOUNT AND NATURE OF THE PAYMENTS TO BE MADE BY THE FRANCHISEE TO THE FRANCHISOR**

<b>Name Of Fee</b>	<b>Amount</b>	<b>Date Due</b>	<b>Remarks</b>
Initial Fee	US \$20,000	Within ten (10) business days of the date of the signing of the franchise agreement	We do not offer financing arrangements for this initial fee.
Royalty Truck/Unit	US \$100.00 per month	On or before the 17 <sup>th</sup> of each month	Based on US \$5.00 per day and an average of 20 work days per month. Each month is always US \$100.00.
Promotional Fund Contribution	US \$100.00 per month	On or before the 17 <sup>th</sup> of each month	Due if such a fund is established.
Transfer Fee	US \$5,000 or US \$10,000	Upon transfer	US \$5,000 if transfer to an existing franchisee or US \$10,000 if transfer to a new franchisee.

All payments due to us shall be made in U.S. Dollars. All fees and payments are non-refundable.

## ITEM 6

### DESCRIPTION OF THE SERVICES AND TECHICAL ASSISTANCE TO BE PROVIDED BY THE FRANCHISOR TO THE FRANCHISEE

This table lists the franchisor's principal obligations under the Franchise Agreement. More detailed information about each topic is provided in the Franchise Agreement.

#### Obligations of Franchisor

- Designate Marketing Area
- Approve Site Selection
- Assist With Design Of Facilities Layout
- Provide Initial Equipment Specifications
- Conduct Initial Training
- Provide Loaned Copy Of Confidential Operations Manual
- Prescribe Minimum Insurance Standards
- Provide Corporate Internet System
- Encouragement of Community Support
- Approve Manager Training
- Provide Or Approve On-Going Training – Specific, General, New Hires
- May Provide Advisory Services
- Development Of And Approval Of Vendors For Proprietary Products and Proprietary Equipment
- Approval Of Vendors For Non-Proprietary Equipment and Supplies
- Right Of Entry And Inspection
- May Offer Right To Service National and International Accounts

## ITEM 7

### DESCRIPTION OF THE GEOGRAPHICAL AREA IN WHICH THE FRANCHISE IS TO BE OPERATED

You will be granted a nonexclusive Marketing Area defined by geographic boundaries as determined by us after giving considerations to relevant demographic information, including the number of vehicles, population and other demographics, the actual boundaries of which are set forth on Exhibit 1 attached to the Franchise Agreement.

## ITEM 8

### **DISCLOSURE AS TO WHETHER THE FRANCHISEE IS GRANTED THE RIGHT TO GRANT SUB-FRANCHISES AND UNDER WHAT CIRCUMSTANCES AND CONDITIONS**

Once your Core Services operating franchise has been established and operating for a period of one hundred twenty (120) calendar days, we may grant to you the right to sell to other parties franchises of The Car Wash Guys or Wash Guys Systems (the right to become a "Master Franchise") within the boundaries of your designated Marketing Area only. If you have not established and have operational the Core Services franchise within one hundred eighty (180) calendar days of delivery of your initial car wash truck/unit, this right may be terminated by us.

## ITEM 9

### **EXTENT OF FRANCHISEE'S OBLIGATIONS WITH REGARD TO CONFIDENTIAL INFORMATION PROVIDED TO HIM BY THE FRANCHISOR**

The Company has proprietary know-how in the form of trade secrets, operating methods, specifications, techniques, information and systems used in servicing customers efficiently and in the marketing of your business. This know-how is disclosed in part by a Confidential Operations Manual, written by Lance Winslow, which you receive solely for the purpose of developing the franchise and only for the term of the Franchise Agreement. The Confidential Operations Manual is and will remain confidential and the franchisor's exclusive property. You will not disclose, copy or duplicate any part of the Confidential Operations Manual for any reason.

You agree that the Service Marks, Confidential Operations Manual, and System are our sole and exclusive property. You will not advertise or use the Service Marks without following our then current guidelines and requirements. You acknowledge and agree at all times and in all respects that the franchisor's trademarks, trade names, service marks, patents, copyrights and all goodwill (local, regional and national) are the franchisor's sole and exclusive property. You also acknowledge that you have only a license to use such rights and marks according to the provisions of this Franchise Agreement and in strict accordance with the standards, specifications and procedures as outlined in the Confidential Operations Manual.

The System includes valuable confidential information. You agree to not communicate or divulge the contents of our Confidential Operations Manuals, our Confidential Marketing Manuals, our intranet system or any other information related to the System or to the operation of the franchise or The Car Wash Guys or The Company franchise system to any person or entity except those we authorize to receive the information. You agree that these contents and information are confidential. They are our exclusive property, and you may only use them in the franchise subject to the provisions and duration of this Franchise Agreement. You agree to fully and strictly adhere to all security procedures we prescribe for maintaining the secrecy of the information. You agree to disclose information to your employees only to the extent necessary to perform the franchise business.

You will assure that you and all your agents, employees, consultants, partners, owners, officers, directors, and shareholders and other persons in your control, to whom any information is communicated, keep, preserve, and protect all confidential information.

You will not, during the term of this Franchise Agreement or thereafter, communicate, fax, e-mail, post on an internet electronic bulletin board, divulge or use for the benefit of any other person, persons, partnerships, associations, companies or corporations any confidential or proprietary information, knowledge or know-how concerning our methods of operation of the franchised business we have licensed to you or any information we have communicated to you in written, verbal or electronic form, including intranet passwords, for the operation of the franchise.

If the Franchise Agreement is terminated, all manuals, corporate newsletters and information packets and proprietary computer software and programs containing customer, industry and other data bases, sales letters, lists, fax, sales, advertising and marketing material and artwork are owned by us and will be returned upon termination of the Franchise Agreement. This includes all proprietary software loaned to you during the term of your franchise.

## ITEM 10

### DESCRIPTION OF THE RIGHTS AND OBLIGATIONS OF THE FRANCHISEE UNDER THE TERMS OF THE FRANCHISE AGREEMENT

This table lists the franchisee's principal rights and obligations under the Franchise Agreement. More detailed information about each topic is provided in the Franchise Agreement.

#### Rights

Use Of Marks And System In The Operation Of A Business In Your Marketing Area

#### Obligations

Payment Of Fees, Contributions And Royalties  
Site Selection and Execution of Lease  
Construction And Installation Of Tenant Improvements  
Owner Participation In Operation Of Business  
Owner And Managers Must Complete Training  
Employees – Hiring, Training, Maintaining Standards And Proprietary Information  
Training – Initial and On-Going  
Maintaining Confidentiality of Confidential Operations Manual  
Specifications And Requirements For Initial And On-Going Equipment, Inventory And Supplies  
Satisfy Pre-Opening And Opening Of Business Requirements  
Keep Business Hours Needed To Service Customer Demand  
Proper Apparel Must Be Worn By Employees  
Use Of Trade And Service Marks – Proprietary Rights, Proper Display,  
Operate in Accordance With Confidential Operations Manual  
Proprietary Products And Equipment – Purchase, Non-Modification And Use  
Display, Sale Or Use Of Approved Equipment And Supplies  
Franchisee May Determine Pricing  
Conduct Advertising And Promotional Activities  
Maintenance Of Accounting Records, Books And Reports and Rights Of Inspections  
Maintenance, Appearance And Repair of Business Location and Equipment  
Obligation With Regard To Proprietary And Confidential Information  
Acknowledgment Of And Agreement To Covenants Not To Compete  
Maintenance Of Insurance  
Maintenance And Display Of Signage  
Payment Of Taxes  
Compliance With Law  
Payment Of Operating Costs Of Doing Business  
Indemnify Hold Franchisor Harmless  
Servicing Of National And International Accounts  
Contracts With Customers  
Promotion And Development Of Business  
Obtain, Maintain And Update Computer System

**ITEM 11**

**RECEIPT**

This Franchise Disclosure Circular summarizes provisions for the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Circular and all agreements carefully.

If The Company offers you a franchise, The Company must provide this Franchise Disclosure Circular to you.

You must also receive a Franchise Agreement containing all material terms before you sign any Franchise Agreement.

You acknowledge that you have a proficient understanding of the written and spoken English language or have thoroughly discussed this Franchise Disclosure Circular and the Franchise Agreement with an attorney or advisor that has a proficient understanding of the written and spoken language of English.

I have received a Franchise Disclosure Circular dated \_\_\_\_\_.

Date: \_\_\_\_\_ Franchisee

\_\_\_\_\_  
As an individual or

\_\_\_\_\_  
As an officer, partner or member of  
(\_\_\_\_\_ corporation)  
(\_\_\_\_\_ partnership)  
(\_\_\_\_\_ limited liability company)