

FRANCHISE DISCLOSURE DOCUMENT

SECURIS FRANCHISING, LLC
a Virginia Limited Liability Company
14801 Willard Road Suite 800
Chantilly, VA 20151
866-509-7250



Securis Franchising, LLC offers individual unit franchises for the operation of a Securis® business (“Business”) offering clients data destruction and electronics recycling services, including on-site data shredding, data degaussing and the collection of discarded electronic and computer products.

The total investment necessary to begin operation of a Securis® franchise is \$86,100 to \$305,950. This includes an initial franchise fee of \$35,250 to \$85,250 that must be paid to the franchisor and/or its affiliate, as appropriate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive the disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate along 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 Adam Perel, 14801 Willard Road, Chantilly, VA 20151, (301) 987-9350.

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

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

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

Issuance Date: April 23, 2014.

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 A 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 IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF VIRGINIA. IT MAY COST MORE TO LITIGATE WITH US IN VIRGINIA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT APPLIES THE LAWS OF THE STATE OF VIRGINIA. THESE LAWS MAY BE LESS FAVORABLE THAN THE LAWS OF YOUR STATE.
3. THE FRANCHISOR MAY TERMINATE A FRANCHISEE IF THE FRANCHISEE FAILS TO MEET MINIMUM PERFORMANCE REQUIREMENTS. REFER TO ITEM 12 FOR COMPLETE DETAILS.
4. THE FRANCHISOR WAS FORMED ON SEPTEMBER 24, 2012 AND HAS A BRIEF OPERATING HISTORY. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.
5. 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.

State registration effective dates are listed on the following State Effective Dates page.

STATE EFFECTIVE DATES

The following states require that the 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 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:

State	Effective Date
Maryland	Pending
Virginia	Pending
New York	Pending
North Carolina	Exempt

In the states listed below, the effective date (and issuance date) of this disclosure document is April 23, 2014.

Alabama	Kansas	Ohio
Alaska	Massachusetts	Oklahoma
Arizona	Mississippi	Oregon
Arkansas	Missouri	Pennsylvania
Colorado	Montana	Tennessee
Delaware	Nevada	Vermont
District of Columbia	New Hampshire	West Virginia
Idaho	New Jersey	Wyoming
Iowa	New Mexico	

DISCLOSURES REQUIRED BY NORTH CAROLINA LAW

The state of North Carolina has not reviewed and does not approve, recommend, endorse, or sponsor any business opportunity. The information contained in this disclosure document has not been verified by the State. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

If Securis Franchising, LLC fails to deliver the products(s), equipment, or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify Securis Franchising, LLC in writing and demand that the contract be canceled.

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EXHIBITS:

- A – State Administrators/Agents for Service of Process
- B – State Specific Addenda
- C – Franchise Agreement with Exhibits
- D – Option Agreement
- E – Financial Statements
- F – Franchisee Disclosure Acknowledgment Statement
- G – Operations Manuals Table of Contents
- H – List of Franchisees
- I – List of Franchisees That Have Left the System
- J – Form of General Release

RECEIPTS

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

The Franchisor

Securis Franchising, LLC (“we”, “our” or “us”) is a Virginia limited liability company that was established on September 24, 2012, and has its principal place of business at 14801 Willard Road Suite 800, Chantilly, Virginia 20151. We do business under our corporate name and under our proprietary mark “Securis®.” We will refer to the person who buys this franchise as “you” throughout this Disclosure Document. If the franchise purchaser is a business entity, “you” also includes each partner, shareholder, member or other owner of that entity.

We are offering franchises for the operation of businesses operating under the “Securis®” brand which will provide its clients with a green alternative to computer and electronic recycling and a secure data destruction solution using our distinctive system (the “Business” or “Franchisee’s Business”). We have never offered franchises in any other line of business. We do not have any other business activities and do not currently operate businesses similar to the Franchisee’s Business, though we reserve the right to do so in the future. We began selling franchises in February 2013. Our agents for service of process are listed in Exhibit A.

Our Affiliate and Business Experience

The Securis® business system was created in 2003 by PC Recycler, Inc. (“Affiliate”). The business was developed using the mark “PC Recycler™” and our Affiliate continues to operate its business under the PC Recycler™ mark. It began also using the Securis® mark in September, 2012. Our Affiliate operates one business in Chantilly, Virginia, and has been operating that business since 2003. It serves clients from New York to Florida, which is similar to a Franchisee’s Business (though with a much larger territory than granted under this disclosure document). Our Affiliate is the exclusive approved supplier of all recycling services and which you will offer to your Clients. Our Affiliate shares our principal business address. Except as described above, neither we nor our Affiliate has offered franchises in any other line of business. Our Affiliate has never offered franchises of any type. Other than as described, we have no affiliates, predecessors or parents required to be disclosed in this Item 1.

The Franchise Offered

We grant you the right to operate a single Securis® Business within a specific geographic area and to develop business in that geographic area (“Protected Territory”) under the terms of the Securis® Franchise Agreement (“Franchise Agreement”). A copy of the Franchise Agreement is included in Exhibit C to this Disclosure Document. You must operate the Business under the Securis® system (the “System”), which includes methods of providing businesses, government agencies and institutions with a full range of electronic destruction and recycling services, including on-site hard drive shredding, hard drive degaussing and recycling of electronic and computer products using our prescribed standards, specifications, methods, procedures, technology, intellectual property, Confidential Information (as defined in Item 14), training, advertising, promotion, management programs, and service programs, all of which may be changed, improved and further developed.

The System is identified by certain trade names, service marks, trademarks, logos and emblems, including the mark “Securis®” (the “Marks”). In the future we may designate the use of new or additional Marks for use with the System. The Franchise Agreement gives you the right to use the Marks and the System solely in the operation of the Franchisee’s Business, and only from a location which we

approve. With a few exceptions described in Item 12, you are limited to serving Clients within your Protected Territory.

Your Franchisee's Business will offer a combination of (1) direct electronic destruction, shredding, degaussing security and other data audit services provided directly to clients ("Direct Services"), and (2) recycling services for any electronic product you collect from a Client which cannot be destroyed using Direct Services ("Recycled Material"). Recycled Material is shipped to our Affiliate or its designee ("Recycled Material Processor") for recycling, destroying, scrapping, refurbishing or reselling by us.

Option Agreement

Under the Option Agreement attached as Exhibit D to this Disclosure Document, we will grant you the exclusive right to enter into a Franchise Agreement to operate a Business within a specified territory (the "Option Territory"). You and we will agree on the time period within which the option must be exercised (the "Option Period"). We will not establish or operate, or grant to any third party the right to establish or operate, a Business in your Option Territory during the Option Period. You may exercise your option at any time during the Option Period by signing our then-current form of Franchise Agreement and paying our then-current initial franchise fee for the Option Territory. If you chose not to exercise your option to sign a Franchise Agreement for the Option Territory, your rights to the Option Territory will expire at the end of the Option Period. See Items 5 and 12 for additional details.

Market and Competition

Franchisees' Clients typically include companies with at least 100 employees and government agencies. We offer them a "green" alternative for electronic destruction and secure destruction of sensitive electronic information housed on electronics, computers, printers, scanners and copy machines.

The market for electronic recycling and destruction services is developing. Electronic recycling is growing at a rapid rate, as businesses are looking for ways to securely destroy unwanted data and recycle outdated equipment. Based on a report posted in *The Washington Post* in September, 2011, the electronic recycling industry is estimated at a \$5 billion industry. You may compete with businesses including electronics stores and chains offering recycling programs to individuals and companies and other e-waste management businesses. You will face other normal business risks that could have an adverse effect on your Business. These may include industry developments, such as pricing policies of competitors, and supply and demand, privacy and electronic security regulation and recycling management laws and regulations.

Industry Specific Laws

You must comply with all federal, state or local licensing, regulatory requirements and other laws that apply to your Business, including those pertaining to recycling and data destruction industry regulations, and consumer and data privacy laws and regulations. Many states regulate recycling and electronic recycling services, and you must obtain all necessary licenses and permits to offer recycling and electronic recycling services. You must monitor regulatory developments affecting your Business and at all times operate your Business with them. In addition, you must obtain certain certifications and licenses that we require. We require within 2 years of the opening date of your Business that your CEO obtain full National Association for Information Destruction (NAID) certification.

The national licensing and certification requirements and regulations for electronic recycling and destruction may be modified, amended or expanded at any time. Any modifications or amendments could adversely affect your Business and operations.

There may be other laws, rules or regulations that affect the Business. We recommend that you consult with your attorney for an understanding of them. You should consider these laws and regulations when evaluating your purchase of a franchise.

ITEM 2 **BUSINESS EXPERIENCE**

President and Chief Executive Officer and Director – Jeremy Farber

Mr. Farber has been our President and CEO since our inception and has been the President and CEO of our Affiliate, PC Recycler, Inc., since May 2003. Mr. Farber started the “Securis®” concept in 2003. He has been employed in Chantilly, VA since 2003

Director of Franchise Sales and Marketing – Daniel Mattock

Mr. Mattock has been our Director of Franchise Sales and Marketing since our inception and has been Executive Vice President of Sales for our Affiliate since September, 2010, where he has worked in our Chantilly, VA office. Mr. Mattock was a Sales Account Executive at JPN Masonry, LLC from January through September 2010, in Washington, DC. From May 2003 through January 2010, Mr. Mattock served as founder and director of business development at North Shore Design, LLC in Falls Church, Virginia. Mr. Mattock currently holds the LEED® Green Associate and Certified Secure Destruction Specialist certifications.

Vice President of Operations – Andrew Portare

Mr. Portare has been our Vice President of Operations since our inception in September, 2012. Mr. Portare served as the Operations Manager of our Affiliate from October 2010 to September 2012. From September, 2008, through September, 2010, Mr. Portare served as the Sale and Operation Integration Specialist at our Affiliate. Prior to that time, Mr. Portare was working on his Bachelor’s Degree in the School of Management at George Mason University in Fairfax, Virginia. He received his degree in December, 2009.

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

Initial Franchise Fee

For a single Franchisee’s Business, our Initial “Franchise Fee” will vary depending on the number of target employees in your Protected Territory as reported by the Bureau of Labor and Statistics. Your Protected Territory will be based on target employees within certain Standard Industry Code (SIC) categories, as described in Item 12. You will pay us an Initial Franchise Fee as follows:

Number of Target Employees (as reported by BLS)	Initial Franchise Fee
700,000 or Greater	\$85,000
450,000 to 699,999	\$60,000
449,999 or Less	\$35,000

The Initial Franchise Fee is fully earned when paid, is uniform for all franchisees, except as described below, and is not refundable under any circumstances.

Option Fee

You must pay to us an option fee at the time you sign an Option Agreement, which will vary depending upon the size of the Option Territory, the location of the Option Territory, and the length of the Option Period. During our fiscal year ended December 31, 2013, we charged Option Fees ranging from \$5,000 to \$60,000. If you exercise your option during the Option Period, we will credit the Option Fee towards the Initial Franchise Fee due under the Franchise Agreement for the Option Territory. The Option Fee is fully earned and non-refundable upon payment.

Other Initial Fees

Before opening, you must obtain from us or our Affiliate the software system required to operate your Business. Currently, we charge an initial fee of \$125 per seat or user for the first month of your software subscription, and an ongoing fee, as described in Item 6. This amount is nonrefundable upon delivery of the software.

Other than as described in this Item 5, there are no other purchases from or payments to us or any affiliate that you must make before your Business opens.

ITEM 6
OTHER FEES

Name of Fee (1)	Amount	Due Date	Remarks
Royalty on Direct Services	4% of all Gross Revenues from Direct Services	The 5 th day of each month by electronic funds transfer (or the next business day, if the 5 th of any month is not a business day)	See Note 2.
Processing	We remit to you only a portion of	See Note 3.	“Processing Commission” means the

Name of Fee (1)	Amount	Due Date	Remarks
Commission	all revenue received from processing, scrapping and selling recycled electronics through our Affiliate. Currently, your portion of the Processing Commission is 50% and our portion of the Processing Commission is 50%. This amount may be increased or decreased, as specified in the Manuals. See Note 3.		total income we receive from us, our Affiliate or designated third-party from the sale of processed Recycled Material. The Processing Commission is then split between you and us and currently, we remit to you 50% of the total commission received from the sale. See Note 3.
Electronics Disposal Fees	Then-current fees to dispose of items that cannot be considered as Recycled Material for processing, as described in the Manuals. Currently, we charge \$10 for TVs, \$10 for computer monitors, \$.60/lb. for alkaline batteries and \$.12/lb for any other software or plastic data storage device.	The 5 th day of each month by electronic funds transfer (or the next business day, if the 5 th of any month is not a business day)	We reserve the right to offset any Processing Commission owed to you by the amount of Electronics Disposal Fees owed to us.
Marketing Fund Contribution	2% of Gross Revenues, which we may remit back to you to spend in your local market until our Marketing Fund is established	The 5 th day of each month by electronic funds transfer (or the next business day, if the 5 th of any month is not a business day)	See Note 2. We will establish a Marketing Fund in which you must participate. We may discontinue the Marketing Fund at any time at our option. See Item 11 of this Disclosure Document for more details.
Local Marketing Expenditure	8% of Gross Revenues	Monthly, with report due by the 5th day of each month for the preceding month	See Note 2. You must spend at least the amount promoting your Franchisee's Business that we specify. At any time, we may require proof of your marketing expenditures.
Training Program – Additional and New Employees	\$1,000, plus expenses	At the time of the request for additional training	We will train the first two people at no additional charge. If you request that we provide our initial training program to additional people, whether before your Business opens or while it is operating, you must pay our then-current training fee. You must also pay for the expenses of all of your trainees, including travel, lodging, meals and wages
Additional On-Site Assistance	Our then-current per diem rate per trainer, plus expenses. The current per diem fee is \$300 per day, plus expenses, with a maximum of 5 days per training session.	When request for additional training is submitted	If you request that we provide additional training or assistance on-site at your Business, you must pay our then-current fee for each trainer we send. You must also reimburse our trainer's expenses, including travel, lodging and meals
Franchise Agreement Transfer Fee	\$10,000 for transfers to third party; \$5,000 for transfers to another Securis® franchisee.	With request for our approval of the transfer	

Name of Fee (1)	Amount	Due Date	Remarks
Franchise Assignment Fee	\$500	With request for our approval of an assignment	
Franchise Agreement Renewal Fee	10% of then-current initial franchise fee for the same class of franchise	At time of renewal	The renewal fee is paid to us in lieu of paying an Initial Franchise Fee when you renew your Franchise Agreement.
Software Licensing Fee	Amount depends on the number and type of user for the software; currently, you must pay \$65 per operations/administrator user and \$125 per sales user.	The 5 th day of each month by electronic funds transfer	Payable to us.
Technology Fee	\$200 per month	The 5 th day of each month by electronic funds transfer	See Item 11.
Interest on Overdue Amounts	Lower of 18% APR or highest rate permitted by law	On demand	Interest accrues from the original due date until payment is received in full
Audit	The amount of any deficiency, plus interest	On demand	If any audit shows an understatement of any amount payable to us of 2% or more, or if the audit is conducted because you have not provided required reports to us, then you must pay us the cost of the audit. We may also terminate your franchise.
Supplier's Review Fee	Reasonable cost of inspection and actual cost of test, not to exceed \$1,000 per application	Time of inspection	Applies to new suppliers or supplies you wish to purchase that we have not approved.
Insurance Procurement	150% of amount of unpaid premiums	As invoiced	You must use our designated insurance provider, and you must have the policies within 60 days after signing the Franchise Agreement. If you fail to maintain required insurance coverage and we elect to obtain coverage for you, you must reimburse us for 150% of the premiums paid on your behalf.
Cost of Enforcement	All costs including attorneys' fees	As invoiced	You will reimburse us for all costs in enforcing obligations if we prevail.
Indemnification	All costs including attorneys' fees	As invoiced	You defend suits at your cost and hold us harmless against suits claiming damages resulting from your operation of the Franchisee's Business.
NSF Fee	\$50	On demand	
Late Fees	\$50 for each payment, report or corrective action that is late as described in the Manuals	On demand	

Name of Fee (1)	Amount	Due Date	Remarks
National Franchisee Meeting Fees	\$500 to \$1,000	Upon invoice	
Holdover Fees	150% of the fees which would have been due to the Franchisor if the Franchise Agreement had neither terminated nor expired	By the Due Date specified for payment of each fee in the Franchise Agreement	
Business Non-Compliance Fee	150% of the Franchisor's cost of providing services to Clients which a Franchise Agreement or Client Services Agreement requires the Franchisee to provide	Upon demand	
Management System (Delinquency Charge)	\$100 per instance the Franchisee fails to submit reports in the manner required in the Manual	Upon demand	

NOTES:

- (1) Except where otherwise noted, all fees are payable to us, are non-refundable, and are uniformly imposed.
- (2) "Gross Revenues" means all revenue the Franchisee derives from operating the Franchisee's Business, including but not limited to, commissions, amounts received from us or our Recycled Material Processors for Recycled Material, and all amounts you bill for products or services sold at or away from the Business, and whether from cash, check or credit transactions, and paid to the appropriate taxing authority, for the previous month, regardless of when or whether the amounts are actually collected for services.

Gross Revenues include 100% of revenue derived from Direct Services, plus your share of Processing Commission derived from Recycled Material Processing services, as defined in the Manuals. Gross Revenues do not include Client refunds, adjustments, credits, and allowances actually made by the Franchisee's Business.

- (3) When Recycled Materials from more than one Franchisee are sold or disposed of together in a single or series of transactions, the Franchisor or the Affiliate may average the income and expenses associated with such disposition in calculating Processing Commissions. Currently, your portion of the Processing Commission is 50% and our portion of the Processing Commission is 50%, though upon 30 days' notice to you, we could decrease your Processing Commission share by up to 10% should scrap Recycling Materials constitute more than 50% of the Recycling Materials delivered to the Franchisor for a period of 60 days. "Final Processing" means electronics have been received and valued. If we or our designated Recycled Material Processor sells, wholly or in parts, the Recycled Materials, credits or payments will be made to you on the fifteenth (15th) and last days of each month, based upon payments received by the us by the tenth (10th) and twenty-fifth (25th) of the month, respectively. If we determine the Recycled Materials will be scrapped, credits or payments will be made to you on the fifteenth (15th) and last days of each month, based on estimates of value made by you for Recycled Material received by the tenth (10th) and twenty-fifth (25th) of the month. We will provide you

with an electronic statement of its account and the basis for all payments or credits when the credits or payments are made.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Low-High	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (Note 1)	\$35,000 to \$85,000	Lump Sum	On signing Franchise Agreement	Us
Lease, utility and security Deposits (Note 2)	\$300 to \$1,000	Lump Sum or as arranged	As arranged	Landlord
Leasehold Improvements (Note 3)	\$ 0 to \$5,000	As arranged	As arranged	Approved Suppliers
Operating Equipment (Note 4)	\$4,400 to \$6,000	As arranged	As incurred	Approved Suppliers
Business Software (Note 5)	\$1,100 to \$1,200	As arranged	As incurred	Approved Suppliers
Office Equipment, Computers, Scanner, Office Supplies and Furniture	\$2,500 to \$3,500	As arranged	As incurred	Approved Suppliers
Truck and Body Installation, Wrap, and PTO (Note 6)	\$1,600 to \$90,000	As incurred	As incurred monthly	Approved Suppliers
Vehicle Signage	\$1,250 to \$1,750	As arranged	As incurred	Approved Suppliers
Vehicle Insurance	\$1,000 to \$1,500	As required	As incurred	Insurance Company
Shredder and Other equipment (Note 7)	\$6,000 to \$55,000	As arranged	As arranged	Approved Suppliers
Business licenses and permits (Note 8)	\$250 to \$1,000	As arranged	As arranged	Government Agencies
Professional Fees (Note 9)	\$500 to \$1,000	As arranged	As arranged	Approved Suppliers
Business Insurance (Note 10)	\$1,200 to \$2,500	As arranged	As arranged	Insurance Company

Type of Expenditure	Low-High	Method of Payment	When Due	To Whom Payment is to be Made
Initial Training Expenses (Note 11)	\$1,000 to \$1,500	As incurred	As incurred	Airlines, Hotels, Restaurants
Grand Opening Marketing	\$5,000 to \$10,000	As arranged	As arranged	Approved Suppliers
Additional Funds Working Capital (3 months) (Note 12)	25,000 to \$40,000			
Estimated Total Initial Fee (Note 13)	\$86,100 to \$305,950			

NOTES:

Except as otherwise noted, all fees that you pay to us are non-refundable. Third-party lessors, contractors and suppliers will decide if payments to them are refundable.

- (1) **Initial Franchise Fee.** The Initial Franchise Fee is described in greater detail in Item 5 of this Disclosure Document. If you sign an Option Agreement, you must pay the Option Fee we designate per Option Territory, which will vary based on the size and location of the Option Territory, and the length of the Option Period. If you exercise your option during the Option Period, we will credit the Option Fee towards the initial franchise fee due under the Franchise Agreement for the Option Territory. The Option Fee is fully earned and non-refundable upon payment.
- (2) **Deposits and Utilities.** You will need to obtain a warehouse to operate your Business with approximately 4,000 square feet. This warehouse must be located in your Protected Territory. Lease costs will vary based upon square footage, cost per square foot and required maintenance costs. We assume the landlord will require the first month's rent and a security deposit equal to one month's rent. The low end assumes a smaller warehouse in a location with lower rent, whereas the higher end assumes a larger warehouse in a more expensive area.
- (3) **Leasehold Improvements.** As you will be operating your Business from a warehouse, you may need to invest in installing an office or retrofitting the warehouse with a proper loading dock. If you do not have a loading dock, you may need a forklift to operate your Business. The low end assumes no changes to the building and the high end assumes light building modifications such as an office build out.
- (4) **Operating Equipment.** This amount includes the cost of a scanner, dollies, speed packs, straps, pallet jacks, a dock plate, cabinets, drills and other equipment necessary for the operation of your Business. The lower end assumes you purchase only the required amount and size of operating equipment. The high end assumes you purchase additional equipment or more of certain equipment.

- (5) **Business Software.** This amount includes the cost of the initial licensing fee as well as the first 3 months of payments for Tracer Plus®, QuickBooks Online® and the Salesforce® licenses. You will obtain Salesforce® through us, but obtain Tracer Plus® and QuickBooks directly from the designated vendors.
- (6) **Truck and Body Installation, PTO.** This amount covers the cost of leasing (low end) or purchasing (high end) a standard 26' cab and chassis truck through Ryder® or Penske®. For operation of the Business, the truck will require certain body installation, as described in the Manual, as well as installation of a power-take-off (PTO), necessary to operate the hard drive shredder.
- (7) **Shredder and Other Equipment.** This amount covers the cost of the equipment you will need to provide all Direct Services. The hard-drive shredder must be obtained from Ameri-Shred®. The low end assumes leasing the equipment and the high end assumes you purchase the equipment.
- (8) **Permits and Licenses.** This is the estimated cost of the permits and licenses that you must have in order to operate your Business, and the costs may vary greatly depending on your state's requirements. Each state establishes its own licensing requirements, and those requirements may change. You are solely responsible for investigating and determining the licensing requirements and costs in your state and taking all necessary actions to ensure that your Business remains in compliance with those requirements at all times. We strongly recommend that you consult with an attorney to determine exactly what permits and licenses you will need and how much those permits and licenses will cost.
- (9) **Professional Fees.** We strongly recommend that you retain an attorney to advise you on this franchise offering. You may also wish to retain an accountant to help you evaluate this franchise offering. If you choose to form an entity to own the franchise, you may incur additional fees that we cannot estimate.
- (10) **Insurance.** Requirements are described in greater detail in Item 8 of this Disclosure Document. Factors that may affect your cost of insurance include location of the Franchisee's Business, value of the leasehold improvements, equipment and other factors. Our estimate represents an annual premium. You may pay your premiums monthly, quarterly or semi-annually.
- (11) **Initial Training Expenses.** We will provide our initial training program to 2 people at no additional charge, but you must pay for your trainees' expenses while attending training. These expenses include travel, lodging, meals and wages. The low end of the estimate assumes that you are within driving distance of our training facility. The higher end of the estimate assumes that additional travel will be needed. The amount you spend will depend on how far you must travel, the number of people attending training, the method of travel, and the accommodations chosen.
- (12) **Additional Funds.** These amounts are the minimum recommended levels to cover operating expenses, including employees' salaries, for the start-up phase of the business, which we calculate will be 3 months. However, we cannot guarantee that this amount will be sufficient. Additional working capital may be needed if sales are low or fixed costs are high. Additional working capital may also be needed for state imposed requirements and may vary greatly from state to state.

- (13) **Total.** This total is an estimate of your initial investment and the expenses you will incur during the first 3 months of operations. In compiling this chart, we relied on the experience of our officers and our 9 years of experience in the electronic recycling and destruction business. The amounts shown are estimates only and may vary for many reasons including the size of your warehouse, whether you lease or purchase your truck and equipment, the capabilities of your management team, and your business experience and acumen. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise. These are only estimates and your costs may vary based on actual rental prices in your area, and other site-specific requirements or regulations. The costs outlined in this Item 7 are not intended to be a forecast of the actual cost to you or to any particular franchisee. The amounts do not cover a salary for you, or debt service payments.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must purchase all fixtures, furnishings, signs, equipment, inventory, uniforms, marketing materials, and other supplies, products and materials required for the establishment and operation of your Business solely from suppliers who demonstrate, to our continuing reasonable satisfaction, the ability to meet our reasonable standards and specifications for these items, who possess adequate quality controls and capacity to supply your needs promptly and reliably; and who have been approved for these items in writing by us and not then disapproved. We will furnish you with a list of approved suppliers for necessary items through our confidential Operations Manual (the "Manual"). Our Affiliate is the only approved Recycled Material Processor and will provide all Recycled Material. We are the only approved supplier of the computer software license, Salesforce®, required to operate the Business. Other than these requirements, we are not currently an approved supplier of any other products or services.

We have developed standards and specifications for the services you will provide. You must operate your Business according to these standards. These standards will guide you in the performance of the products and services provided in operating your Business.

You must purchase or lease fixtures, equipment, including signage, uniforms, business stationery, marketing materials, furnishings, products and related supplies that meet our minimum standards and specifications or are from suppliers that we approve. Currently, you must lease your 26' cab and chassis truck to operate your Business from Ryder® or Penske® or you may purchase a truck from any source and you must use Morgan Bodyworks for the installation of the body of the truck. We will notify you in our Manual or other communications of our standards and specifications and/or names of approved suppliers. There may be situations where you can obtain items from any supplier who can satisfy our requirements and, therefore, would be considered an approved supplier. As of the date of this disclosure document, we have not negotiated purchase arrangements with suppliers (including price terms) for the benefit of franchisees, but we may do so in the future. There are currently no purchasing or distribution cooperatives.

You must purchase computer hardware and software meeting our standards and specifications, but we generally allow you to purchase your computer equipment from a source you choose; however, we reserve the right to limit your purchases of these items to certain approved or designated suppliers chosen by us. Upon receiving notice from us, you may be required to purchase certain computer hardware/software from an approved or designated supplier, which may include us or our affiliates. Currently, we are the only approved supplier for certain required software programs and we require that you use Microsoft Office®, Tracer Plus®, QuickBooks Online® and Salesforce® software to operate

your Business and computers for your hardware. We reserve the right to designate additional or different approved or designated suppliers our option, and those different or additional suppliers may include us, our affiliates or any third parties we choose.

The cost of the items that you must purchase from us, our affiliates or from suppliers designated by us represents between 12% and 58% of your total purchases used in the establishment of your Business. The lower end assumes you lease your equipment and truck and the higher end assumes you purchase these items. The cost of the items that you must purchase from us, our affiliates or from suppliers designated by us represents between 11% and 35% of your total purchases in operating your Business.

If you want to use any product, material or render any service that does not comply with the standards of the System or is to be purchased from a supplier that has not yet been approved, you must first submit a written request for approval of the proposed supplier and obtain our approval of the supplier before purchasing any items from this supplier. We will, within a reasonable time (within 30 days), notify you of our decision. We are not required to approve new suppliers or new products or services. We may designate a single supplier for some or all products or services. We will occasionally establish procedures for submitting requests for approval of items and suppliers and may impose limits on the number of approved items and suppliers. Approval of a supplier may be conditioned on requirements regarding product quality, production and delivery capabilities, ability to meet our supply commitments, financial stability, integrity of standards of service, familiarity with our System and ability to negotiate favorable terms for our franchisees. We do not generally make available to you these criteria for supplier approval. We may charge a reasonable fee for inspection and/or testing (see Item 6), which may be paid by you or the proposed supplier.

Suppliers are approved only if they have satisfactorily met the criteria furnished by us during the evaluation process and have otherwise convinced our management of their desire and ability to fulfill the need or service requested and have met any and all contractual requirements and successfully completed the requirements of a product sample and/or product test period. The criteria for supplier approval by us are based upon a level of quality and value that will maintain and enhance the Securis® System in the view of our management.

Suppliers are disapproved when, in our opinion, they can no longer provide the quality of product or service which meets our standards or when we find a better supplier. Deficiencies which could lead to supplier disapproval include: poor service, financial instability, management instability, unreasonable increases in product or service costs, inability to meet technological advances, or other failures on the part of a supplier to meet our business objectives.

No third-party contractors may provide any direct client services for, or along with, your Franchisee's Business without written approval.

We do not provide or withhold material benefits to you (like renewal rights or the right to open additional Businesses) based on whether or not you purchase through the sources we designate or approve. However, purchases of unapproved products or from unapproved vendors in violation of the Franchise Agreement will entitle us, among other things, to terminate your Franchise Agreement.

During our fiscal year ended December 31, 2013, we did not receive payments or other compensation as a result of required franchisee purchases and leases. We reserve the right to earn revenue from approved suppliers in the form of rebates, or commissions or other compensation. If we

receive rebate or commission revenue from approved suppliers, there will be no restriction on our use of that money.

In addition to the purchases or leases described above, you must obtain and maintain, at your own expense, the insurance coverage that we require. We may specify the types, amounts, terms and conditions of insurance coverage required for your Franchisee’s Business and standards for underwriters of policies providing required insurance coverage; our protection and rights under the policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters regarding insured and uninsured claims.

You currently must maintain the following insurance coverages: (1) comprehensive general and professional liability insurance coverage with limits of at least \$1,000,000 each occurrence and \$2,000,000 general aggregate, including coverage for products, personal and advertising injury, premises and medical expenses coverage; (2) Workers’ Compensation or other employer’s liability insurance as well as any other insurance with limit of at least \$500,000 each incident/accident or as may be required by statute or rule in the state in which your Business is located; (3) automobile liability coverage with limits of at least \$1,000,000 for damage and un/underinsured motorists, including coverage of owned, non-owned and hired vehicles; (4) inland marine insurance for the replacement costs of the shredder and other mobile equipment; and (5) all other insurance coverage included in the Manual. If you lease a space for your Business, you may need to obtain additional insurance coverages according to the terms of your lease.

You must maintain all required policies in force during the entire term of the Franchise Agreement. We may increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time. Each insurance policy must be obtained from a carrier having an A.M. Best rating of “A” or better, must name us (and, if we request, our affiliates and our respective directors, employees or shareholders) as additional insureds and must provide us with 30 days’ advance written notice of any material modification, cancellation or expiration of the policy.

Some of our officers own an interest in us and our Affiliate. Otherwise, there are no suppliers in which an officer of us owns a material interest.

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	Article in Franchise Agreement	Item in Disclosure Document
(a) Site selection and acquisition/lease	Section 2	Items 7 and 11
(b) Pre-opening purchases/lease	Section 7.A	Items 5, 7, 8 and 11

Obligation	Article in Franchise Agreement	Item in Disclosure Document
(c) Site development and other pre-opening requirements	Section 7.A	Items 7 and 11
(d) Initial and ongoing training	Sections 7.B & 12	Items 6, 7 and 11
(e) Opening	Section 8.E – 8.I	Item 11
(f) Fees	Sections 4, 5 & 6	Items 5, 6, 7 and 11
(g) Compliance with standards and policies/Manual	Sections 8 & 10	Items 8, 11, 14 and 16
(h) Trademarks and proprietary information	Sections 9 & 11	Items 13 and 14
(i) Restrictions on products/services offered	Section 8	Item 16
(j) Warranty and customer service requirements	Sections 8.G – 8.L	Not Applicable
(k) Territorial development and sales quotas	Section 16.B.23	Item 12
(l) On-going product/service purchases	Sections 8.G & 8.I	Item 8
(m) Maintenance, appearance and remodeling requirements	Sections 8.F & 8.I	Not Applicable
(n) Insurance	Section 14	Items 7 and 8
(o) Marketing	Section 6	Items 6, 7 and 11
(p) Indemnification	Section 20	Item 6
(q) Owner's participation / management / staffing	Section 18.A	Items 11 and 15
(r) Records/reports	Section 13	Item 6
(s) Inspection/audits	Section 13	Item 6
(t) Transfer	Section 15	Items 6 and 17
(u) Renewal	Section 3	Items 6 and 17
(v) Post-termination obligations	Sections 17 & 18.C	Item 17
(w) Non-competition covenants	Section 18.C	Item 17
(x) Dispute resolution	Section 22.B	Item 17
(y) Liquidated Damages	Not Applicable	Item 6
(z) Option Agreement	Exhibit D to the Disclosure Document	Items 1, 5, and 7

ITEM 10
FINANCING

Except as described below, we do not offer direct or indirect financing. We do not guarantee your note, lease or any other obligation.

ITEM 11
FRANCHISOR'S ASSISTANCE, MARKETING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

Pre-Opening Obligations – Franchise Agreement

Before you open your Franchisee's Business, we will:

1. Assign a Protected Territory to you (Franchise Agreement – Section 2.B).
2. Provide you with access to our Manual (Franchise Agreement – Section 7.D).
3. Provide an initial training program at our offices for up to 2 people, the cost of which is included in your Initial Franchise Fee. You must pay for transportation, lodging, meals, wages and related expenses (Franchise Agreement – Section 7.A). This training is described in detail later in this Item.
4. Provide you with up to 3 days of opening assistance at your Business (Franchise Agreement – Section 12.A).
5. Provide you with a web page for your Franchisee's Business. We will host your web page on our portal (Franchise Agreement – Section 8.V).

Site Selection and Opening

You will operate your Business from a warehouse location. We must approve of the location of your Business, and our approval will not be unreasonably withheld. Our approval of a location for your Business is not a representation, warranty or guaranty that your Business will be successful at that location. Our approval only indicates that the location meets our minimum criteria for a Securis® Business. The factors we consider in approving sites may include location, size, suitability, layout, access, age, zoning and other factors that may be relevant to your market.

We estimate that between 60 and 90 days will elapse from when you sign the Franchise Agreement to the date you commence operating the Business. The primary factors affecting this time are your ability to obtain the licenses and permits necessary to operate the Business, the length of time it takes to obtain a fully equipped truck meeting our standards and specifications, your ability to successfully complete training, your ability to obtain financing, zoning and local ordinances, shortages, and installation of any office equipment, fixtures and signs. You may not open your Franchisee's Business unless you are fully compliant with all the terms of the Franchise Agreement and all of items in our opening checklist have been complied with to our satisfaction.

Within 90 days after you execute the agreement, you must: (a) locate and obtain a site meeting our standards and specifications; (b) fully construct and equip the site in accordance with our standards and specifications; (c) obtain and fully equip a truck which meets our standards and specifications; (d) ensure that the initial training program we provided has been completed to our satisfaction by all required persons; (e) pay the Initial Franchise Fee and all other amounts due to us; (f) furnish to us all certificates of insurance required by the Franchise Agreement; (g) obtain all required licenses, permits, and authorizations necessary to operate the Business; and (h) begin soliciting potential customers and marketing the Business within the Protected Territory. Failure to do so may result in termination of the Franchise Agreement. However, if we determine that you have exerted your best efforts to commence operations, and that you are unable to do so due to conditions solely outside of your control, such as delays by government agencies in processing applications for required licenses or delays in obtaining and equipping a truck which meets our standards and specifications, we may extend your opening deadline by up to 6 months at our option.

Confidential Operations Manuals

After you become a franchisee, we will allow you to access an electronic copy of our confidential electronic Operations Manual (“Manual”) posted on our intranet or available through our intranet portal. A copy of the table of contents of the Manual is attached as Exhibit G to this Disclosure Document. As of the issuance date of this Disclosure Document, the Franchise Operations Manual has a total of approximately 436 pages. We consider the contents of the Manuals to be proprietary, and you must treat them as confidential. You may not make any copies of the Manuals. Additionally, we consider our intranet as your “working manual” and it will be updated from time to time.

Franchisee Marketing Fund

When you become a franchisee, you must make monthly contributions to our marketing fund (“Marketing Fund”) in an amount equal to 2% percent of your Gross Revenues for the preceding month. Until we establish our Marketing Fund, we may at our discretion, remit the 2% back to you to spend in your local market or in your Protected Territory. Your required contributions to the Fund are in addition to amounts you are required to spend for local marketing. Fund contributions will be made monthly, based on the prior month’s Gross Revenues, at the same time and in the same manner as your royalty payments.

We will direct all programs financed by the Fund, with sole discretion over the creative concepts, materials and endorsements, and the geographic, market and media placement and allocation. The Fund may be used to pay the costs of preparing and producing video, audio and written marketing materials; administering national, regional and multi-regional marketing programs, including, without limitation, purchasing direct mail and other media marketing and employing marketing, promotion and marketing agencies; the cost of developing and maintaining an internet website; and supporting public relations, market research and other marketing, promotion and marketing activities.

The Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the Fund and its programs, including, without limitation, conducting market research; preparing marketing, promotion and marketing materials; and collecting and accounting for contributions to the Fund. We may spend, for the Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Securis® Businesses to the Fund in that year, and the Fund may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Fund will be used to pay marketing costs

before other assets of the Fund are expended. We will prepare an annual statement of monies collected and costs incurred by the Fund and furnish the statement to you upon written request. We may cause the Fund to be incorporated or operated through a separate entity at a time as we deem appropriate, and a successor entity will have all of the rights and duties specified in the Franchise Agreement. All Securis® Businesses owned by us and our affiliates, if any, will contribute to the Fund on the same basis as a franchisee which begins operating at the same time.

The Fund is intended to maximize recognition of the Marks and patronage of Securis® Businesses. Although we will endeavor to utilize the Fund to develop marketing and marketing materials and programs that will benefit all Securis® Businesses, we undertake no obligation to ensure that expenditures by the Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Fund by Securis® Businesses operating in that geographic area or that any Securis® Business will benefit directly or in proportion to its contribution to the Fund from the development of marketing and marketing materials or the placement of marketing. We may use a portion of the monies contained in the Fund to establish regional marketing funds and/or to establish and maintain a website for Securis® Businesses. We assume no direct or indirect liability or obligation to you relating to collecting amounts due to, or maintaining, directing or administering, the Fund.

The Marketing Fund will not be audited. Amounts remaining in the Fund at year end are rolled over into the next year's Marketing Fund budget.

We reserve the right, upon 30 days' prior written notice to you, to defer, reduce or suspend contributions to (and, if suspended, deferred or reduced, to reinstate these contributions) and to suspend operations of, the Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the Fund. If the Fund is terminated, all unspent monies on the date of termination will be distributed to the contributors to the Fund in proportion to their respective contributions to the Fund during the preceding 12 month period.

We may, in our discretion and business judgment, use the Fund to directly or indirectly place marketing in your local or regional market; however, we may also use the Fund to create and prepare marketing materials or marketing programs to be provided to you so that you may directly place or implement these materials or programs in your local or regional market. Any amounts that you spend to place or implement marketing created by the Fund in your local or regional market will be credited towards your local marketing obligations.

Local Franchisee Marketing

You must conduct local marketing in your territory (Franchise Agreement – Section 6). You must spend a minimum of 8% of Gross Revenues each month on local marketing. You may purchase some marketing materials from our approved suppliers, or you may have marketing and promotional materials developed for you. For any materials that we have not approved or that have not been approved within the immediately preceding 12 month period, you must submit these materials to us for our review. We will have 30 days after receipt of the proposed marketing and promotional materials to notify you whether they have been accepted. Unless we provide our specific approval of the proposed materials, they are deemed not approved. Any marketing materials you submit to us for our review will become our property, and we may use or distribute these materials in any manner we deem appropriate, without compensation to you.

At our request, you must include certain language in your local marketing, like “Franchises Available” and our Website and telephone number. You must place advertisements in on-line phone

directories for your Business, and you may purchase additional marketing on-line. Any ads you intend to place in any on-line format must be pre-approved by us. Your on-line marketing may be used to satisfy your local marketing requirement.

We have not established any local or regional marketing cooperatives, but we reserve the right to do so in the future, and if we do so, you may be required to contribute to and participate in a marketing cooperative and as such we reserve the right to require a portion of your local marketing to be contributed to a marketing cooperative.

Grand Opening Marketing

Depending on the size of your Protected Territory, you must spend between \$5,000 and \$10,000, as we designate, on your grand opening marketing, and you must submit a written plan for a grand opening marketing campaign to us for our approval. This grand opening marketing is to be conducted by you along with the grand opening of your Business, with a portion of the money being spent before your Business opens and the remaining money being spent in your first 3 months of operation. Your grand opening marketing is considered to be “local marketing” and is subject to our approval, as described above.

Advisory Council

We currently do not have an advisory council, but reserve the right to establish one in the future to advise us on matters regarding the System and Securis® Businesses in general. The matters to be considered by the advisory members may include marketing and exploring ways to improve the System and the Securis® brand. The advisory members will act in an advisory capacity only and will not have decision making authority.

Website / Intranet

Websites (as defined below) are considered as “marketing” under the Franchise Agreement, and are subject (among other things) to our sole development and maintenance. As used in the Franchise Agreement, the term “Website” means an interactive electronic document contained in a network of computers linked by communications software that we operate and that refers to the Business, Marks, us, or the System. The term Website includes Internet and World Wide Web home pages.

You will be provided with a Website within our main Website using the Marks. We will have the sole authority to establish a Website within our main Website for your Business. You will assist us in customizing your Website for your Business. You may not establish or operate any Website involving, referring to or in any way related to a competitive business. As described in Item 13, you may not use the Marks as part of any domain name, electronic address or search engine without our written consent. We will at all times own the Website within our main Website.

We may, in the future, establish an intranet website to provide private and secure communications between us and our franchisees, and other persons and entities that we decide are appropriate. You must establish and maintain access to our intranet in the manner we designate, and we may periodically prepare agreements and policies concerning the use of the intranet that you must acknowledge and/or sign. Our intranet may include our Manual and other confidential information that you may not disclose (see Item 14).

Franchisee Training Programs

Before the Business opens, we will train you (or, if you are an entity, your principal owner) and one additional person in operating the Business. Approximately 1 week of training will be held at our headquarters in Chantilly, Virginia, an operating Securis® Business, or another location we designate and 3 days of training will be held at your location. We reserve the right to modify our training program based on the individual needs or experience of any trainee. Our initial training program is provided for you and one employee at no fee, but you must pay all of your and your trainees’ expenses while attending the initial training program, including travel, lodging, meals and applicable wages. If you request that we provide our initial training program to additional employees, either before your Business opens or while it is operating, you must pay our then-current training fee (see Item 6), and you must also pay CEO and your manager trainees’ expenses while attending training.

You or your CEO and your manager must successfully complete initial training to our satisfaction and participate in all other activities required to operate the Business. We may require you to replace a manager if we determine that he or she is not qualified to hold that position. You must pay us for training a replacement (see Item 6). (Franchise Agreement – Section 5.3.8)

Training will occur after you sign the Franchise Agreement and while you are developing the Business. You and your manager must complete training before opening your Business. We plan to be flexible in scheduling training to accommodate our personnel, you, and your personnel. There currently are no fixed (i.e., monthly or bi-monthly) training schedules, but there may be in the future. You will be required to complete training modules before attending classroom training in Chantilly, Virginia (“Pre-Training Modules”). The materials we use in our initial training program include our Operations Manual and other materials that we believe will benefit our franchisees in the training process. As of the date of this Disclosure Document, we provide the following training:

TRAINING PROGRAM

Subject	Pre-Training Modules	Hours of Classroom Training	Hours of On-the-Job Training	Location
Business Overview	1	.5	0	Chantilly, Virginia or at a location we designate
Relationship with Securis®	1	.5	0	Chantilly, Virginia or at a location we designate
Industry Overview	4	0	0	Chantilly, Virginia or at a location we designate
Human Resources	2	2	0	Chantilly, Virginia or at a location we designate

Subject	Pre-Training Modules	Hours of Classroom Training	Hours of On-the-Job Training	Location
Sales Training	2	8	8	Chantilly, Virginia or at a location we designate
Operation Management Procedures	3	2	0	Chantilly, Virginia or at a location we designate
Operations Procedures	6	8	8	Chantilly, Virginia or at a location we designate
Warehouse Procedures	4	6	0	Chantilly, Virginia or at a location we designate
Office Procedures	0	6	2	Chantilly, Virginia or at a location we designate
Marketing	0	3	0	Chantilly, Virginia or at a location we designate
TOTALS	20	40	24	

Our training program is overseen by Andrew Portare, who has been our Vice President of Operations since our inception. Mr. Portare served as the Operations Manager of our Affiliate from October 2010 to September 2012. From September, 2008, through September, 2010, Mr. Portare served as the Sales and Operation Integration Specialist at our Affiliate. We will also rely on the expertise of certain of our officers and other employees to provide training on specific areas.

We also expect to offer occasional conferences of our franchisees, as described above. We may require for you and/or your manager to attend some training sessions and pay a fee to attend them. If attendance at a conference is mandatory, we will not charge a fee for attending the conference, but you must pay for all of your attendees' expenses while attending the conference, including travel, lodging, meals and wages.

Computer Systems and Software

You must have a computer system that meets our minimum specifications, and you must have the communication equipment and internet access we specify. Currently you must have a cellular phone with Bluetooth® capability and paper shredder. You will need a laptop or CPU with dual LCD monitors, an office printer/fax/scanner combination machine and a handheld scanner with the specifications and format provided for the Operations Manual. You are required to use Microsoft Office®, Salesforce®, QuickBooks®, and Tracer Plus® software systems. You must also make sure that your computer system has the software necessary to allow us access to your computer system. We estimate that the initial cost

of your computer system and office hardware will be between \$2,500.00 and \$3,500.00. The initial software costs will range between \$400.00 and \$700.00.

You must have a high speed internet service with internet access and email. We will use these methods to communicate with our franchisees and you must conduct all electronic Business communication through the email address we provide to you. If we choose to develop an intranet, you must access our intranet for updates, information and communications. We will have access to your computer system at all times during the term of your Franchise Agreement, and you must make sure that we have this access, at your expense. We may download any data regarding your Business from your computer, with no compensation to you.

There are no specific contractual obligations limiting the frequency or cost of your obligation to acquire upgrades and updates or to replace obsolete or worn out hardware or equipment, and there are no specific contractual limitations on our ability to require you to purchase these upgrades, updates or replacements.

ITEM 12 **PROTECTED TERRITORY**

Franchise Agreement

The Franchise Agreement grants you the right to operate a Securis® Business from a particular location known as the “Approved Location”, which will be your warehouse and office location. You may not operate the Franchisee’s Business from any location other than the Approved Location. The warehouse location of your business will be subject to our approval, which will not be unreasonably withheld. We will grant you a Protected Territory. So long as you are in compliance with your Franchise Agreement and servicing all national client accounts and multi-territory accounts (as defined below) within your Protected Territory, we will not place another Securis® Business within your Protected Territory. Your “Protected Territory” will be identified in your Franchise Agreement by the number of potential business clients in your area, and a typical “Protected Territory” is an area containing from about 200,000 to more than 700,000 target employees, as determined by the latest U.S. Census data. A target employee is an employee in the information, financial activities, professional and business services, education and health services or government industry based on the Standard Industry Code (SIC) from the Bureau of Labor and Statistics (BLS). The boundaries of your Protected Territory will not change, regardless of increases or decreases in the population of your Protected Territory. You may not relocate your Franchisee’s Business without our prior written approval.

You must use your best efforts to promote and increase the sales and services of the Securis® Business to effect the widest and best possible distribution and sale of our services and to solicit potential clients. You must engage in marketing and solicitation of potential clients at all times during the term of your Franchise Agreement.

There may be Clients or potential clients that have more than one location with offices in multiple franchisee’s territories (“Multi-Territory Account”) or national Clients who have offices across the country (“National Account”). To the extent you have recruited and serviced a Client who becomes a Multi-Territory or National Account, you may receive a commission, as described in the Manual, for obtaining the account. You will act as our agent for the purpose of servicing all National Accounts and will work with other franchisees to service all Multi-Territory Accounts.

Except for the Protected Territory granted to you as stated above, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. During the term of the Franchise Agreement, we (and any affiliates that we might have) may:

(1) establish and operate, and grant rights to others to establish and operate, Businesses and any other similar or dissimilar businesses at any locations and on any terms and conditions we deem appropriate outside of the Protected Territory; provided, however, that no other Franchisee's Business will be granted an Protected Territory that overlaps with any portion of your Protected Territory, and we will not knowingly permit any other franchisee to target its marketing activities into your Protected Territory or otherwise directly solicit customers within your Protected Territory;

(2) within and outside the Protected Territory, to develop and establish other business systems (including systems that distribute products or services similar to those offered at the Businesses) using names or marks other than the Marks, and to grant licenses to use those systems;

(3) obtain National and Multi-Territory Accounts with offices in your Protected Territory, and to service such by ourselves or through our designees if you are unwilling to do so, or if you do not meet our eligibility criteria or the eligibility criteria of our National and/or Multi-Territory Accounts;

(4) sell any services identical or similar to, or dissimilar from, those which your Franchisee's Business sells, whether identified by the Marks or other trademarks or service marks through any distribution channels we think best (including the Internet), wherever located or operating;

(5) advertise and promote the System in any or all geographic areas (including the Protected Territory) as we determine appropriate in our sole discretion;

(6) purchase or otherwise acquire the assets or controlling ownership of one or more businesses identical or similar to your Franchisee's Business (and/or franchise, license, and/or similar agreements for these businesses), some or all of which might be located in or near your Protected Territory;

(7) be acquired (regardless of the form of transaction) by a business identical or similar to Securis®, even if the other business operates, franchises and/or licenses competitive businesses located in or near your Protected Territory; and

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

Continuation of your territorial rights does depend on your achieving a certain amount of Gross Revenues in your Protected Territory. We have the right to terminate the Franchise Agreement if you fail to meet the minimum performance requirements described in Section 8.B of the Franchise Agreement. We may terminate this Agreement for failure to meet the applicable minimum performance requirements for any 12-month period. There is no minimum performance requirement for your first year in operation. During your second year in operation, beginning on the one-year anniversary of your Effective Date, you must achieve Gross Revenues of at least \$90,000 annually from months 12-24, \$150,000 annually from months 25-36 and \$200,000 annually thereafter. We have the right to periodically modify the minimum performance requirements. The minimum performance requirements are in no way intended to imply that you will experience Gross Revenue of any particular level.

All of your marketing activities must be directed to potential Clients in your Protected Territory. You are prohibited from marketing to, or otherwise soliciting, Clients located outside your Protected

Territory, except for National Accounts and Multi-Territory Accounts, as described above. **You may not engage in any promotional activities or sell any related Products or Services, whether directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system or any interactive electronic document contained in a central computer linked to communications software service providers (collectively, the “Electronic Media”)** or any other devices sent or directed to Clients or prospective Clients; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from Clients or prospective Clients. If you place advertisements in printed media or on television and radio that are targeted to Clients and prospective Clients located within your Protected Territory, as determined and approved by us, you will not be deemed to be in violation of the Franchise Agreement if those advertisements are viewed by prospective Clients located outside of the Protected Territory. You may not perform Direct Services to Clients outside of the Protected Territory, unless there is not another franchisee in the Client’s area and you have been granted written permission by us. You may only service Clients in territories which are adjacent to your Territory and which are identified in the Manual as not owned by us, our Affiliate or another Securis franchisee.

The Franchise Agreement does not grant you any options, rights of first refusal, or similar rights to acquire additional franchises.

If we promote the sale of Securis services via electronic commerce or through any Internet, World Wide Web or other computer network site or if we offer Securis services through any other alternative distribution channel which generates receive requests for services from potential Clients in your Territory, then subject to our National and Multi-Territory Accounts Policies, we will forward the request to you.

We have not established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark.

Neither we nor any parent or affiliate has established, or presently intends to establish, other franchised or company-owned facilities which provide similar products or services under a different trade name or trademark, but we reserve the right to do so in the future, without obtaining your consent.

Option Agreement


If you sign an Option Agreement, we will grant you the exclusive right to enter into a Franchise Agreement to operate a Business within a specified Option Territory. During the Option Period, we will not establish or operate, or grant to any third party the right to establish or operate, a Business within the Option Territory. We will retain all other rights within the Option Territory, including, without limitation, the right to recruit and service customers in the Option Territory, and the right to solicit prospective franchisees to operate one or more Businesses within the Option Territory after the Option Period Expires.

You may exercise the option during the Option Period by signing our then-current form of Franchise Agreement and paying our then-current Initial Franchise Fee for the Option Territory. In order to be eligible to exercise the option, you must be fully compliant with the terms of any Franchise Agreement or other agreements between you and us or our affiliates. If you do not exercise the Option, upon the expiration of the Option Period, we may grant others the right to own, construct, open and/or operate Businesses in the Option Territory.

ITEM 13
TRADEMARKS

Under the terms of the Franchise Agreement, we grant to you the right to use certain trademarks, service marks and other commercial symbols, including our primary service mark, “Securis®” and design, along with the operation of your business (collectively, the “Marks”).

We own the following Marks which have been registered on the Principal Register of the United States Patent and Trademark Office (“USPTO”). At the appropriate times, we intend to renew the registrations and to file all appropriate affidavits.

Mark	Serial Number	Registration Number	Registration Date
SECURIS (word mark)	85536729	4,378,457	August 6, 2013
 (7 7 stylized and/or with design)	85727994	4,453,313	December 24, 2013

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

There are no agreements currently in effect which limit our right to use or to license others to use the Marks, except for the trademark license agreement with our President, as described in Item 1.

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

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

You must conspicuously post a sign and include on all written materials, including advertisements, stationery, business cards, etc. and on your vehicles the following: “Independently owned and operated.”

We reserve the right to substitute different Marks for use in identifying the System and the businesses operating under it, at our sole discretion, and you must implement any change in or substitution of any Proprietary Mark at your sole expense.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

There are no patents that are material to the franchise. We own certain copyrights in the Manual, marketing materials and other copyrightable items which are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Registrar of Copyrights, but need not do so to protect them. You may use these items only as we specify while operating your Franchisee’s Business and must stop using them if we direct you to do so. Our right to use or license copyrighted items is not materially limited by any agreement or known infringing use.

Confidential Operations Manual

You must operate your Business according to the strict standards, methods, policies and procedures specified in the Manuals. You will have access to our Manuals through our Intranet or electronic form we designate in the Manuals.

You must treat the Manuals, any other information which we lend you and the information in them as confidential, and must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce these materials, in any manner, or otherwise give them to any unauthorized person. The Manual’s will remain our sole property and must be kept in a secure place at your Business.

We may revise the contents of the Manuals, and you must comply with each new or changed standard, at your own expense. You must make sure that the Manuals are kept current at all times. If there is any dispute as to the contents of the Manuals, the terms of the master copy maintained by us at our corporate office will be controlling.

Confidential Information

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

Examples of confidential information include: (1) site selection and design specifications; (2) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating Securis® Businesses; (3) marketing and marketing programs for Franchisees' Businesses; (4) knowledge of specifications for and suppliers of, and methods of ordering, certain materials, equipment and supplies; (5) knowledge of the operating results and financial performance of franchisee's businesses other than your Business; (6) terms of the Franchise Agreement; (7) the Operations Manual; (8) graphic designs and related intellectual property; (9) customer lists, client lists and information; (10) Referral Sources; (11) our intranet; (12) our proprietary software.

You must have your owners, manager and any personnel having access to any of our confidential information sign agreements that say that they will maintain the confidentiality of information they receive along with their employment by you. The agreements must be in a form satisfactory to us, including specific identification of us as a third-party beneficiary of the covenants with the independent right to enforce them and that they prohibit any direct or indirect ownership in a competing business.

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

We do not require you to personally participate in the operation of your Business, but your Franchisee's Business must at all times be under the direct, supervision of a chief executive officer ("CEO") who has satisfactorily completed our initial training programs and who devotes his/her full business time, energy and effort to the management and operation of your Securis® Business. The CEO may not have any interest or business relationship with any competitive business. The CEO is not required to have an ownership interest in you if you are a Business Entity. We impose no limitations as to who you or your CEO may hire as the manager, except that you must comply with all applicable laws and that you must not harm the goodwill associated with the System and the Marks (this requirement may affect who you hire as your CEO).

We have the right to approve all of your succeeding CEO's. Each CEO must attend and successfully complete our training program to our satisfaction. The CEO and other key employees may also have to sign an agreement not to compete with businesses under the System while employed by you and for two years after their employment ends, and an agreement not to reveal confidential information obtained while employed by you.

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

If you are a corporation, limited liability company, or partnership, your owners must personally guarantee your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete. Our "Guaranty and Assumption of Obligations" is part of the Franchise Agreement. If we do not require one of your owners to sign the full Guaranty, that owner still must comply with all non-monetary obligations, including the covenant not to compete, as if he or she were the franchise owner.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must use the Approved Location solely for the operation of a Securis® Business. You must keep your Business open and in normal operation for the minimum hours and days as we specify, subject to applicable law. You must not use or permit the use of the Business for any other purpose or activity at any time without first obtaining our written consent. You must operate the Business in strict conformity with the methods, standards and specifications we may require in the Manual or in writing. You must not change the standards, specifications and procedures without our prior written consent; and you must stop selling and offering for sale any services which we may, in our discretion, disapprove in writing at any time. We have the right to change the types of authorized services and there are no limits on our right to make changes.

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

You must sell the services and any ancillary products that are approved by us and which strictly conform to our specifications. All products and services approved by us must be offered for sale on a continuous basis by your Franchisee’s Business at the time and in the manner specified by us. No sale of any product or service except those products or services approved by us may be solicited, accepted or made by or from your Franchisee’s Business. If requested by us on at least 30 days’ notice as part of a general program or standardization effort by us, the marketing of a particular product or service must be discontinued. Then this product or service is no longer an approved product or service.

You are restricted by the Franchise Agreement, the Manual and any other practice or custom relating to the goods or services which you may offer, which must be approved by us. You are not restricted as to the customers whom you may solicit or service, except as described in Item 12.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the franchise and related agreements pertaining to renewal, termination, transfer and dispute resolution. You should read these provisions in the agreements attached to this disclosure document.

THE FRANCHISE RELATIONSHIP

Provision	Article in Franchise Agreement	Summary
a. Term of the franchise	Summary and Section 3.A	5 years
b. Renewal or extension of the term	Summary and Section 3.B	Renewal terms of 5 years each, subject to performance of contractual requirements

Provision	Article in Franchise Agreement	Summary
c. Requirements for you to renew or extend	Section 3.B	Provide notice, compliance with Franchise Agreement, sign new Franchise Agreement, sign release You may be asked to sign a contract with materially different terms and conditions than your original contract.
d. Termination by you	Section 16.A	If you are in compliance with the Franchise Agreement, and we materially breach the Franchise Agreement and fail to cure this breach within 60 days after you deliver written notice to us, then you may terminate the Franchise Agreement, effective 30 days after delivery to us of proper notice.
e. Termination by us without cause	Not Applicable	Not Applicable
f. Termination by us with cause	Section 16.B	Breach of Franchise Agreement and other grounds.
g. "Cause" defined - defaults which can be cured	Section 16.B	Failure to make payments of any amounts due to us and fails to cure within 10 days of notice; breach of Franchise Agreement other than those listed in Section 16.C of the Franchise Agreement; failure to comply with any mandatory provision in the Manuals and fails to cure within 30 days of notice; violate any applicable law, ordinance or regulation and does not immediately begin to cure the noncompliance or violation, and correct this noncompliance or violation within 24 hours after written notice.
h. "Cause" defined - defaults which cannot be cured	Section 16.B	Fails to construct, decorate, equip and maintain the Premises; fails to begin operating the Franchisee's Business within 90 days; has made any material misrepresentation or omission in application for the Franchise or other document; s convicted of an indictable offence; makes any unauthorized use, disclosure or duplication of any portion of the Manuals; abandons or fails or refuses to actively operate the Franchisee's Business for 3 consecutive business days; makes an unauthorized transfer; underreports Gross Revenues by 2% or more during any 6-month period; makes a general assignment for the benefit of creditors; materially misuses or makes an unauthorized use of any Marks; continues to violate any law, ordinance or regulation after receiving notice of this violation; if the Franchisee's death or permanent disability or the death or

Provision	Article in Franchise Agreement	Summary
		Permanent Disability of the Controlling Principal, this Agreement or the Controlling Principal's Ownership Interest in the Franchisee is not assigned; fails to appoint a new CEO or Manager within 15 days after the Franchisee's death or Permanent Disability; loses the right to possession and use of the Premises; fails to pay when due any tax due; fails to timely apply for, obtain, or continuously maintain certifications; fails to obtain or retain any license or certification required.
i. Your obligations on termination/non-renewal	Section 17	Obligations include: Pay all monies owed to us; deliver records of the Franchisee's Business to us; cancel all assumed names and transfer the Franchisee's Business' telephone number to us; cease operation of the Franchisee's Business; assign the lease to us; cease using the Marks; cooperate with us to ensure the continued care of Clients. If we terminate your Franchise Agreement for cause, you must pay us liquidated damages equal to the average monthly Royalty Fees and Collected Royalty Fees you paid to us during your last 12 months of operation preceding the Termination Date multiplied by (a) 24 (being the number of months in two full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is higher. This obligation will be waived unless one or both of the following events happens: 1. The Franchise Agreement is terminated for any reason whatsoever and Franchisee becomes an owner in or opens a business which sells competing services; 2. The Franchise Agreement is terminated for any reason whatsoever and Franchisee or any of its owners sues Franchisor, in court or in arbitration.
j. Assignment of contract by us	Section 15.G	No restriction on right to transfer
k. "Transfer" by you - definition	Section 15	Any actual or purported assignment, sale, transfer or other arrangement having the purpose or effect of shifting more than 50% ownership or control interests in the Franchisee's Business.
l. Our approval of transfer by you	Section 15.A	We must approve all transfers
m. Conditions for our approval of transfer	Section 15.A	Includes payment of money owed, non-default, sign release, transferee qualifies, transferee signs new agreement and payment of the transfer fee

Provision	Article in Franchise Agreement	Summary
n. Our right of first refusal to acquire your business	Section 15.E	We may purchase the Franchisee's Business on the same terms and conditions as a proposed assignment within 15 days of our receipt of notice from you.
o. Our option to purchase your business	Section 15.E	Upon transfer, expiration or termination, we can buy your Franchisee's Business
p. Your death or disability	Section 15.F	Franchise must be assigned to approved buyer within 120 days
q. Non-competition covenants during the term of the franchise	Sections 18.B & 18.C	You may not 1) divert business or customers to any competitor; 2) induce employees to leave their employment; or 3) own or operate a business which sells similar services
r. Non-competition covenants after the franchise is terminated or expires	Section 18.C	For 2 years after the transfer, expiration or termination of the Franchise Agreement, you may not own or operate a business which sells similar services within your Protected Territory or within 10 miles of any other Securis® territory.
s. Modification of the agreement	Section 22.J	Must be in writing by both parties
t. Integration/merger clause	Section 22.I	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside the disclosure document and franchise agreement may not be enforceable. We may agree to terms which differ from what is described in this disclosure document. In that case, the terms of the final written agreement will control. Other statements or promises are not enforceable.
u. Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable
v. Choice of forum	Section 22.A	Any action must be brought in the United States District Court for the Eastern District of Virginia, unless the parties agree otherwise, subject to state law.
w. Choice of law	Section 22.A	The laws of the state of Virginia.

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC’s Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Franchise Disclosure Document. Financial performance information that differs from that included in this Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or, (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances. This Item 19 does not include the results of our franchisees, all of whom had been operating for less than 12 months as of December 31, 2013.

BACKGROUND

This Item 19 sets forth certain historical sales data of the business operated by our Affiliate in Chantilly, Virginia, which has operated since 2003. See Item 1. The Affiliate serves metro and rural areas throughout the East Coast, operating in two Maryland territories, one Virginia territory and one territory in Washington, DC. Your customer base, however, will be limited to the Protected Territory granted in the Franchise Agreement.

The success of your Franchise will depend largely upon your personal abilities, your use of those abilities and your market. The financial results of your Franchise will likely differ, perhaps materially, from the results summarized in this Item. Because our Affiliate has been in operation since 2003, the results from your first 3 years in operations may differ substantially from the results below.

REVENUES, GROSS MARGIN, PROJECT STATISTICS

The data presented in the table on the following page represents average annual revenues, cost of goods sold, gross margins, and project size experienced by our Affiliate’s business from the period of January 1, 2009 through December 31, 2013 (the “Measurement Period”). Our Affiliate has been operating in its current location since 2005 and was located in New York from 2003 through 2005.

	5-Year Annual Average
Direct Service Revenue ⁽¹⁾	\$1,128,405.96
Processing Commission ⁽²⁾	\$406,541.23
Total Revenue⁽³⁾	\$1,534,947.19
Cost of Goods Sold ⁽⁴⁾	\$413,210.68
Gross Margin⁽⁵⁾	\$1,121,736.51
Gross Margin Percent ⁽⁶⁾	71%
Number of Customers ⁽⁷⁾	296
Number of Projects ⁽⁸⁾	543
Average Project Size⁽⁸⁾	\$2,044.32

Footnotes:

- 1) The "Average Annual Direct Service Revenue" is calculated by adding all revenue received from onsite services, hard drive destruction, degaussing and recycling of computers, monitors and other electronics from services performed by our Affiliate during the Measurement Period, and dividing it by five. The median annual Direct Service Revenue achieved by our Affiliate during the Measurement Period was \$1,028,373.41.

- 2) The "Average Annual Processing Commission" is calculated by adding all revenue from equipment sales and scrap sales of computers, monitors, and other electronics available for processing received by our Affiliate during the Measurement Period, and dividing it by five. To give a more accurate figure for prospective franchisees, this amount was then divided by two, since franchisees will receive 50% of the Processing Commission from all sales of equipment and scrap sales of electronics collected from customers. Franchisees also may incur Electronics Disposal Fees, which would further reduce the Processing Commission received. The median annual Processing Commission achieved by our affiliate during the Measurement Period was \$402,021.34.

- 3) The "Average Annual Total Revenue" is calculated by adding the Average Annual Direct Service Revenue and the Average Annual Processing Commission during the Measurement Period. As stated in the above note, this reflects 100% of Direct Service Revenue received by our Affiliate and 50% of Processing Commission received by our Affiliate during the Measurement Period, divided by five. The median annual Total Revenue achieved by our affiliate during the Measurement Period was \$1,608,077. The Average Annual Total Revenue does not reflect the payment of royalties or marketing contributions. Based on the Average Annual Total Revenue of \$1,534,947.19 listed above, if our Affiliate were a franchisee, it could expect to pay the following amounts in royalties, marketing fund contributions and local marketing:

Royalty on Direct Services (4%)	\$61,397.88
Marketing Fund Contribution (2%)	\$30,698.94
Local Marketing Expenditure (8%)	\$122,795.76
Total Fees	\$214,892.58

- 4) The "Average Annual Costs of Goods Sold" includes the sum of all of the following expenses incurred by our Affiliate during the Measurement Period, divided by five: warehouse staff and security technician payroll (including employer taxes), job travel expenses, truck and equipment leases, fuel and maintenance expenses, electricity, gas, and supplies incurred by our Affiliate during the Measurement Period. The median

annual Cost of Goods Sold incurred by our Affiliate during the Measurement Period was \$381,149. Average Annual Costs of Goods Sold does not, however, include the following expenses, which franchisees should expect to incur in the operation of their business: warehouse rent and maintenance, forklift and forklift maintenance (should a franchisee choose to use one), 50% of the expenses to transport Recycled Materials to our Affiliate's processing center from the Protected Territory, payroll for sales, management and administrative staff, sales travel and entertainment costs, marketing expenses, credit card processing fees, professional fees (accounting, IT, legal), health insurance and other benefits, insurance generally, internet and telecommunications and other overhead costs. We also do not pay royalty fees and those fees may change your figures as well.

- 5) The average annual Gross Margin is calculated by subtracting the average annual Costs of Goods Sold from Average Annual Total Revenue. From the Gross Margin, you will need to pay all expenses of the business which are not included in Costs of Goods Sold, including royalty and advertising fees. The median annual Gross Margin achieved by our Affiliate during the Measurement Period was \$910,616.30.
- 6) The average annual Gross Margin Percentage is calculated by dividing the Average Annual Gross Margin by the Average Annual Total Revenue. The median annual Gross Margin Percentage achieved by our Affiliate during the Measurement Period was 75%.
- 7) A "customer" is defined as a unique site address, i.e., one company can include multiple customers if it is serviced at separate site addresses. While the majority of our Affiliate's revenue has resulted from projects performed within the DC Metro area, the above figures include revenue for all projects our Affiliate has performed throughout the United States. Our Affiliate's facility drop off and collection event customers are not included in this figure.
- 8) The Average Annual Project Size is calculated by dividing the Direct Service Revenue by the Number of Projects during the Measurement Period. The median Average Annual Project Size was \$1,989.12. There is no guarantee that the franchisee's average Project Size will be similar to that of our Affiliate. Your average Project Size will likely be much less than our Affiliate's in the first several years you operate your Securis® Business.

If you become a Securis® franchisee, your financial results may differ from the results presented in this Item 19. Since no franchisees are reflected in this Item 19, your individual results may differ. There is no assurance you'll earn as much. Further, your results may vary from year to year depending on the size of your customers and the nature of the services they contract with you to provide.

Written substantiation of the information set out in this Item 19 will be provided to prospective franchisees on reasonable request.

Other than the preceding financial performance representation, Securis Franchising, LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting, Jeremy Farber, Securis Franchising, LLC, 414801 Willard Road

Suite 800, Virginia 20151, 866-509-7250, the Federal Trade commission, and the appropriate state regulatory authorities.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION*

TABLE NUMBER 1
Systemwide Outlet Summary
For Years 2011-2013⁽¹⁾

Store Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2011	0	0	0
	2012	0	0	0
	2013	0	0	0
Company-Owned	2011	1	1	0
	2012	1	1	0
	2013	1	1	0
Total Locations	2011	1	1	0
	2012	1	1	0
	2013	1	1	0

⁽¹⁾ All numbers are as of December 31 for each year.

TABLE NUMBER 2
Transfers of Outlets From Franchisee to New Owners (Other than the Franchisor)
For Years 2011-2013

State	Year	Number of Transfers
Total	2011	0
	2012	0
	2013	0

⁽¹⁾ All numbers are as of December 31 for each year.

**TABLE NUMBER 3
Status of Outlets
For Years 2011-2013**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at End of Year
Total	2011	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0

**TABLE NUMBER 4
Status of Company-Owned Outlets
For Years 2011-2013**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Stores Closed	Outlets Sold to Franchisee	Outlets at End of Year
Virginia	2011	1	0	0	0	0	1
	2012	1	0	0	0	0	1
	2013	1	0	0	0	0	1
Total	2011	1	0	0	0	0	1
	2012	1	0	0	0	0	1
	2013	1	0	0	0	0	1

(1) As described in Item 1, our Affiliate operates one location similar to the Business offered in this Disclosure Document under the PC Recycler™ and Securis® trademarks.

**TABLE NUMBER 5
Projected Openings
As of December 31, 2013**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets through the End of the Current Fiscal Year	Projected New Company-Owned Outlets through the End of the Current Fiscal Year
Delaware	1	0	1
Maryland	2	1	3
New Jersey	0	3	3
North Carolina	0	1	1
Pennsylvania	0	3	3
TOTAL	3	8	11

A list of our franchisees as of December 31, 2013 is attached as Exhibit H to this Disclosure Document. We had no franchisee who had a Securis® franchise terminated, canceled, or not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement nor transferred a Securis® franchise. In addition, no franchisee has failed to communicate within the 10-week period before the issuance date of the disclosure document.

If you buy a Securis® franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our System.

We have no trademark specific franchise association.

ITEM 21 **FINANCIAL STATEMENTS**

Attached to this Disclosure Document as Exhibit E are our audited financial statements for our fiscal year ended December 31, 2013, and for the period from September 24, 2012 (our inception) to December 31, 2012. We have not been in business for 3 years or more and, as a result, we cannot include all the financial statements required under the FTC Franchise Rule.

ITEM 22 **CONTRACTS**

The Franchise Agreement is attached to this Disclosure Document as Exhibit C.
The Option Agreement is attached to this Disclosure Document as Exhibit D.
The form of General Release is attached to this Disclosure Document as Exhibit H.

ITEM 23 **RECEIPTS**

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

EXHIBIT A TO DISCLOSURE DOCUMENT

AGENTS FOR SERVICE OF PROCESS/STATE ADMINISTRATORS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, Securis Franchising, LLC has not appointed an agent for service of process in that state along with the requirements of franchise laws. There may be states in addition to those listed above in which Securis Franchising, LLC has appointed an agent for service of process.

There may also be additional agents appointed in some of the states listed.

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9 th Floor Richmond, VA 23219-3630
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
New York	Special Deputy Attorney General New York Department of Law Bureau of Investor Protection and Securities	120 Broadway, 23rd Floor New York, New York 10271
New York (Agent)	Secretary of State of the State of New York	41 State Street Albany, New York 12231

EXHIBIT B TO DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA

See Next Page

**ADDENDUM TO THE SECURIS FRANCHISING, LLC
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF MARYLAND**

1. The provisions contained in the termination sections of the Franchise Agreement may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).
2. Item 17 of the Franchise Disclosure Document is amended to state that the general release required as a condition of renewal, sale, and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
3. The Franchisee Disclosure Acknowledgment Statement (Exhibit F to the Franchise Disclosure Document), is amended to state that all representations requiring prospective franchisees to assent to a release, estoppel or waiver or liability are not intended to nor will they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
4. Item 17 of the Franchise Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
5. Item 17 of the Franchise Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
6. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor will they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

ADDENDUM TO THE SECURIS FRANCHISING, LLC.
DISCLOSURE DOCUMENT FOR THE STATE OF NEW YORK

1. Item 3, "Litigation" is hereby amended to include the following additional language:

Neither we, any predecessor, any person identified in Item 2 above, nor any affiliate offering licenses under our principal trademark has pending any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) alleging a violation of any franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable allegations.

Neither we, any predecessor, any person identified in Item 2 above, nor any affiliate offering licenses under our principal trademark has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the date of this Disclosure Document, has been convicted of a misdemeanor or pleaded nolo contendere to a misdemeanor charge or been held liable in a civil action by final judgment or been the subject of a material complaint or other legal proceeding if such misdemeanor conviction or charge or civil action, complaint or other legal proceeding involved a violation of any franchise, anti-fraud or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, misappropriation of property or comparable allegations.

Neither we, any predecessor, any person identified in Item 2 above, nor any affiliate offering licenses under our principal trademark is subject to any currently effective injunctive or restrictive order or decree relating to franchises 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, is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

2. Item 4, "Bankruptcy", is hereby deleted in its entirety and the following language substituted in lieu thereof:

During the 10-year period immediately before the application for registration, neither we nor our affiliate, any predecessor, current officers or general partner has: (a) filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; (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 US Bankruptcy Code during or within 1 year after our officer or general partner held this position in the company or partnership.

3. Item 17, "Renewal, Termination, Transfer and Dispute Resolution", is supplemented, under the categories entitled "Termination by Franchisee" and "Assignment of Contract by Us" respectively, by the following language that will be deemed an integral part thereof:

Any general release required under the Franchise Agreement shall be limited by the following, "all rights arising in your favor from the provisions of Article 33 of the GBL. of the State of New

York and regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of GBL., Sections 687.4 and 687.5 be satisfied.”

Notwithstanding any rights you may have in the Franchise Agreement permitting you to terminate the Agreement, you may also have additional rights under applicable law to terminate the Franchise Agreement.

No assignment will be made except to an assignee who, in our opinion, is willing and able to assume our obligations under the Franchise Agreement.

The Franchise Agreement requires the application of the Commonwealth of Virginia, however, the choice of law provision should not be considered a waiver of any right conferred on the franchisee by the General Business Law of the State of New York, Art. 33.

5. As to any state law described in this Addendum that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

**ADDENDUM TO THE SECURIS FRANCHISING, LLC
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF VIRGINIA**

Virginia Retail Franchising Act, §13.1-557 through 574 (the “Act”) provides rights to the franchisee concerning termination or nonrenewal of a franchise. If the Act applies and the Agreement is inconsistent with the Act, the Act will control.

In recognition of the restrictions contained in Section 13.1-564 of the Act, the Franchise Disclosure Document for Securis Franchising, LLC for use in the Commonwealth of Virginia is amended as follows:

The following statements are added to Item 17.h. in the table relating to the Franchise Agreement:

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

EXHIBIT C TO DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT



SECURIS

IT Asset Auditing, Recycling & Destruction

Securis®

_____, 2014

Unit Franchise Agreement

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SCHEDULE G - GENERAL RELEASE AGREEMENT

Securis®
UNIT FRANCHISE AGREEMENT

SUMMARY PAGES

These pages (the “Summary Pages”) summarize certain terms of the attached Unit Franchise Agreement. The Summary Pages are an integral part of the attached Unit Franchise Agreement and are hereby incorporated therein.

1. THE FRANCHISEE:

Name:

Address:

Telephone:

Facsimile:

E-mail Address:

2. TYPE OF BUSINESS ENTITY: _____

3. THE FRANCHISEE’S CEO:

Name:

Address:

Telephone:

Cell Phone:

Facsimile:

E-mail Address:

4. EQUITY OWNERS:

OWNERSHIP %

5. PROTECTED TERRITORY:

6. BUSINESS PREMISES ADDRESS:
("Approved Location")

7. THE FRANCHISOR:

Name: Securis Franchising, LLC
Address: 14801 Willard Road, Suite 800
Chantilly, Virginia 20151

Telephone: 866-509-7250
Facsimile: (703) 935-0695
E-mail Address:

8. INITIAL FRANCHISE FEE:

\$_____ due upon execution of Franchise Agreement

9. SUBSEQUENT FRANCHISE AGREEMENT FEE: 10% of then-current initial franchise fee for the same class of franchise

10. SUBSEQUENT FRANCHISE AGREEMENT TERM: 5 years

11. EFFECTIVE DATE: _____

12. OPENING DATE: _____

13. EXPIRATION DATE: 5 years from the Effective Date

14. FEES	DATE DUE
(a) Grand Opening Promotion Amount: \$_____ (Depending on the size of your territory, Between \$5,000 and \$10,000)	According to marketing plan
(b) Royalty: 4% of revenues from Direct Services	5 th day of the month
(c) Training Fee for Additional Management Staff: \$1,000, plus expenses	When application for additional training is submitted

- | | | |
|-----|---|---|
| (d) | Ongoing Training Fees:

\$300 per day to a maximum of 5 days per instance | When application for additional training is submitted |
| (e) | Per Diem Fee:

\$300 per day | When application for Per Diem support is submitted |
| (f) | Transfer Fee:

\$10,000 to third party; \$5,000 to Another Securis® franchisee | When application for a Transfer is submitted |
| (g) | Assignment Fee:

\$500 | When application for an Assignment is submitted |
| (h) | Local Marketing Expenditures:

8% of Gross Revenues | Monthly, with report due by the 5th day of each month for the preceding month |
| (i) | Marketing Fund Contribution:

Up to 2% of Gross Revenues as required by the Franchisor | 5 th day of the month |
| (j) | Freight Costs:

50% of cost of shipment | As invoiced |
| (k) | Electronics Disposal Fees:

As described in the Operations Manual. Currently, \$10 for televisions, \$10 for computer monitors, \$.60/lb. for alkaline batteries and \$.12/lb for any other software or plastic data storage device | 5 th day of the month |

(l)	NSF Fee: \$50	On demand
(m)	Late Fees: \$50 for each payment, report or corrective action that is late as described in the Manuals	On demand
(n)	Interest Charges: Lower of 18% APR or highest rate permitted by law	On demand for late payments
(o)	Technology Fee: \$200	5 th of every month
(p)	Software Licensing Fee \$65 per administrative user per month and \$125 per sales user per month (subject to change)	5 th of every month
(q)	Convention Fees: \$500 to \$1,000 (plus any travel and lodging expenses incurred)	Upon invoice
(r)	Holdover Fees: 150% of the fees which would have been due to the Franchisor if the Franchise Agreement had neither terminated nor expired	By the Due Date specified for payment of each fee in the Franchise Agreement
(s)	Business Non-Compliance Fee: 150% of the Franchisor's cost of providing services which a Franchise Agreement or Client Services Agreement requires the Franchisee to provide	Upon demand

- | | | |
|-----|--|-------------------------|
| (t) | Insurance Procurement Fees:

150% of the cost of insurance premiums the Franchisor pays for the Franchisee | Upon receipt of invoice |
| (u) | Supplier Review Fee:

Up to \$1,000 | Upon receipt of invoice |
| (v) | Management System

Delinquency Charge:

\$100 per instance the Franchisee fails to submit reports in the manner prescribed in the Manual | Upon demand |

15. METHOD OF PAYMENT:

The Franchisee shall pay all amounts due and owing to the Franchisor in the manner specified below:

Electronic Funds Transfer

16. REPORT DUE DATES:

Monthly Franchise Report	15th of each month
--------------------------	--------------------

Quarterly Financial Statements:

April 15th, July 15th, October 15th, January 15th

Year End Financial Statement	January 31st
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17. NOTICES TO THE FRANCHISEE:

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Email: _____

18. NOTICES TO THE FRANCHISOR:

Name: _____

Address:

Telephone: _____

Facsimile: _____

Email: _____

GLOSSARY OF TERMS

Advisory Council/Committee means a council or various committees formed by the Franchisor composed of Franchisees for the purpose of advising the Franchisor on ways to improve the System.

Affiliate means a Business Entity which is controlled by or under common control with another Business Entity.

Agreement or Franchise Agreement means this Agreement and all exhibits, schedules, ancillary documents, and guarantees attached hereto.

Approved Location means the location for the Franchisee's Business's Premises which is specified on the Summary Pages.

Asset Transfer means the voluntary, involuntary, direct or indirect sale, assignment, Transfer, license, sublicense, sublease, collateral assignment, grant of a security, collateral or conditional interest, inter vivos Transfer, testamentary disposition or other disposition of the Franchisee's Business, this Agreement or any interest in or right under this Agreement; of all or substantially all of the assets of the Franchisee's Business or in an interest therein, including (1) any Transfer in, or as a result of, a divorce, insolvency, dissolution proceeding or otherwise by operation of law; (2) any Transfer upon the death of any of the Franchisee's Principals by will, declaration of or Transfer in trust or under the laws of intestate succession; or (3) any foreclosure upon the Franchisee's Business or the Transfer, surrender or loss of possession, control or management of the Premises by the Franchisee.

Assignment Fee means the fee charged if less than a Controlling Ownership Interest in the franchise is transferred, as specified on the Summary Pages.

Assignment of Telephone Number(s) means the transfer of the Franchisee's Business(es) telephone number(s) to the Franchisor in the event of termination, transfer of ownership of Franchisee's Business(es) to the Franchisor, or upon the expiration of the Franchise Agreement. The current form is Schedule D to this Agreement.

Business Day means a day when banks are open for regular commercial business in the United States.

Business Entity means a corporation, a general or limited partnership, limited liability company, trust, or any other type of business organization.

Business Non-Compliance Fee means a fee to compensate the Franchisor for providing services to a Client if the Franchisee fails to provide services required by a Client Services Agreement, as specified on the Summary Pages.

CEO or Chief Executive Officer means an individual who is designated by the Franchisee who is directly responsible for causing the Franchisee to fulfill its obligations under this Agreement. The CEO must obtain and maintain all certifications required in the Operations

Manual, including all the National Association for Information Destruction (NAID) and any other certifications the Franchisor requires for operation of the Franchisee's Business.

Client means a person who has contacted Franchisee's Business and who uses or has used a Franchisee's services, or a person who receives services from a Franchisee's Business in another Territory.

Client Services Agreement means an agreement which is in a form prescribed or approved by the Franchisor which defines the scope of services the Franchisee will provide to a Client and the compensation the Franchisee is entitled to be paid by the Client or its payor.

Collateral means the following property:

(1) All of the Franchisee's right, title and interest, estate, claim and demand, either at law or in equity, in and to all equipment, machinery, vehicles, apparatus, fixtures and articles of personal property of every kind and nature whatsoever, located at the Franchisee's Business's Premises or now or hereafter ordered for eventual delivery to the Franchisee's Business's Premises (whether or not delivered thereto) and all such as are now or hereafter used or usable in connection with any of the Franchisee's present or future business operations at the Franchisee's Business's Premises and now owned or hereafter acquired by the Franchisee, and any and all replacements thereof, additions thereto and substitutions therefore, including, without in any manner limiting, the generality of the foregoing, all computer equipment used in the operation of the Franchisee's Business;

(2) All of the Franchisee's inventory for sale at the Franchisee's Business, both now owned and hereafter acquired, whether or not located at the Franchisee's Business's Premises, and as the same may now and hereafter from time to time be constituted, together with all cash and non-cash proceeds and products thereof;

(3) All proceeds of the conversion, voluntary or involuntary, of any of the Collateral into cash or liquidated claims, including the proceeds of insurance; and

(4) All of the Franchisee's Business's contracts, cash, and accounts receivable.

Competitive Business is a business that offers Competitive Services.

Competitive Services means electronic, electronic or data privacy or security services including destruction, recycling or processing of sensitive client information or technological products housing sensitive client information.

Confidential Information means information relating to the operation of the System including the standards, methods, procedures and specifications of the System, including the contents of the Manuals, Client lists, Client information, referral sources, prospect lists, information about Franchisees and the operation of its business, information about suppliers and pricing, business plans, marketing plans, advertising programs, market research, and all other information which is used in the Franchisee's Business, which is derived from the Franchisor or other Franchisees, and which has value to the Franchisor.

Confidentiality Agreement means an agreement to be signed by the Franchisee, its CEO, Principals, Manager, and employees designated by the Franchisor whereby each agrees not to disclose Confidential Information, to misuse or corrupt any software application, or to use Confidential Information or software other than in the operation of the Franchisee's Business. The current forms are attached as Schedule C.

Commission means an agreed upon amount provided to Franchisee from Franchisor, as described in the Manuals, for the securing of a National Account or Multi-Unit Account serviced Franchisee as well as serviced outside the Protected Territory by Franchisor, Franchisor's affiliates or another Securis® franchisee.

Control, Controlling or Controlling Interest means the possession, directly or indirectly, of the power to direct or cause the direction, of the management and policies of a Business Entity, through ownership of voting securities, by contract or otherwise.

Controlling Principal is an individual owner of at least a fifty-one percent (51%) interest in the Franchisee, if the Franchisee is a Business Entity, who is approved by the Franchisor and who is directly responsible for causing the Franchisee to fulfill its duties under this Agreement.

Convention Fee means the fee specified on the Summary Pages payable by the Franchisee to attend the Securis® convention.

Direct Services means all services provided directly by Franchisee to Clients, including shredding, degaussing electronics or other products provided by a Client, providing security or other data audit services at a Client's site, and collecting Recycled Materials, or any other service provided by the Franchisee directly to a Client.

Disclosure Document or FDD means a disclosure document describing the Franchisor and the Franchisee's Business which was presented to the Franchisee before this Agreement was executed.

Due Date means the day specified on the Summary Pages by which recurring fees and reports are due to the Franchisor and must be received by the Franchisor.

Effective Date means the date the Franchise Agreement is executed by the Franchisor as stated on the Summary Pages.

Electronics Disposal Fee means the fee the Franchisee must pay to the Franchisor each month for Recycled Material when the Franchisor cannot process the Recycled Material for revenue.

Equity Owners are the individuals who are direct and indirect "Owners" of all equity, financial participation or other Ownership Interest in the Franchisee specified on the Summary Pages.

Expiration Date means the date this Agreement expires as stated on the Summary Pages.

Financial Statements are Quarterly and Year-End Financial Statements, prepared in the manner prescribed by the Franchisor.

Force Majeure are acts of God, strikes, lockouts or other labor disturbances, war, riot, acts of terrorism, disease outbreaks, epidemic, fire or other catastrophe, or other forces beyond the Franchisor's control.

Franchise means all forms of franchises the Franchisor grants including Unit Franchise Agreements or, if developed in the future, developer agreements, conversion agreements or any other agreement granted to an individual or business entity to operate a Securis® business. Franchise also means on all future agreements which may license the marks and any part or enhancement of the system described herein.

Franchise Agreement is an agreement which grants a Person a Franchise.

Franchisee includes the individual or Business Entity identified as "the Franchisee" on the Summary Pages, and shall also include all persons who succeed the interest of the original Franchisee.

Franchisee's Business means the business which Franchisee is authorized to operate at the Approved Location pursuant this Franchise Agreement. It may also refer to a business operated under the Securis System in a different Protected Territory

Franchisor means **Securis Franchising, LLC** and its successors and assigns.

Franchisor's Affiliate means PCRrecycler, Inc. and any future Affiliate of the Franchisor.

Grand Opening means an event hosted by the Franchisee at the Franchisee's Business to publicize the opening of the Franchisee's Business, which will occur within sixty (60) days after the Opening Date, pursuant to the requirements specified in the Manuals.

Gross Revenues means all revenue the Franchisee derives from operating the Franchisee's Business, including commissions, Franchisee's Processing Commission, amounts received from the Franchisor or from Recycled Material Processors for Recycled Material, and all amounts the Franchisee bills for products or services sold at or away from the Franchisee's Business, and whether from cash, check or credit transactions, and paid to the appropriate taxing authority, for the previous month, regardless of when or whether the amounts are actually collected for services.

Gross Revenues include one hundred percent (100%) of revenue derived from Direct Services plus the Franchisee's Processing Commission, as defined in the Manuals. Gross Revenues do not include Client refunds, adjustments, credits, and allowances actually made by the Franchisee's Business.

Guarantor means the Franchisee, if the Franchisee is an individual, and every person who executes, or whom the Franchisor requires to execute, a Personal Guaranty.

Holdover Fees means the fees the Franchisee must pay if it continues to operate the Franchisee's Business beyond the Expiration Date or the Termination Date, as specified on the Summary Pages.

Including means "including, without limitation."

Indemnitees means the Franchisor's Representatives and their successors and assigns.

Initial Franchise Fee is the Standard Fee due under this Franchise Agreement for the right to enter into this Agreement or any other form of Franchise Agreement as specified on the Summary Pages, expressed in U.S. Dollars.

Insurance Procurement Fee means the fee charged by the Franchisor to purchase required insurance for the Franchisee if the Franchisee does not purchase the insurance itself, as specified on the Summary Pages.

Intellectual Property or IP means the Marks, System, Confidential Information, copyrighted materials, software, domain names, URLs, meta tags, trade secrets or trade dress which the Franchisor licensed to the Franchisees.

Late Fee is the amount specified on the Summary Pages that is imposed for any failure to submit any payment, report or take any corrective action that is required by the Franchisor within the time prescribed by the Agreement or by the Manuals. The amount of the late fee is based on the frequency and type of default. All fines will be assessed on the following month's Royalties invoice. The amounts and Due Dates are subject to change. Late fees shall have no effect on any right or remedy the Franchisor may have under the Franchise Agreement or under applicable law.

Lead Security Technician is Franchisee's employee responsible for managing Client accounts, working to schedule and oversee all Direct Services, processing invoices and all materials collected from Direct Services, and processing and submitting Recycled Material to Franchisor for processing.

Local Marketing Requirement is the amount specified on the Summary Pages which the Franchisee must spend each month to promote sales of the Franchisee's Business.

Location is the Premises designated on the Summary Pages from which the Franchisee is authorized to operate a Franchisee's Business.

Losses and Expenses means all losses; compensatory, exemplary or punitive damages; fines; charges; costs; expenses; lost profits; lawyers' fees; experts' fees; court costs; settlement amounts; judgments; compensation for damages to the Franchisor's reputation and goodwill; costs of or resulting from delays; financing; costs of marketing material and media time or space, and costs of changing, substituting, or replacing same; and all expenses of recall, refunds, compensation, public notices, and other such amounts incurred in connection with the matters described.

Management System Delinquency Charge means the fee specified on the Summary Pages which the Franchisee must pay the Franchisor if the Franchisee fails to submit reports in the manner prescribed in the Manuals.

Manager means the individual who is selected by the Franchisee, and who is approved by the Franchisor, to manage the operation of the Franchisee's Business under the supervision of the Franchisee's CEO.

Manuals or Franchisee Manuals mean manuals or policies developed by the Franchisor regarding or relating to the ongoing development, construction, opening, operation and maintenance of a Franchisee's Business. The term "Manuals" includes the Operations Manual, training manuals, development manual and other business manuals as may be prepared from time to time for use by the Franchisees. The Manuals may be in printed or electronic format. The Manuals will remain the Franchisor's exclusive property and may not be duplicated, shared or re-distributed. We may update the Manuals from time to time. The electronic Manual is the official version of the Manual unless the Franchisor otherwise informs the Franchisee in writing.

Marks include the trade-marks, domain names, trade names, trade dress, goodwill, reputation, distinctive slogans, signs, symbols, and devices associated with the System. The Marks may be modified, supplemented, replaced or discontinued from time to time. The Franchisee agrees to use only the Marks designated by the Franchisor and to use them only in the manner prescribed by the Franchisor.

Marketing Fund Contribution means the monthly contributions to the Marketing Fund in the amount specified on the Summary Pages.

Marketing Fund or Fund means a separate segregated fund maintained by the Franchisor following the guidelines established by the Franchisor, consisting of payments from Franchisees pursuant to their Franchise Agreements and contributions from suppliers. The Marketing Fund will be used for marketing, advertising, sales promotion and promotional materials, public and consumer relations, publicity, and any other programs that the Franchisor deems necessary or appropriate.

Method of Payment is the method(s) by which the Franchisor agrees to accept payments due under this Agreement as specified on the Summary Pages. The Franchisor may change the Method of Payment at any time.

Minimum Gross Revenues is the amount required to be generated by the Franchisee each month commencing on the first Anniversary of the Effective Date based on the following schedule: months 13-24 = \$90,000 annually; months 25-36 = \$150,000 annually; month 37 and onward = \$200,000 annually.

Multi-Territory Account is a contract between Franchisor, Franchisor's affiliate, or a collection of regional franchisees with a regional account Client, under which Securis® Franchisees in regional territories deliver services to Client.

Semi-Monthly Franchise Report or “SMFR” is the report the Franchisee must submit to the Franchisor no later than the 1st and 15th of each month which contains reports of financial and other information related to the operation of the Franchisee’s Business in the form and manner specified by the Franchisor. The SMFR shall state all Gross Revenues for the preceding time period, usually about two weeks, with a certification from the Franchisee.

National Account is a Securis Client which has locations in two (2) or more territories which may be serviced by two (2) or more Franchisees, the Franchisor or the Franchisor’s Affiliate.

NSF Fee is specified on the Summary Pages and is charged by the Franchisor if any payments from the Franchisee required hereunder are returned to the Franchisor or declined due to insufficient funds. The Franchisor may increase the NSF Fee in the future in its sole discretion upon thirty (30) days’ notice to the Franchisee.

Ongoing Training Fee means the fee specified on the Summary Pages that is payable by the Franchisee for training of the Franchisee or its employees.

Opening Date is the date specified on the Summary Pages by which the Franchisee must commence operations pursuant to this Agreement with the Franchisor’s approval.

Operations Manual consists of the various operations and procedures, standards, specifications and requirements regarding or relating to the Franchisee’s Business as the Franchisor specifies from time to time, as they may be developed, revised, changed, modified or supplemented by the Franchisor from time to time and such additional standards, operations bulletins or memoranda as the Franchisor may develop from time to time.

Owner means a Person who directly or indirectly possesses an Ownership Interest in the Franchisee.

Ownership Interest means any direct or indirect, legal or beneficial ownership interest of any type, including (a) in relation to a corporation, the ownership of shares in the corporation; (b) in relation to a partnership, the ownership of a general partner or limited partnership interest; (c) in relation to a limited liability company, the ownership of a membership interest; or (d) in relation to a trust, the ownership of the beneficial interest of such trust.

Ownership Interest Transfer means the voluntary, involuntary, direct or indirect sale, assignment, Transfer, license, sublicense, sublease, collateral assignment, grant of a security, collateral or conditional interest, inter vivos Transfer, testamentary disposition or other disposition of any direct or indirect Ownership Interest in the Franchisee or revenues or income of the Franchisee’s Business, including: (1) any Transfer, redemption or issuance of a legal or beneficial Ownership Interest in the Franchisee or any Business Entity that has an interest in the Franchisee or of any interest convertible to or exchangeable for a legal or beneficial Ownership Interest in the Franchisee or any Business Entity that has an interest in the Franchisee; (2) any merger or consolidation between the Franchisee or any Business Entity that has an interest in the Franchisee and another Business Entity, whether or not the Franchisee is the surviving Business Entity; (3) any Transfer in, or as a result of, a divorce, insolvency, dissolution proceeding or

otherwise by operation of law; (4) any Transfer upon the Franchisee's death or the death of any of the Franchisee's Principals by will, declaration of or Transfer in trust or under the laws of intestate succession; or (5) any foreclosure upon the Franchisee's Business or the Transfer, surrender or loss by the Franchisee of possession, control or management of the Premises.

Permanent Disability or Permanently Disabled State means any physical, emotional or mental injury, illness or incapacity which prevents the CEO or the Manager from performing the obligations set forth in this Agreement in the ordinary course of business for at least ninety (90) consecutive days, and from which condition recovery within ninety (90) days from the date of determination of disability is unlikely. If the Franchisee disagrees with the Franchisor about whether the CEO or the Manager is permanently disabled, the existence of permanent disability shall be determined by a licensed practicing physician selected by the Franchisor, upon examination of the CEO or the Manager; or if the CEO or the Manager refuses to submit to an examination, then the person automatically shall be considered permanently disabled as of the date of refusal. The costs of any such examination shall be paid by the Franchisor.

Person is an individual or a Business Entity.

Personal Guaranty is Schedule B to this Agreement and is also referred to as a Guaranty and Assumption of Obligations.

Premises means the real property from which a Franchisee's Business operates.

Principal means collectively or individually, all officers and directors, partners or members of the Franchisee or any of the Franchisee's Affiliates, and Persons holding a direct or indirect Ownership Interest in the Franchisee or in any of the Franchisee's Affiliates, in the Franchise, this Agreement or any interest in or right under this Agreement, or any interest in all or substantially all of the assets of the Franchisee's Business or an interest therein or in the revenues or income thereof.

Prior Agreement means the Franchise Agreement between the Franchisee and the Franchisor for the Franchisee's Business that is being replaced by a Subsequent Franchise Agreement upon its expiration.

Processing Commission means the total income the Franchisor collects from the sale of Recycled Material, less its direct cost of processing, shipping, refurbishing and/or selling Recycled Materials, as described in the Manuals. When Recycled Materials from more than one Franchisee are sold or disposed of together in a single or series of transactions, the Franchisor may average the income and expenses associated with such disposition in calculating Franchisee's portion of the Processing Commission. The Franchisee's share of the Processing Commission is currently 50%, though upon 30 days' notice to the Franchisee, the Franchisor may reduce the Franchisee's share of Processing Commissions by as much as 10%, should scrap Recycling Materials constitute more than 50% of the Recycling Materials delivered to the Franchisor for a period of 60 days. Any such Processing Commission changes shall be defined in the Manuals.

Products and Services are the products and services which the Franchisor authorizes for sale in Franchisee's Businesses.

Proposed Site is a property on which the Franchisee proposes to establish a Franchisee's Business.

Protected Territory means the area described on the Summary Pages within which a Franchisee's Business must be located and opened with the Franchisor's approval before the Opening Date within which the Franchisee has the right to solicit and provide services to Clients.

Quarterly Financial Statements are profit and loss statements and balance sheets which the Franchisee must prepare and submit to the Franchisor on the dates specified on the Summary Pages.

Recycled Material means any computer or other electronic product obtained by Franchisee from a Client that cannot be destroyed or recycled using Direct Services provided by Franchisee which is subsequently shipped to Franchisor (or a Recycled Material Processor which the Franchisor designates), for destruction, refurbishing scrap sale, or resale.

Recycled Material Processor means a provider of Recycled Material services, including recycling, destruction, scrapping, refurbishing or reselling services. The Recycled Material Processor may be Franchisor, an Affiliate of Franchisor or a third-party with which the Franchisor contracts with to fulfill some or all Recycled Material processing.

Representatives mean the Franchisor and the Franchisee, their Affiliates and their respective Owners, officers, directors, employees, agents, lawyers, and representatives.

Right of First Refusal means the Franchisor's right to purchase the interest being offered by the Franchisee or anyone owning an Ownership Interest in the Franchisee by matching the bona fide monetary purchase price and payment schedule terms, less any brokerage commission (without having to match any other or non-monetary terms of the proposed transfer).

Royalty Fee or Royalties mean the amount specified on the Summary Pages.

Second Agreement or Subsequent Franchise Agreement means a new Franchise Agreement which is offered to the Franchisee for a period which commences after the Expiration Date of a Prior Agreement.

Subsequent Franchise Agreement Documents include all documentation required by the Franchisor for the Franchisee to enter into a Subsequent Franchise Agreement.

Subsequent Franchise Agreement Fee means the amount specified on the Summary Pages to be paid by the Franchisee to the Franchisor for the option to renew for a term specified on the Summary Pages by signing the Franchisor's then-current form of the Franchise Agreement.

System or Securis® System means the standards, specification, products and services, methods, procedures, technology and IP prescribed by the Franchisor relating to the

establishment, development and operation of a Franchisee's Business. The System includes methods of training, advertising and promotion of a full-range of electronic destruction and recycling services, including on-site hard drive shredding, hard drive degaussing and recycling of all electronic and computer products and Recycled Material services provided by the Franchisor (or a designated Recycled Material Processor), and all related technology, certification standards and requirements, management programs, standards, service programs, business methods, product and service specifications and information using the trade name, and trademark "Securis®". The System may be modified at any time.

Term means the period from the Effective Date to the earlier of the Expiration Date or the Termination Date.

Termination Date means the date upon which this Agreement ends pursuant to Section 17.

Territory means an area granted to or reassessed for the operation of Franchisee's Businesses. It also refers to the area serviced by the Franchisor or its Affiliate.

Transfer means an Asset Transfer or an Ownership Interest Transfer.

Transfer Fee is a non-refundable fee specified on the Summary Pages which must be paid to the Franchisor as a condition of approving a Transfer of this Agreement, an Asset Transfer or a Transfer of a Controlling Ownership Interest.

Transferee is any Person who wishes to acquire or who acquires Assets of the Franchisee's Business or an Ownership Interest.

Year-End Financial Statements are annual financial statements prescribed by the Franchisor which must be received from the Franchisee by the date specified on the Summary Pages.

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**SECURIS®
FRANCHISE AGREEMENT**

This Agreement is made and entered on the Effective Date by and between the Franchisor and the Franchisee.

1. RECITALS OF FACT

This Agreement is made and entered into by the Franchisor and the Franchisee with reference to the following facts:

A. The Franchisor's Affiliate has developed and granted Franchisor the right to sublicense the Securis System to Franchisees and to enter into this Agreement.

B. The Franchisee desires to operate a Franchisee's Business under the System and to obtain a license from the Franchisor for that purpose, as well as to receive the training and other assistance provided by the Franchisor in connection therewith.

C. The Franchisee has executed and completed an application for a franchise to own and operate a Franchisee's Business.

D. The Franchisor has approved the Franchisee's application in reliance upon all of the representations and warranties made by the Franchisee and its Principals, and grants to the Franchisee a franchise to own and operate a Franchisee's Business.

E. The Franchisee hereby acknowledges that it has read this Agreement and the Disclosure Document, and that it has no knowledge of any representations about the Franchisee's Business or about the Franchisor or its franchising program or policies, which contradict the statements in the Disclosure Document or the terms of this Agreement. The Franchisee understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain the Franchisor's high standards of quality and service and thereby to protect and preserve the goodwill of the Marks.

2. GRANT OF FRANCHISE

A. Location of the Franchisee's Business

The Franchisor grants to the Franchisee, and the Franchisee accepts, a franchise to operate the Franchisee's Business, utilizing the System, within the Protected Territory, described on the Summary Pages. The Franchisor also grants and the Franchisee accepts, a limited franchise to use only such Marks, and only in connection with the services, which have been approved by the Franchisor for the Franchisee's Business.

B. Protected Territory

The Franchisor agrees during the Term, provided the Franchisee is in full compliance with this Agreement, that the Franchisor shall not operate or grant a Franchise to operate another Franchisee's Business location within the Protected Territory.

C. Limitations of Grant

(a) The Franchisee's activities are limited to offering and selling those Products and Services. The Franchisee may not make any sales to or perform services for Clients which are located outside of the Protected Territory unless such a Client resides in a Territory which is adjacent to the Protected Territory which has not been granted to another Franchisee or which is not served by the Franchisor or its Affiliate and the Franchisee has received Franchisor's written approval. No more than twenty percent (20%) of Franchisee's Gross Revenues may be derived from Clients outside of Franchisee's Protected Territory. If either the Franchisor, its Affiliate or another Franchisee commences operations in a Territory in which the Franchisee has been servicing Clients, the Franchisee shall coordinate with the Franchisor and seek other Franchisees to transfer the Client Account to the Franchisor or to such Franchisee. The Franchisee has no options, rights of first refusal, or similar rights to acquire additional franchises.

(b) Unless the Franchisor otherwise approves it, all of the Franchisee's marketing activities shall be limited to recruiting Clients who will be served in the Protected Territory. Due to the natural circulation of the printed media or reach of television and radio, the Franchisee's local advertising may be viewed by prospective Clients located outside of the Protected Territory. The Franchisee may not market to, or otherwise solicit Clients located outside its Protected Territory, other than Clients with locations, which are both within and outside the Protected Territory. The Franchisee has been granted no right of ownership in or to any part of the System.

(c) The Franchisor and its Affiliates retain the exclusive right to negotiate and execute agreements with National Accounts. The Franchisee shall act as the Franchisor's agent for the purpose of servicing National Accounts, unless the National Accounts Agreements provides otherwise. If the Franchisee is unwilling or unable to service a National Account, or if the Franchisee does not meet the Franchisor's eligibility criteria or the eligibility criteria of the National Account, the Franchisor has have the right, directly, or through its designee, to service the National Account, without compensation to the Franchisee.

D. Rights Reserved to the Franchisor

All rights not expressly granted to the Franchisee herein are reserved to the Franchisor. The Franchisor reserves the right of ownership in, and control over the System. The Franchisor reserves the right:

(a) Subject to Franchisee's express rights under Section C, to own and operate and grant franchises or licenses to others to own and operate Securis® businesses outside Franchisee's Protected Territory;

(b) To own and operate and license others to own and operate any business of any kind, selling services or products which are similar to or different from those sold by Franchisee's Business, under the Marks or any other names, trademarks, service marks, logos and commercial symbols at any locations outside of Franchisee's Protected Territory;

(c) To acquire businesses that are the same as or similar to Franchisee's

Business and operate or license others to operate such businesses regardless of where the businesses are located, including within Franchisee's Protected Territory, and to be acquired by any third party which operates businesses that are the same or similar to a Franchisee's Business regardless of where such businesses are located, including within the Protected Territory;

(d) To offer, sell or distribute, or to license to others to offer, sell or distribute, any services or products we develop, including data security or destruction services and Recycled Material processing associated with the System (now or in the future) or identified with the Marks, or any other names, trademarks, service marks, logos or other commercial symbols, through "other channels of distribution" or "other methods of distribution" (as described below) at any locations within or outside the Protected Territory. "Other channels of distribution" shall mean any channels of distribution other than the operation of Franchisee's Businesses and includes, distributors or other service providers of data destruction, data security or data privacy and/or that sells Recycled Materials. "Other methods of distribution" shall include wholesale, resale or the internet (or any other form of electronic commerce); and

(e) To advertise the System on the internet or any other form of electronic commerce and to create, operate, maintain and modify or discontinue the use of websites using the Marks.

3. TERM AND SUBSEQUENT FRANCHISE AGREEMENT

A. Term

Subject to the provisions in this Agreement, the Term of this Agreement shall commence on the Effective Date and it shall expire on the Expiration Date.

B. Subsequent Franchise Agreement

The Franchisee may opt to enter into a Subsequent Franchise Agreement for the Subsequent Franchise Agreement Term specified on the Summary Pages, subject to the following conditions, which must be complied with prior to entering into a Subsequent Franchise Agreement:

1. The Franchisee shall give the Franchisor written notice of election to enter into a Subsequent Franchise Agreement not less than ten (10) months and not more than fourteen (14) months prior to the Expiration Date;

2. The Franchisee shall not be in default of any provision or amendment to this Agreement or any other agreement between the Franchisor and the Franchisee. The Franchisee shall have complied with all conditions of all agreements with the Franchisor or its Representatives during the Term;

3. The Franchisee shall complete, at its sole expense, such maintenance or renovation of the Premises as is required by the Franchisor;

4. The Franchisee shall satisfy all monetary obligations owed by the Franchisee to the Franchisor, and its Representatives, and shall have timely met these obligations

throughout the Term;

5. The Franchisee shall execute, for the Term of the Subsequent Franchise Agreement, the Franchisor's then-current form of Franchise Agreement for similar franchises, which shall supersede this Agreement in all respects, the terms of which may differ materially from the terms of this Agreement. The Franchisee shall pay to the Franchisor on the date of execution of the Subsequent Franchise Agreement, a Subsequent Franchise Agreement Fee in the amount specified on the Summary Pages;

6. The Franchisee shall comply with the Franchisor's then-current qualifications and training requirements; and

7. The Franchisee and its Representatives shall execute a general release, in a form prescribed by the Franchisor, of any and all claims against the Franchisor and its Representatives, and their respective Representatives.

4. INITIAL FRANCHISE FEE

In consideration of the Franchise granted herein, the Franchisee shall pay to the Franchisor an Initial Franchise Fee in the amount specified on the Summary Pages. The Initial Franchise Fee is not refundable, and is fully earned by the Franchisor upon execution by the Franchisee of this Agreement.

5. ROYALTY FEES

Beginning on the first Due Date after the Opening Date, the Franchisee shall pay to the Franchisor a Royalty Fee in the amounts specified on the Summary Pages based upon the Franchisee's Gross Revenues for the previous calendar week.

A. Payment Procedure

The Franchisee shall execute and deliver to the Franchisor pre-authorized draft forms for the Franchisee's operating account, which enable the Franchisor to withdraw money on a timely basis from the operating account to collect Royalty payments, Marketing Fees, Electronics Disposal Fees and any other charges owed by the Franchisee and pre-authorization from Franchisee to deposit Franchisee's Processing Commission. The Franchisee shall make the funds available to the Franchisor for withdrawal no later than the Due Date for payment. The Franchisee must notify the Franchisor within three (3) days of the occurrence of any changes to Franchisee's operating account. The Franchisor may offset against Processing Commissions it owes to the Franchisee any amounts the Franchisee owes to the Franchisor or its affiliates.

B. Late Fees and Damage Provisions

In addition to its other rights and remedies, the Franchisor may charge the Franchisee a Late Fee as specified on the Summary Pages for any payment or electronic funds transfer that is not received by the Franchisor or its Representatives by the Due Date, as well as for any report that is not received by the Franchisor or its Representatives by the Due Date, and for any corrective action required by the Franchisor following an audit or inspection which is not

completed within the time specified by the Franchisor. The Franchisee has the obligation to pay the Franchisor interest on any late payment, report or action, as specified on the Summary Pages. Franchisor has the right to deduct any late Royalty Fees or Late Fees due to delinquent fees from the amount remitted to Franchisee based on the processing of Franchisee's Recycled Materials.

C. Taxes On Fees Due

All amounts payable to the Franchisor pursuant to this Agreement are exclusive of any sales taxes which may be payable.

D. Electronics Disposal Fee

The Franchisee shall pay to the Franchisor such Electronics Disposal Fees as the Franchisor imposes for Recycled Material which cannot be processed for revenue on the 5th day of the month for all such Recycled Material which has been disposed of during the previous month. The Electronics Disposal Fees, subject to change as described in the Manuals, are specified on the Summary Pages.

6. MARKETING FEES

A. Marketing Fund

The Franchisor has established a Marketing Fund ("Marketing Fund"). The Franchisee must contribute the amount specified on the Summary Pages to the Marketing Fund.

The Franchisee agrees that the Marketing Fund shall be maintained and administered by the Franchisor as follows:

1. The Franchisor will direct all marketing programs with sole discretion over the creative concepts, materials and media used in such programs, and the placement of fund allocations thereof. The Franchisee agrees and acknowledges that the Marketing Fund is intended to maximize general public recognition and acceptance of the Marks for the benefit of the System generally, and that the Franchisor undertakes no obligation in administering the Fund to make expenditures for the Franchisee's Business which are equivalent or proportionate to the Franchisee's contribution, or to ensure that any particular Franchisee benefits directly or pro rata from the placement of advertising or other marketing activities.

2. All contributions to the Marketing Fund and any earnings shall be used exclusively to meet any and all costs of maintaining, administering, directing, and preparing marketing activities (including cost of preparing and conducting marketing campaigns in various media; marketing surveys and other public relations activities designed to promote the Marks and the System; employing advertising agencies; and providing promotional brochures and other marketing materials to the Franchisee's Business). All sums paid by the Franchisee to the Marketing Fund and any earnings shall be maintained in an account separate from the other monies of the Franchisor, and shall not be used to defray any of the Franchisor's expenses, except for such reasonable administrative costs and overhead as the Franchisor may incur in activities reasonably related to the administration or direction of the Marketing Fund and advertising programs for the Franchisees and the System. The Marketing Fund earnings shall

not otherwise inure to the benefit of the Franchisor. The Franchisor shall maintain separate bookkeeping accounts for the Marketing Fund. The Franchisee shall contribute to the Marketing Fund by the fifth day of each month.

3. It is anticipated that all contributions to and earnings of the Marketing Fund shall be expended for the purposes described during the taxable year, within which the contributions and earnings are received. If, however, excess amounts remain in the Marketing Fund at the end of such taxable year, all expenditures in the following taxable year(s) shall be made first out of accumulated earnings from previous years, next out of earnings in the current year, and finally from contributions.

4. The Franchisor reserves the right to defer or reduce contributions of the Franchisee to the Marketing Fund and, upon thirty (30) days prior written notice, to reduce or suspend the Franchisee's payment of Marketing Fund contributions to and suspend operation of the Marketing Fund for one or more periods of any length and to terminate (and if terminated to reinstate) the Marketing Fund. If the Marketing Fund is terminated, all unspent monies on the date of termination will be distributed to the franchisees in proportion to their respective contributions to the Marketing Fund during the preceding three (3) month period, and amounts refunded shall be spent on local marketing in addition to the amounts specified on the Summary Pages.

The Marketing Fund is not and shall not be an asset of the Franchisor. A financial statement of the operations of the Marketing Fund shall be prepared annually and be made available to the Franchisee.

5. Although the Marketing Fund is intended to be of indefinite duration, the Franchisor maintains the right to terminate the Marketing Fund, to reduce required contributions to certain franchisees, to suspend contributions, or to remit a portion of the Marketing Fund to local or regional Securis® marketing and advertising programs. If the Franchisor enters into a settlement of claims with the Franchisee which does not result in a collection of all Royalty Fees, and Marketing Fund contributions which were due, the Franchisor may allocate amounts collected as it deems appropriate. The Marketing Fund shall not be terminated, however, until all monies in the Marketing Fund have been expended for the purposes described in this section.

6. The Franchisor may, from time to time, allow the Franchisee to obtain reimbursement from the Marketing Fund of its expenditures made for advertising and promotional activities in the Territory, pursuant to policies and procedures which The Franchisor prescribes. The amount of reimbursement will not exceed the amount of the Franchisee's contributions to the Marketing Fund during the time when the program is in force. The Franchisor will condition its reimbursement on prior approval of the advertising and promotional programs and materials and upon receipt of evidence of the payments made. During the time any such program is in effect, the Franchisee shall not otherwise have any right to obtain a credit or refund of amounts which it has paid to the Marketing Fund without prior approval. Receipts by the Franchisee more than twelve (12) months after they are incurred shall not be reimbursed.

B. Grand Opening Promotions

The Franchisee shall expend at least the amount specified on the Summary Pages for Grand Opening promotions. The Grand Opening promotion fund shall be spent pursuant to a plan which is approved by the Franchisor. The Franchisor shall coordinate, control, and work with the Franchisee regarding the preparation and placement of such advertising and promotional programs.

C. Local Marketing Plan

The Franchisee agrees to implement and follow the advertising and marketing plan created by the Franchisor as posted on the Securis® intranet. The Franchisee may implement additional advertising, provided such advertising conforms to the standards and requirements of the Franchisor, as set forth in the Manuals, or as otherwise designated by the Franchisor.

The Franchisee shall not advertise the Franchisee's Business in conjunction with any other business, except with the Franchisor's prior written consent. The Franchisee shall obtain the Franchisor's prior approval of all advertising and promotional plans and materials that the Franchisee desires to use that have not been prepared or approved by the Franchisor within the preceding twelve (12) month period. The Franchisee shall submit such unapproved plans or materials to the Franchisor (by personal delivery or via certified mail/return receipt requested, email, or overnight courier). The Franchisee shall use no such plans or materials until they have been approved by the Franchisor, and shall promptly discontinue use of any advertising or promotional plans or materials upon notice by the Franchisor. Any plans or materials submitted by the Franchisee to the Franchisor which have not been approved or disapproved in writing, within thirty (30) days of receipt by the Franchisor, shall be deemed disapproved. The Franchisee shall only use suppliers of advertising services which have been prescribed or approved by the Franchisor.

D. Local Marketing Expenditures

The Franchisee agrees to expend monthly for advertising and promotion of the Franchisee's Business the amount specified on the Summary Pages. The Franchisor may increase this amount from time to time. This amount is in addition to amounts expended for Grand Opening promotions. Proof of the Franchisee's expenditures must be submitted to the Franchisor by the 5th of each month for the preceding month. The Franchisor reserves the right to require the Franchisee to spend a portion of local advertising on various programs, including regional promotional programs.

E. Use of Photos

The Franchisee consents to the Franchisor's use of photographs of the Franchisee's Business in advertising and promotional programs, and the Franchisee agrees to obtain the consent of the Franchisee's employees and Clients for the use of photographs of them in advertising programs.

F. Crises Response

The Franchisee shall immediately notify the Franchisor of any event which has occurred or which is alleged to have happened relating to the Franchisee's Business, which involves any of the Franchisee's Business's employees, or which relates to any activity which is sponsored by or affiliated with the Franchisee's Business, which may adversely affect the image, reputation or goodwill of the Marks or the System, or involves any breach of a Client's data or security. When such event arises, absent the Franchisor's written approval, the Franchisee shall not communicate with the press or communicate information or opinions about the event by any means or medium. At the Franchisor's option, the Franchisor shall control all public relations efforts relating to the event, and the Franchisee shall give the Franchisor all reasonable assistance in its efforts.

The Franchisor shall not be liable to the Franchisee or any of Franchisee's representatives for any damages or claims which arise out of its response to the event.

7. DUTIES OF THE FRANCHISOR

A. Pre-Opening

The Franchisor shall provide pre-opening consultation, support, and assistance regarding certain matters, including site selection, lease negotiations, lease review, equipment, start-up inventory, access to Franchisor's approved business management software; Franchisee's Business fixtures, training, Manuals, and signage. The pre-opening consultation, support and assistance is limited to the first Franchisee's Business only and does not apply to renewals or Transfers. The Franchisor also shall provide the Franchisee with access to its intranet site when it becomes operative and forms for reporting sales.

B. Ongoing Assistance

The Franchisor shall provide seminars, consultation, advice, field visits, and assistance on a continuing basis and at the Franchisee's reasonable request, as the Franchisor deems advisable. For assistance required above and beyond normal ongoing assistance, the Franchisee shall pay all reasonable expenses incurred by the Franchisor and its Representatives in connection with such additional assistance, including the costs of transportation, lodging, meals, and wages. The parties shall agree on any such charges before they are incurred. The Franchisor shall advise the Franchisee about hiring and training employees; share best practices relating to operating the Franchisee's Business; provide pricing suggestions; provide administration, bookkeeping, accounting, and inventory control procedures; provide ongoing marketing programs; and communicate information about developments in the System.

C. Process Recycled Material

The Franchisor or its designated Recycled Material Processes shall process all of the Franchisee's Recycled Materials and shall exercise its Business Judgment in determining whether they may best be sold to a recycler or processed for destruction, refurbishing, or scrap. The Franchisor will use commercially reasonable efforts to dispose of Recycled Materials as quickly as possible and will communicate with the Franchisee regarding any significant delays in processing of Recycled Material.

At its option, the Franchisor shall credit the Franchisee's account or pay the Franchisee directly one half of the Processing Commission it collects from disposing of Recycled Materials. If the Franchisor or its designated Recycled Material Processor sells, wholly or in parts, the Recycled Materials, credits or payments shall be made to the Franchisee on the fifteenth (15th) and last days of each month, based upon payments received by the Franchisor by the tenth (10th) and twenty-fifth (25th) of the month, respectively. If the Franchisor determines the Recycled Materials will be scrapped, credits or payments shall be made to the Franchisee on the fifteenth (15th) and last days of each month, based on estimates of value made by the Franchisor for Recycled Material received by the tenth (10th) and twenty-fifth (25th) of the month. The Franchisor shall provide the Franchisee with an electronic statement of its account and the basis for all payments or credits when the credits or payments are made.

D. Manuals

Electronic versions of the Manuals will be distributed to the Franchisee during initial training. Furthermore, it is understood the Franchisor's intranet serves as the "working manual" where updates are made from time to time, in paper or electronically. The Franchisor may make the Manuals available in either electronic or paper formats.

E. Marketing/Promotional Material

The Franchisor shall make available to the Franchisee, on an ongoing basis, advertising and promotional materials for use by the Franchisee in marketing or advertising the Franchisee's Business, and other bulletins on sales and service, marketing developments and techniques, and business and operational procedures. The Franchisor shall provide advertising and marketing advice, direction, and training to the Franchisee in accordance with the guidelines established by the Franchisor. The Franchisor shall review all advertising, promotional and public relations programs and materials proposed for use by the Franchisee, as well as any internet or other electronic advertising, promotions or public relations communications the Franchisee proposes to use before it uses them and only approve such communications or materials which meet the Franchisor's standards.

F. Service the Franchisee's Businesses

The Franchisor shall: (i) assist the Franchisee in obtaining licenses, training, and certifications required by applicable law, the Franchisor, or the Franchisee to operate the Franchisee's Businesses; (ii) assist with the Franchisee's Business opening; (iii) inspect Franchisee's Business; (iv) inspect the quality of services provided by the Franchisee; and (v) provide business advice to the Franchisee.

G. Recruitment

The Franchisor shall develop and administer a recruiting program designed to help Franchisees recruit Clients.

H. Advisory Council/Committees

The Franchisor may establish advisory committees or councils of Franchisees to consult

with and advise the Franchisor regarding different aspects of the business. The Franchisee shall participate in the activities of such committees or councils at its expense.

8. DUTIES OF THE FRANCHISEE

A. Maintaining Operating Standards

The Franchisee understands and acknowledges that every detail of the Franchisee's Business is important to the Franchisee, the Franchisor, and other franchisees to develop and maintain high operating standards and personal Client service, in order to increase the demand for the services sold by all Securis Franchisee's Businesses under the System.

B. Minimum Performance Standards

Each year during the Term, the franchisee shall collect the Minimum Gross Revenues.

C. Recycled Materials Processing

The Franchisee must process all Recycled Materials through the Franchisor or the Franchisor's designated Recycled Materials Processor. Franchisor reserves the right to collect one-hundred percent (100%) of the revenue received by the Franchisee for any Recycled Material processed by a third-party not designated by the Franchisor.

D. Business Entity Guaranty

If the Franchisee is a Business Premises, the Franchisee's Principals shall personally guarantee the Franchisee's performance, and shall bind themselves to the terms of this Agreement. The Personal Guaranty must be in the form of Schedule B attached to this Agreement.

E. Clauses in Lease

If the Franchisee's Business Premises is to be leased, the Lease shall be submitted to the Franchisor for written approval at least fifteen (15) days before it is scheduled to be executed. Such approval shall not be unreasonably withheld. If the Franchisee leases the Franchisee's Business's Premises, the lease must include language contained in the Lease Rider which is attached as Schedule E. The Lease shall give the Franchisor, its agents or designees the right to enter the Premises to conduct inspections at any time during regular business hours, the right to receive notices of default directly from the lessor and the right, but not the duty, to assume the Lease for all or any part of the Term, if the Franchisee defaults under the Lease, is evicted or if this Agreement expires or is terminated. The Franchisee further agrees it shall not lease or sublet all or any part of the Franchisee's Business to others or use any portion of the Premises for any purpose other than conducting business pursuant to this Agreement without the Franchisor's prior written consent.

F. Construction of Franchisee's Business

The Franchisee is responsible for developing and constructing the Franchisee's Business

and the Premises. The Franchisor may furnish the Franchisee with mandatory specifications and layouts for the Premises, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, loading dock requirements, signs, furnishings, color scheme, and other suggestions.

G. Opening of the Franchisee's Business

By the Opening Date specified on the Summary Pages, the Franchisee shall have obtained the Franchisor's approval to operate and shall have begun to operate the Franchisee's Business as prescribed by this Agreement. Prior to commencing operation, the Franchisee shall complete, to the Franchisor's satisfaction, all of the Franchisor's pre-opening requirements, including providing the Franchisor with copies of all insurance policies required by this Agreement or other such evidence of insurance coverage and payment of premiums as the Franchisor may request or accept, completing the Franchisor's initial training program, and obtaining all required permits licenses, and certifications for operating the Franchisee's Business, as required by the Franchisor and all applicable laws, rules, and regulations.

H. Grand Opening

The Franchisee shall have a Grand Opening, as specified in the Manuals. The Grand Opening will occur generally within three (3) months after the Opening Date.

I. Operation of Business

The Franchisee shall operate the Franchisee's Business in conformity with such standards, techniques, and procedures as the Franchisor may from time to time prescribe in the Manuals, or otherwise in writing, and shall not deviate from them without the Franchisor's prior written consent.

The Franchisee further agrees:

1. To solicit Clients following procedures which have been prescribed or approved by the Franchisor.
2. To offer Clients all services and products which the Franchisor may from time to time prescribe or approve.
3. To maintain Franchisee's equipment and trucks as specified by Franchisor in order to offer all required Direct services to Clients in the Protected Territory.
4. To offer to Clients only those services which meet the Franchisor's standards of quality that the Franchisor has expressly approved to be offered by the Franchisee's Business, and to discontinue offering any services which the Franchisor may, in its discretion, disapprove.
5. To utilize only the Franchisor's standard forms of agreements and contracts, and to include requirements imposed by applicable law.

6. Within two (2) years of the Opening Date, to meet all requirements to obtain certifications required and designated by Franchisor, including full NAID Certification.

7. To join the security, data processing and governmental service associations designated by the Franchisor.

8. To become a member of a technology, data security and destruction and privacy association as designated by Franchisor within thirty (30) days of the Effective Date.

9. To obtain and continuously maintain and to cause the Franchisee's staff to obtain and maintain all certifications, accreditations, licenses, permits and authorizations required by law or by the Franchisor, throughout the Term.

10. To pay promptly to the Franchisor and its Representatives any fees or contributions required under this Agreement as well as any additional payments, fees or charges incurred for any equipment, products, supplies or services to be furnished by the Franchisor or its Representatives at the Franchisee's request. Terms for payment of such products, supplies, and services purchased by the Franchisee shall be "on demand." Any payments, which are past due, shall be subject to the Late Fee and Interest Charge described on the Summary Pages.

J. Use of Proper Equipment

In operating the Franchisee's Business, the Franchisee shall use only the Franchisor's approved or designated equipment and supplies (including destruction equipment and trucks and all computer hardware and software) and shall only purchase or lease equipment and supplies from the Franchisor's Representatives or from other suppliers which the Franchisor has approved or designated. All vehicles and equipment used in the Franchisee's Business shall be operated and maintained in a safe and clean manner in compliance with the Manuals.

K. Image of Business

The Franchisee shall maintain the Premises in a safe, clean, orderly condition, and in full compliance with the Manuals. At the Franchisor's request, which shall not occur more than once during the Term, the Franchisee shall, at the Franchisee's expense, complete all improvements and alterations that may be determined by the Franchisor to be necessary so that the Premises conform to the System image as it may be prescribed by the Franchisor from time to time. The Franchisee shall undertake and complete such improvements and alterations within the time and under the terms and conditions specified by the Franchisor.

L. Normal Hours of Operation

Except as otherwise approved in writing by the Franchisor, the Franchisee shall keep the Franchisee's Business open and in normal operation for such minimum days and hours as the Franchisor may prescribe in the Manuals.

M. Maintaining Staff

The Franchisee shall hire and retain such staff as is prescribed in the Operations Manual,

which may include at least one (1) full-time Manager who is dedicated to recruiting running day-to-day operations at Franchisee's Business and recruiting Clients in Franchisee's Protected Territory; and (2) a full-time Lead Security Technician. The Franchisee agrees to recruit and maintain a competent, conscientious, trained staff possessing all licenses and certifications required by the Manuals and applicable laws.

N. Telephone Numbers and Email Addresses of Business

The Franchisee understands and agrees that the telephone number(s) and email address(es) for the Franchisee's Business constitute(s) a part of the System and are subject to the restrictions of this Agreement. Accordingly, the Franchisee shall not change the telephone number(s) or email address(es) for the Franchisee's Business without prior approval of the Franchisor. The Franchisee shall advertise and publish the telephone number(s) and email address(es) for the Franchisee's Business in the manner prescribed by the Franchisor.

O. Right to Enter Business

The Franchisee shall permit the Franchisor and its Representatives to enter the Premises at any reasonable time for the purpose of inspections and the Franchisee shall cooperate fully with the Franchisor's Representatives in such inspections by rendering such assistance as the Franchisor's Representatives may reasonably request. Upon notice from the Franchisor or its Representatives and without limiting the Franchisor's other rights under this Agreement, the Franchisee shall take such steps as may be deemed necessary to immediately correct any deficiencies detected during such inspections. The foregoing shall be in addition to any other remedies the Franchisor may be granted in this Agreement or otherwise.

P. Operate the System

Neither the Franchisee nor anyone else may conduct any business at the Premises other than the business licensed to the Franchisee pursuant to this Agreement without the prior approval of the Franchisor.

Q. Compliance With Laws

The Franchisee shall comply with all applicable laws and regulations and shall obtain and at all times maintain any and all permits, certificates or licenses necessary for the full and proper conduct of the Franchisee's Business. The Franchisee shall cause all of the personnel associated with the Franchisee's Business to comply with all applicable laws and regulations and shall obtain and at all times maintain any and all permits, certificates, insurance, and licenses necessary for the full and proper conduct of the Franchisee's Business. The Franchisee and its employees may not provide any service which requires a license which either the Franchisee or its employees do not possess at the time it delivers the service.

R. Changes to the System

The Franchisor may make changes to any aspect of the System, including operating standards, marketing, signs, equipment standards, and technology. The Franchisee agrees, at its expense, to promptly adopt any such changes specified by the Franchisor.

S. National Accounts

The Franchisee shall participate in all National Accounts Programs implemented or designated by the Franchisor. Absent the Franchisor's approval, only the Franchisor shall negotiate the terms of National Accounts agreements. To the extent Franchisee has met the Franchisor's criteria for helping to procure a National Account Client, the Franchisor will pay the Franchisee such a Commission for services sold to the National Account outside of the Protected Territory as the Franchisor provides under the terms of its then current National Accounts policy.

T. Multi-Territory Account

The Franchisee shall only agree to service a Multi-Territory Account with the Franchisor's approval, following the policies and procedures outlined in the Manuals. The Franchisee shall participate in all Multi-Territory Account agreements implemented or designated by the Franchisor. To the extent Franchisee obtained and secured a Multi-Territory Account.

U. Client Visitation

The Franchisor, its Representatives, or Persons hired or retained by the Franchisor may visit or interview the Franchisee's Clients for the purpose of monitoring the Franchisee's compliance with System standards. The Franchisee agrees to cooperate with any visit or interview.

V. Internet

The Franchisee shall only use a website hosted by the Franchisor and shall use the Franchisor's designated or approved vendor for website maintenance and hosting.

W. Holdover

If the Franchisee continues to operate the Franchisee's Business beyond the Expiration Date or Termination Date, the Franchisee must pay the Franchisor the Holdover Fees specified on the Summary Pages.

X. Business Non-Compliance

If the Franchisee fails to perform services for Clients in the Protected Territory which the Franchisee is required to perform under this Agreement or under any applicable Client Services Agreement in addition to all other remedies available to the Franchisor under this Agreement, the Franchisor may perform the service or hire a third party to perform the service, and the Franchisee shall pay the Franchisor the Business Non-Compliance Fee described on the Summary Pages. The sum is required to reimburse the Franchisor for its direct expenses plus the time and effort expended by its staff, including time spent traveling to and within the Protected Territory and the inability of the Franchisor to devote the resources used in enforcing other Franchise Agreements, to other development and operational requirements of the Franchisor. The Franchisor only shall impose the Business Non-Compliance Fee after giving the Franchisee

at least seven (7) days' notice and an opportunity to cure such non-compliance within such period. The fee shall be paid to the Franchisor by the Due Date each month until the non-compliance has ended or the Franchisee has been terminated.

9. USES OF MARKS

A. Ownership of Marks

The Franchisor's Affiliate is the owner of all rights, titles, and interests in and to the Marks and has granted the Franchisor the right to sublease the Marks to Franchisees.

B. Franchisee's Use of Marks

With respect to the Franchisee's use of the Marks licensed in this Agreement, the Franchisee agrees:

1. The Franchisee only may use the Marks on the internet on a website which the Franchisor hosts;
2. The Franchisee may only use social or professional networking sites to promote the Franchisee's Business with the Franchisor's prior approval and only in the manner prescribed by the Franchisor in the Manuals;
3. The Franchisee shall use the Marks only in connection with the operation and advertising of the Franchisee's Business;
4. The Franchisee shall use and display, as the Franchisor may require in the operation of the Franchisee's Business, a notice in a form approved by the Franchisor indicating the Franchisee is an "Independent Franchisee" operating under a Franchise Agreement, and that the Marks are used by the Franchisee pursuant to a Franchise Agreement;
5. Unless otherwise authorized or required by the Franchisor, the Franchisee only shall operate and advertise the Franchisee's Business as prescribed in the Manuals;
6. The Franchisee shall comply fully with all marketing, promotions, and public service requirements that the Franchisor prescribes;
7. The Franchisee's right to use the Marks is limited to such uses authorized under this Agreement and any unauthorized use shall constitute an infringement of the Franchisor's rights;
8. The Franchisee shall not use the Marks to incur any obligations or indebtedness on behalf of the Franchisor;
9. The Franchisee shall not use the Marks as part of the name of any Business Entity;
10. The Franchisee shall comply with the Franchisor's instructions in filing

and maintaining the requisite trade name or fictitious name registrations and shall execute any documents deemed necessary by the Franchisor or its counsel to obtain protection for the Marks or to maintain their continued validity and enforceability; and

11. If litigation involving the Marks is instituted or threatened against the Franchisee, the Franchisee shall promptly notify the Franchisor and the Franchisee shall cooperate fully with the Franchisor and its Affiliate in defending such litigation. The Franchisor and its Affiliate shall, in its sole discretion, determine whether they wish to initiate any action, litigation or administrative proceeding arising out of such alleged use of the Marks. The Franchisor's Affiliates alone shall control any such litigation or administrative proceeding and settlement terms. The Franchisor shall indemnify the Franchisee for all costs the Franchisee incurs as a result of a suit or action by a third-party or government agency alleging infringement or unfair competition because of the Franchisee's use of the Marks, provided the Franchisee has used the Marks in a way which was prescribed or approved by the Franchisor.

C. Other Covenants of the Franchisee

The Franchisee expressly understands and acknowledges that:

1. The Franchisor's Affiliate is the owner of all rights, titles, and interests in and to the Marks, and the goodwill associated with and symbolized by them.

2. The Marks are valid and serve to identify the System and the Franchisee's Business under the System.

3. The Franchisee shall not directly or indirectly contest the validity or the ownership of the Marks.

4. The Franchisee's use of the Marks granted in this Agreement does not give the Franchisee any Ownership Interest or other interest in or to the Marks, except the non-exclusive franchise granted herein.

5. Any goodwill arising from the Franchisee's use of the Marks in operation of the Franchisee's Business under the System shall inure solely and exclusively to the benefit of the Franchisor's Affiliate. Upon the expiration or the termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with the Franchisee's use of the System or the Marks.

6. Except as provided in this Agreement, the right to the Marks granted to the Franchisee is non-exclusive, and the Franchisor and the Franchisor's Affiliate may:

(a) Grant others the right to the Marks, in addition to those franchises already granted to existing Securis franchisees and licensees; and

(b) Use the Marks in connection with selling any products and services.

7. The Franchisor reserves the right to substitute different Marks for use in

identifying the System and the Franchisee's Business.

8. The Franchisee hereby agrees not to register or attempt to register any of the Marks or a domain name which includes any of the Marks in the Franchisee's name or that of any other individual or Business Entity.

10. MANUALS

The Franchisee shall conduct the Franchisee's Business in accordance with the provisions, standards, and procedures set forth in the Manuals.

The Franchisee agrees as follows:

A. The Franchisee shall at all times treat the Manuals, created for or approved for use in the operation of the Franchisee's Business, and the information contained therein, as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential;

B. The Manuals shall at all times remain the sole property of the Franchisor, shall be kept in a secure place in the Franchisee's Business, and shall be returned to the Franchisor immediately upon the expiration or termination of this Agreement;

C. The Franchisor may, from time to time, revise the contents of the Manuals and the Franchisee expressly agrees to comply with all new or modified provisions. Revisions to the contents of the Manuals shall be deemed effective seven (7) days after the date of mailing or posting on the Franchisor's intranet site, unless otherwise specified by the Franchisor;

D. The Franchisee shall at all times ensure copies of the Manuals are kept current and up-to-date. In the event of any dispute as to the contents of the Manuals, the terms of the Franchisor's copy of the Manuals maintained by the Franchisor at the Franchisor's headquarters shall be controlling; and

E. The Franchisee shall not at any time, without the Franchisor's prior written approval, copy, duplicate, record or otherwise reproduce the Manuals in whole or in part, nor otherwise make the same available to any unauthorized person.

11. CONFIDENTIALITY AND TRADE SECRETS

A. The Franchisee Shall Learn Proprietary Matters

The Franchisee acknowledges that the Franchisor shall provide the Franchisee with knowledge of proprietary matters, techniques, and business procedures of the Franchisor necessary and essential to the operation of the Franchisee's Business. Without such Confidential Information, the Franchisee could not efficiently and effectively operate the Franchisee's Business.

The Franchisee acknowledges such Confidential Information was unknown to the Franchisee prior to execution of this Agreement and that the methods of the Franchisor are

unique and novel to the Franchisee. The Franchisee shall not divulge Confidential Information without the prior written consent of the Franchisor and the Franchisee shall not sell, assign, copy, assist or make available to anyone any information that would enable such person to substantially duplicate any portion of the System.

B. Injunctive Relief Available to the Franchisor

The Franchisee acknowledges that any failure to comply with the requirements of this section shall cause the Franchisor irreparable injury. The Franchisee consents to any order for injunctive, mandatory or other extraordinary relief against any such failure to comply being obtained by Franchisor without the necessity for the Franchisor to post security or an undertaking in damages.

C. The Franchisee's Employees Shall Not Disclose Trade Secrets

The Franchisee shall obtain from each management employee, representative, and agent an agreement that such person shall not during the course of employment, representation or agency with the Franchisee, or at any time, use, divulge, disclose or communicate, directly or indirectly, in any form or manner, to any person, firm or corporation, any of the trade secrets or Confidential Information of the Franchisor or use the Franchisor's trade secrets or Confidential Information for any purpose other than operating the Franchisee's Business. A form of Confidentiality Agreement that is required is attached at Schedule C to this Agreement.

12. TRAINING OF THE FRANCHISEE

A. Initial Training

The initial training program consists of four modules: pre-training, which includes telephonic and web based training provided by the Franchisor; initial training, which takes place at the Franchisor's headquarters or at another location designated by the Franchisor; post-training, which includes telephonic and web based training provided by the Franchisor; and field training, which is provided by the Franchisor and takes place at the Franchisee's Business' location. Before the Franchisee's Business opens, the Franchisor will train the Franchisee or its CEO or Manager and Franchisee's Lead Security Technician in operating the Franchisee's Business at the Franchisor's headquarters, an operating Securis® Business or another location the Franchisor designates. The initial training program is provided for the Franchisee's CEO or Manager and one Lead Security Technician at no fee, but the Franchisee must pay all of its and its trainees' expenses while attending the initial training program, including travel, lodging, meals, and applicable wages. If the Franchisee requests that the Franchisor provide its initial training program to additional employees, either before the Franchisee's Business opens or while it is operating, the Franchisee must pay the Training Fee for additional management staff, as specified on the Summary Pages as well as the trainees' expenses while attending training. At the Franchisor's option, any person subsequently employed as a CEO or Manager of the Franchisee's Business may be required to attend and satisfactorily complete an initial training program.

B. Ongoing Training

The Franchisor may require the Franchisee's CEO and its employees to attend, at a location designated by the Franchisor, up to five (5) days of training each year, and it may charge the Ongoing Training Fees specified on the Summary Pages. The Franchisee agrees to give the Franchisor reasonable assistance in training or assisting other Securis Franchisees. The Franchisor will reimburse the Franchisee for the reasonable costs and expenses in providing such assistance. The Franchisee shall also cause its CEO and other staff members to participate in monthly online training programs, which will be provided without charge to the Franchisee.

During the initial three (3) months of the Term, the Franchisor's Representative shall visit with the Franchisee at least once at the Franchisee's Business to provide the Franchisee with guidance in developing and operating the Franchisee's Business. Such visits shall occur quarterly per year thereafter. During the Term, additional guidance may be provided, including any of the following ways: telephone consultations, buying advisory services, ongoing marketing programs, newsletter services, meetings, research and development regarding methods of operation, National and Multi-Territory Account development, and other additional guidance the Franchisor deems necessary. The Franchisee may be required to attend additional training as specified by the Franchisor.

Upon the Franchisee's request, the Franchisor will furnish additional guidance and assistance and, in such a case, may charge the per diem fees, as specified on the Summary Pages.

C. Training of Subsequent Managers

The Franchisee agrees to have, during the entire Term, at least one (1) fully trained CEO or Manager to operate the Franchisee's Business.

D. Expenses Paid by the Franchisee

The Franchisee, and those selected by the Franchisee to be trained by the Franchisor, shall pay all expenses incurred in such training program, including transportation, lodging, meals, and wages (if any). If the Franchisee's CEO or Manager fails to successfully complete the initial training program, the Franchisee shall be deemed to be in default of this Agreement.

E. Annual Convention

The Franchisee, or the Franchisee's CEO or Manager, at the Franchisee's own expense, shall attend the annual Franchisor convention. The Franchisee, or the Franchisee's CEO or Manager, must attend any other training that the Franchisor may require. The Franchisee shall pay the Franchisor the Convention Fees, as specified on the Summary Pages.

13. ACCOUNTING AND RECORDS

A. Bookkeeping, Accounting, and Records

The Franchisee shall maintain during the Term, and shall preserve for the time period specified in the Manuals, full, complete, and accurate books, records, and accounts in accordance

with the standard accounting system prescribed by the Franchisor in the Manuals or otherwise in writing.

B. Submit Reports to the Franchisor

The Franchisee shall submit to the Franchisor a Semi-Monthly Franchise Report (“SMFR”) no later than the 1st and 15th of each month for the previous two weeks, in the manner prescribed by the Franchisor, accurately reflecting the Franchisee’s Gross Revenues and other activities specified by the Franchisor during the preceding two (2) weeks. The Franchisee shall submit Financial Statements to the Franchisor at the time specified on the Summary Pages. This semi-monthly report shall provide the basis for the electronic funds to be transferred for royalties and other payments due to the Franchisor.

The Franchisee must input monthly profit and loss statements and other information that the Franchisor requests into the franchise management system designated by the Franchisor. Financial Statements shall be signed by the Franchisee’s CEO and treasurer or chief financial officer, attesting the statement is true and correct. At the Franchisor’s request, the Franchisee shall submit to the Franchisor the current financial statement and tax return filing(s), and any other forms, records, reports, information or data the Franchisor may reasonably designate, in the form and at the times and places reasonably required by the Franchisor.

C. Use of Franchise Management System

The Franchisee shall become proficient in and use a franchise management system designated by the Franchisor. The Franchisee shall use the designated system as prescribed by the Franchisor to record all Client leads, track all marketing efforts, input all profit and loss statements, pay the Franchisor royalties, track all advertising spending, record key performance indicators relating to direct services or Recycled Material processing, input information relating to the Franchisee’s Business as prescribed by the Franchisor, and for any other purpose that the Franchisor prescribes. The Franchisee shall enter into all required software license agreements with Franchisor or Franchisor’s designated third party to operate Franchisor’s proprietary or required software systems.

D. Computer Systems

Through the computer systems used at the Franchisee’s Business, the Franchisee agrees to grant the Franchisor unrestricted access to all information generated by the systems, including Gross Revenues information for use in calculating Royalty Fee and Marketing Fund contributions.

The Franchisor agrees to treat any data secured from the Franchisee’s computer systems as proprietary to the Franchisee and shall not share it with any other franchisee or any entity outside of the Franchisor or the Franchisor’s Representatives, except for the Franchisor’s Representatives, without the Franchisee’s express written permission. However, the Franchisor may share composite information with other Franchisees, and may use information generated through the Franchisee’s computer systems to prepare financial performance representations or earnings claims in Disclosure Documents and for use in substantiating those representations.

E. The Franchisor's Right to Audit

The Franchisor or its designated agents, shall have the right, at all reasonable times, to examine and copy (at its expense), the Franchisee's books of account. The Franchisor shall also have the right at any time to audit the books and records of the Franchisee. The Franchisee must respond to the Franchisor's request to audit the Franchisee's books of accounts, including copies of federal and state income and other tax returns, within seven (7) days of a request. If any audit reveals that the Franchisee has underreported the Franchisee's Business's Gross Revenues by more than two percent (2%) in any report to the Franchisor, the Franchisor may at its option, charge the Franchisee for any and all costs and expenses incurred in connection with such audit. The Franchisee shall pay to the Franchisor any amounts owing, immediately upon demand, together, with the Interest Charges specified on the Summary Pages, from the date such amounts were due until paid. Such remedy shall be in addition to any other remedies available to the Franchisor under this Agreement or otherwise. If the Franchisor's audit reveals understated payments more than twice during the Term, the Franchisor at its option, in addition to any other remedies it may have, may elect to require the Franchisee's future financial statements, as required by this Agreement, be audited at the Franchisee's expense.

F. The Franchisor's Right to Use Secret Shoppers

The Franchisor may hire or retain Persons to make contact with the Franchisee and the Franchisee's staff for the purpose of evaluating their compliance with System standards. As part of the evaluation, telephone or other conversations may be recorded. The Franchisee consents to the Franchisor and its Representatives engaging in such activities and the Franchisee agrees to require each member of its Franchisee's Business's staff to consent to such activities.

14. INSURANCE

Prior to the Opening Date, the Franchisee must obtain the following insurance coverage under policies of insurance issued by the insurance carrier(s) that the Franchisor designates or, if the Franchisor does not designate a specific insurance carrier, by carriers having an A.M. Best rating of "A" or better: (1) comprehensive general and professional liability insurance coverage; (2) Workers' Compensation or other employer's liability insurance as well as any other insurance as may be required by statute or rule in the state in which the Franchisee's Business is located; (3) a surety bond; (4) automobile liability coverage, including coverage of owned, non-owned and hired vehicles; and (5) property and casualty insurance and such other insurance as Franchisor prescribes in the Operations Manual. The Franchisee must maintain all required policies in force during the entire term of this Agreement. The Franchisor may increase or decrease the amounts of coverage required under these insurance policies as stipulated by the Manuals and may require different or additional kinds of insurance at any time, including excess liability insurance. Each insurance policy must name the Franchisor (and, if the Franchisor so requests, its Representatives as additional insureds and must provide the Franchisor with ten (10) days' advance written notice of any material modification, termination, cancellation, or expiration of the policy. The Franchisee must obtain its insurance from an insurance carrier designated or approved by the Franchisor.

A. Certification of Insurance

Before the expiration of the term of each insurance policy, the Franchisee must furnish the Franchisor with a certificate of insurance for each policy to be maintained for the upcoming term, along with evidence of the payment of the premium for each.

B. Maintain Insurance Coverage

The Franchisee's obligation to maintain insurance coverage, as described in this Agreement, will not be reduced in any manner by reason of any separate insurance the Franchisor maintains on its own behalf; nor will the Franchisor's maintenance of that insurance relieve the Franchisee of any obligations under this Section 14.

C. Insurance Procurement

If the Franchisee at any time fails or refuses to maintain any insurance coverage required by the Franchisor, or to furnish satisfactory evidence, the Franchisor, at its option and in addition to any other rights and remedies available, may, but need not, obtain such insurance coverage on behalf of the Franchisee. If the Franchisor elects to obtain any such insurance on behalf of the Franchisee, the Franchisee shall pay the Franchisor on demand, the Insurance Procurement Fees, as specified on the Summary Pages.

15. TRANSFER OF INTERESTS

The Franchisee shall not make a Transfer except as permitted by this Section 15. Any Transfer or attempted Transfer without the Franchisor's prior written consent or which otherwise violates the requirements in this Section 15 shall be ineffective against the Franchisor and, without limiting the Franchisor's remedies, shall constitute a material breach of this Agreement.

A. Prior Written Consent

Neither the Franchisee nor its Principal shall affect an Asset Transfer without the Franchisor's prior written consent, which shall be conditioned on the following:

1. At the time of Asset Transfer, the Franchisee and its Principal must be in full compliance with all obligations under this Agreement and all other agreements between the Franchisee and the Franchisor and the Franchisor's Representatives, including payment of all monetary obligations due to the Franchisor and its Representatives;

2. The proposed transferee must have demonstrated to the Franchisor's satisfaction that it satisfies all of the Franchisor's standards for new Franchisees Businesses;

3. The purchase price and terms of the Transfer shall not, in the Franchisor's judgment, negatively impact the capability of the Franchisee's Business to operate profitably following the Transfer;

4. The transferee executes the Franchisor's then-current form of Franchise Agreement of the type which is to be the subject of the Transfer (which may contain different

terms and conditions from this Agreement, and which may limit the term of the transferee's Franchise to the unexpired term of this Agreement, and which shall supersede the terms of this Agreement), Personal Guaranty, Assignment of Telephone Number(s) and other collateral agreements the Franchisor may then require;

5. The transferee upgrades the Franchisee's Business to meet the Franchisor's then-current standards for new Franchisee's Business(es);

6. The transferee and its Owners provide the Franchisor with a waiver and release with respect to liability for any financial data, financial performance representations, other representations and information the Franchisee or its Representative(s) provided the transferee;

7. The transferee's Controlling Principal executes a Personal Guaranty (Schedule B);

8. The transferee and the transferee's Principal and Manager satisfactorily complete the Franchisor's training program;

9. The Franchisee sends the Franchisor a notice requesting the Franchisor's approval of a Transfer and provides the Franchisor with a Transfer Fee in the amount specified on the Summary Pages; and

10. The Franchisee and its Representatives and its respective Principal and Guarantors provide to the Franchisor an unconditional, general release of all claims they have against the Franchisor, and its Representatives.

B. Involuntary Asset Transfer

No involuntary Asset Transfer or partitioning of the Franchisee or its Principal's interest in this Agreement, whether in connection with a bankruptcy, foreclosure, divorce or other proceeding, shall be effective against the Franchisor unless (i) and until the transferee furnishes the Franchisor with a signed guaranty under which the transferee agrees to be jointly and severally liable for the payment of the Franchisee's monetary obligations under this Agreement, whether or not such obligations are then delinquent, (ii) and until the transferee agrees in writing to be personally bound by the confidentiality provisions and restrictive covenants in this Agreement, and (iii) if the Asset Transfer encompasses the Franchisee and its Controlling Principal's total interest in this Agreement or in the Franchisee's Business, they designate and appoint the Franchisee to be the transferee's agent and attorney in fact with whom the Franchisor may deal for all purposes expressed in or contemplated by this Agreement.

C. Ownership Interest Transfer

Any Ownership Interest Transfer shall be subject to the Franchisor's prior written consent, which shall be conditioned on the following:

1. At the time of the Ownership Interest Transfer, the Franchisee is in full compliance with its obligations under this Agreement, and all other agreements between the

Franchisor and the Franchisee and the Franchisor's Representatives, including payment of all monetary obligations due to the Franchisor and its Representatives.

2. Each proposed Principal of the proposed transferee meets our criteria for qualifying as the new Franchisee and delivers a signed Personal Guaranty.

3. If the Ownership Interest Transfer involves control of the Ownership Interest in the Franchisee, the transferees comply with Section 15.A.

4. If the Franchisor agrees to release the Franchisee from further liability under this Agreement, or to release the Franchisee's Principals from further liability under a Personal Guaranty, the Franchisee and each of its Principals must also give the Franchisor an unconditional, general release of all claims they and the Franchisee may have against the Franchisor, and its Representatives.

5. If less than a Controlling Ownership Interest is transferred, the Franchisee pays the Assignment Fee specified on the Summary Pages. If a controlling Ownership Interest is transferred, the Franchisee pays the Transfer Fee specified on the Summary Pages.

The Franchisee acknowledges that the Franchisor has legitimate reasons to evaluate the qualifications of potential transferees and to analyze and critique the terms of their purchase contracts with the Franchisee. The Franchisee also acknowledges that the Franchisor's contact with potential transferees for the purpose of protecting the Franchisee's business interests shall not constitute improper or unlawful conduct. The Franchisee expressly authorizes the Franchisor to investigate any potential transferee's qualifications, to analyze and critique the proposed purchase terms with the transferee, and to withhold consent to transferees or transactions which do not satisfy the Franchisor's standards. The Franchisee and its Principals waive any and all claims that actions taken by the Franchisor or its Representatives in relation to a proposed Transfer to protect the Franchisor's business interests constitute tortious interference with contractual or business relationships.

D. Special Transfers

1. If the Franchisee is an individual or partnership who at any time notifies the Franchisor that it wants to assign the franchise to a Business Entity in which the Franchisee shall own one hundred percent (100%) of the Ownership Interest (and, in the case of a partnership, a share ownership in the Business Entity apportioned substantially the same as were the partnership interests), the Franchisor shall consent to the assignment and waive payment of a Transfer Fee or an Assignment Fee and its Right of First Refusal under Section 15.E upon its receipt of such documentation and information concerning the Business Entity and its Principals as the Franchisor may request. The required documentation shall include, (i) a certified list of the corporation's Principals (designating the amount and percentage of shares or units of beneficial ownership each Principal owns), (ii) a Personal Guaranty signed by each Principal, and (iii) an express assumption by the Business Entity of the Franchisee's obligations under this Agreement.

2. If the Franchisee is a Business Entity, the Franchisor shall consent to Ownership Interest Transfers among the Franchisee's original Principals and waive payment of a

Transfer Fee and its Right of First Refusal under Section 15.E if the Transfer does not result in a Transfer of a Controlling Ownership Interest. The transferor must deliver to the Franchisor such documentation and information concerning the Ownership Interest Transfer and the resulting ownership of the Franchisee as the Franchisor may request. The required documentation shall include, a Personal Guaranty signed by each Principal who has not previously executed such documents.

E. Right of First Refusal

1. If the Franchisee or one or more of the Franchisee's Principals wish to effect a Transfer pursuant to any bona fide binding offer received from a third-party to purchase that interest, then the proposed seller shall promptly notify the Franchisor in writing of the offer, and shall provide any additional information and documentation relating to the offer that the Franchisor requires. The Franchisor shall have the option, exercisable within fifteen (15) days after receipt of all written documentation requested by the Franchisor describing the terms of the offer, to notify the proposed transferee that the Franchisor intends to acquire the proposed transferee's interest on the same terms and conditions that were offered by the proposed transferee.

2. Any material change in the terms of any offer before closing shall constitute a new offer subject to the Franchisor's option to purchase as in the initial offer. The Franchisor's failure to exercise the option set forth in this section shall not constitute a waiver of any other provision of this Agreement, including the requirements of this section. If the Franchisor exercises its option to purchase, the Franchisor shall not be liable for paying a brokerage or sales commission. If an offer provides for payment of consideration other than cash or involves certain intangible benefits, the Franchisor may elect to purchase the interest proposed for sale for the reasonable cash equivalent. If the parties cannot agree within seven (7) days on the cash equivalent of the non-cash part of the offer, the Franchisor shall designate an independent appraiser to determine such amount and his determination shall be binding on the parties. The Franchisor may set off the cost of such appraisal against the purchase price. If the offer includes items which are not assets of the Franchisee's Business or items used in the Franchisee's Business, at the Franchisor's option, the Franchisor may acquire only the Franchisee's Business assets or such other items as the Franchisor selects, without any duty to purchase the other items included in the purchase offer. The apportionment of the value of the items to be purchased by the Franchisor shall be determined by the Franchisor, subject to an evaluation by an independent appraiser under the same procedures as non-cash consideration to be evaluated.

3. The Franchisor's decision not to exercise the Right of First Refusal granted by this section shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Section 15, with respect to a proposed Transfer. If the Franchisor does not exercise its Right of First Refusal on any particular offer, any material change in the terms of the offer before closing shall constitute a new offer subject to the Franchisor's same Right of First Refusal as in the case of the initial offer.

F. Purchase Upon the Franchisee's CEO's Death or Disability

1. This Section 15.F applies only if (a) the Franchisee's Controlling Principal or CEO dies or suffers a Permanent Disability, and (b) the death or Permanent Disability results in a change in executive-level responsibility for managing the Franchisee's Business.

2. Upon the occurrence of an event described in Section 15.F.(1), the Franchisee's Controlling Principal, if he is living and has not suffered a Permanent Disability, shall appoint an interim CEO or Manager to operate the Franchisee's Business and within fifteen (15) days of such event notify the Franchisor of the event and indicate the Franchisee's intention of continuing to operate the Franchisee's Business pursuant to this Section 15.F.(2). During the first one hundred twenty (120) days after the death or Permanent Disability occurs, the Franchisor shall evaluate the interim management's willingness and ability to operate the Franchisee's Business in compliance with this Agreement. By the end of the one hundred twenty (120) day evaluation period, the Franchisor shall decide whether the interim management is qualified to manage the Franchisee's Business and become its CEO or Controlling Principal, and the Franchisor shall notify the Franchisee's known Principals of the Franchisor's decision. As conditions to continuing the franchise relationship, each Principal must furnish the Franchisor with a signed Personal Guaranty and any deficiencies in the Franchisee's compliance with the requirements of this Agreement must be cured. The Franchisor also may require the new Controlling Principal, CEO or Manager to attend and satisfactorily complete the Franchisor's initial training program.

3. If any of the conditions stated in Section 15.F.(2) is not satisfied, or if the Franchisor decides that the interim management has not adequately demonstrated its business qualifications or commitment to the franchise relationship, the surviving Principals shall have one hundred twenty (120) days after delivery of the Franchisor's notice to (a) locate a new CEO who is acceptable to the Franchisor or (b) sign a binding contract to sell the Franchise or a Controlling Interest in the Franchise to a buyer approved by the Franchisor in accordance with, and in a transaction structured to comply with, this Section 15. The proposed sale shall be subject to the Franchisor's Right of First Refusal under Section 15.E.

4. If any of the Franchisee's Principals fails to sign a binding contract of sale before the one hundred twenty (120) day selling period expires, or (i) if a contract is signed, but the proposed sale is not concluded within thirty (30) days after the Franchisor relinquishes its option under Section 15.E, the Franchisor shall have an additional option during the next following thirty (30) days to purchase the interest the deceased or Permanently Disabled person held at the date of death or Permanent Disability. The purchase price for the interest shall be its fair market value, determined through negotiations or by appraisal. Unless otherwise agreed by the parties, the purchase price shall be payable in cash at closing. If the Franchisor delivers written notice of its intention to exercise the option within the thirty (30) day period, the option shall be considered effectively exercised whether or not the purchase is actually consummated within the thirty (30) day period.

5. If the parties fail to agree on a purchase price for the interest within twenty-one (21) days after delivery of the Franchisor's notice, the purchase price shall be determined by an appraiser selected by the Franchisor in accordance with the appraisal process

specified in Section 15.E.

G. Transfer by the Franchisor

The Franchisor and any holder of an Ownership Interest in the Franchisor may voluntarily, involuntarily, directly or indirectly sell, assign, transfer, license, sublicense, sublease, collaterally assign, grant a security, collateral or conditional interest, inter vivos transfer, testamentary disposition or other disposition of all or any part of its rights or obligations under this Agreement or any Ownership Interest in the Franchisor to any person. The Franchisee agrees not to interfere in or to attempt to interfere with a proposed Transfer by the Franchisor or by the Franchisor's Principals. Specifically, and without limitation to the forgoing, the Franchisor may sell its assets, Marks, or the System to a third party; may offer its securities privately or publicly; may merge, spin-off, acquire other business entities, or be acquired by another business entity; may undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring; and with regard to any or all of the above sales, assignments, and dispositions, the Franchisee expressly and specifically waives any claims, demand, or damages against the Franchisor arising from or related to the transfer of the Marks (or any variation thereof) or the System from the Franchisor to any other party. If the Franchisor assigns its right in this Agreement, the Franchisor shall be released from all further liability under this Agreement. Nothing contained in this Agreement requires the Franchisor to offer any services or products, whether or not bearing the Marks, to the Franchisee if the Franchisor assigns its rights in this Agreement.

16. TERMINATION OF FRANCHISE

A. By the Franchisee

If the Franchisee is in compliance with this Agreement, and the Franchisor materially breaches this Agreement and fails to cure such breach within sixty (60) days after the Franchisee delivers written notice to the Franchisor, then the Franchisee may terminate this Agreement, effective thirty (30) days after delivery to the Franchisor of proper notice. Any termination of this Agreement by the Franchisee, without complying with these requirements, shall be deemed a termination by the Franchisee without cause.

B. By the Franchisor

This Agreement shall terminate without further action by the Franchisor on notice to the Franchisee if the Franchisee or any of the Franchisee's Representatives:

1. Fails or refuses to make payments of any amounts due the Franchisor or its Representatives for Royalty Fees, Marketing Fund contributions, purchases from the Franchisor or its Representatives, fails to provide Recycled Materials to the Franchisor's Recycled Material Processor, or fails to pay any other amounts due to the Franchisor or its Representatives, and does not correct such failure or refusal within ten (10) business days after written notice of such failure is delivered to the Franchisee;

2. Fails or refuses to comply with any other provision of this Agreement, or any mandatory specification, standard or operating procedure prescribed in the Manuals or

otherwise in writing, and does not correct such failure within thirty (30) days.

3. Violates any environmental, safety, sanitation, data security, data retention or other applicable law, ordinance or regulation and does not immediately begin to cure the non-compliance or violation, and correct such non-compliance or violation within twenty-four (24) hours after written notice is delivered to the Franchisee.

4. Fails to construct, decorate, equip, and maintain the Premises as required in Section 8.F, 8.G, 8.I, and 8.J hereof, or fails to satisfactorily complete the initial training program as provided in Section 12.A of this Agreement;

5. Fails to begin operating the Franchisee's Business within ninety (90) days after the Effective Date, unless an extension is mutually agreed upon;

6. Has made any material misrepresentation or omission in their application for the Franchise or other documents or reports submitted to the Franchisor;

7. Is convicted of a felony or pleads no contest to a felony, or is convicted of or pleads no contest to any other crime or offense that is likely to adversely affect the reputation of the Franchisor, the Franchisee or the System;

8. Makes any unauthorized use, disclosure or duplication of any portion of the Manuals, or duplicates or discloses or makes any unauthorized use of any of the Franchisor's trade secrets or Confidential Information;

9. Abandons, fails or refuses to actively operate the Franchisee's Business for three (3) consecutive business days (other than holidays as described in the Manuals), unless the Franchisee's Business has been closed for a purpose approved by the Franchisor or due to a Force Majeure, or fails to relocate to approved Premises within an approved period of time following expiration or termination of the lease for the Premises;

10. Surrenders or transfers control of the operation of the Franchisee's Business, makes an unauthorized direct or indirect Transfer, fails or refuses to assign the franchise or the interest in the Franchise of a deceased or disabled Controlling Principal thereof as required herein;

11. Mistakenly or unintentionally underreports Gross Revenues by two percent (2%) or more during any six (6) month period or intentionally underreports Gross Revenues;

12. Acknowledges that Franchisee is unable to pay its debts as they come due or commits any other affirmative act of insolvency, or files any petition or action of insolvency, or for appointment of a receiver or trustee, files a petition in bankruptcy or makes any assignment for the benefit of creditors, or fails to vacate or dismiss within thirty (30) days after filing any such proceedings commenced against Franchisee by a third party;

13. Is subject to a dismissal of a liquidation proceeding pursuant to 11 U.S.C. Section 707, dismissal of a reorganization proceeding pursuant to 11 U.S.C. Section 1112,

revocation of an order of confirmation pursuant to 11 U.S.C. Section 1330(b) or dismissal of a debt adjustment proceeding pursuant to 11 U.S.C. Section 1307;

14. Materially misuses or makes an unauthorized use of any Marks or commits any act which can reasonably be expected to materially impair the goodwill associated with any Marks, including any act on a website, social media, blog, micro-blog or any other electronic media that materially impairs the goodwill associated with any Marks;

15. Violates any environmental, safety, sanitation, data security, data retention, or privacy law or any other ordinance or regulation or operates the Franchisee's Business in a manner that presents a safety hazard to its Clients or the public after receiving notice of such violation or fails to notify the Franchisor of any such violation;

16. In the event of the Franchisee's death or Permanent Disability or the death or Permanent Disability of the Controlling Principal, this Agreement or the Controlling Principal's Ownership Interest in the Franchisee is not assigned as herein required;

17. Fails to appoint a new CEO or Manager within fifteen (15) days after the Franchisee's death or Permanent Disability, or within fifteen (15) days of the death or Permanent Disability of the Controlling Principal;

18. Loses the right to possession and use of the Premises;

19. Fails to pay when due any federal or state income, service, sales, employment related or other taxes due on the operations of the Franchisee's Business, unless the Franchisee is, in good faith, legally contesting the Franchisee's liability for such taxes;

20. Fails to timely apply for, obtain, or continuously maintain certifications required by law or designated by the Franchisor for the Franchisee's Business;

21. Fails to obtain or retain any license or certification required by law or the Manuals for the operation of the Franchisee's Business;

22. Default under the terms of any other Franchise Agreement, development agreement or any other agreement with the Franchisor or its Representatives and fail to cure each such default within the time specified in such agreement, if such agreement permits the default to be cured. If such a default is not curable, this Agreement shall terminate upon the Franchisee's receipt of a notice of termination; or

23. Fail to meet its Minimum Direct services Gross Revenues the Franchisor has the right to terminate the Franchise Agreement. The minimum monthly Gross Revenues is the amount required to be generated by the Franchisee each month commencing on the Due Date following the Opening Date based on the following schedule: months 0-12 = \$90,000 annually; months 13 to 24 = \$150,000 annually; month 25 and onward = \$200,000 annually.

C. Franchisor's Right To Operate Franchisee's Business

In addition to the Franchisor's right to terminate this Agreement, and not in lieu of such

right or any other rights against the Franchisee, if the Franchisee has not cured a default under this Agreement within the twenty (20) days after receipt of a notice of default from the Franchisor, the Franchisor may, at its option, enter upon the Premises and exercise complete authority with respect to the operation of said business until such time as the Franchisor determines that the Franchisee's default has been cured and that there is compliance with the requirements of this Agreement. The Franchisee specifically agrees that a designated representative of the Franchisor may take over, control, and operate said business, and that the Franchisee shall pay the Franchisor a service fee in the amount specified in the Manuals, plus all travel expenses, room and board, and other expenses reasonably incurred by such representative so long as it shall be required by the representative to enforce compliance herewith. The Franchisee further agrees that if, as herein provided, the Franchisor temporarily operates the Franchisee's Business, the Franchisee shall indemnify and hold harmless the Franchisor and any representative of the Franchisor who may act hereunder, respecting any and all acts and omissions which the Franchisor may perform, or fail to perform as regards to the interests of the Franchisee or third-parties.

17. THE FRANCHISEE'S OBLIGATIONS UPON TERMINATION OR EXPIRATION

A. Payment of Monies Owed to the Franchisor

The Franchisee agrees to pay to the Franchisor, within fifteen (15) days after the Termination Date or the Expiration Date, such Royalty Fees, Marketing Fund contributions, payments for inventory, equipment or merchandise, or any of the products or services purchased by the Franchisee from the Franchisor or its Representatives, and any other sums owed to the Franchisor by the Franchisee. The Franchisee must also pay to the Franchisor any lost future profits resulting from the termination of this Agreement before the Expiration Date.

B. Return of Operations Manual and Other Materials

The Franchisee agrees upon termination or expiration of this Agreement to immediately return to the Franchisor all copies of the Manuals, training aids, and any other materials loaned by the Franchisor.

C. Deliver Records

The Franchisee agrees upon termination or expiration of this Agreement to immediately deliver to the Franchisor in the form requested by the Franchisor, complete records of the Franchisee's Business in the form requested by the Franchisor, including:

1. Complete financial records of the Franchisee's Business, Client lists, prospect lists, copies of all documents filed with any governmental agency that relate to the operation of the Franchisee's Business, copies of promissory notes, lists of employees, and other Representatives;
2. Assign to the Franchisor or to its designee all agreements which the Franchisor requires the Franchisee to assign;
3. Copies of all contracts, leases, options, guarantees, commitments, written

or oral, which the Franchisee has relating to the operation of the Franchisee's Business;

4. Statements of account showing all amounts owed by or to the Franchisor or to any Clients or third-party for any reason, and all amounts due to the Marketing Fund by the Franchisee;

5. A summary of all claims, lawsuits, threats of litigation, government investigations, and copies of any documents that relate to the claims, threats or investigation; and

6. All other records relating to the Franchisee's Business which the Franchisor may request.

The cost of providing this information shall be paid by the Franchisee. The Franchisee must cooperate fully with the Franchisor and its representatives in providing such oral or written answers to questions relating to the Franchisee's Business as they may request.

D. Cancel Assumed Names/Transfer Phone Numbers and Email Addresses

The Franchisee agrees upon termination or expiration of this Agreement to take such action that may be required to cancel all assumed names or equivalent registrations relating to use of any Marks. The Franchisor may immediately file with the Franchisee's local telephone company the Assignments of Telephone Numbers that the Franchisee has provided the Franchisor as reflected in Schedule D and may instruct the telephone company to transfer use and control of the Franchisee's Business's telephone numbers to the Franchisor or its designee. If the Franchisee's Assignment of Telephone Numbers is no longer valid, the Franchisee shall immediately execute a new Assignment of Telephone Numbers in the form requested by the Franchisor. The Franchisee must, upon termination or expiration of this Agreement, take such action that may be required to transfer any email addresses associated with Franchisee's Business to Franchisor and provide to Franchisor any username or password required to maintain the email accounts related to Franchisee's Business. The Franchisee irrevocably constitutes and appoints the Franchisor and its designee as the Franchisee's agent and lawyer-in-fact to effect the transfer of the Franchisee's Business's telephone number(s) and email address(es), including authority to execute and deliver on the Franchisee's behalf any transfer of service agreement the telephone company requires, and to revoke any call-forwarding or similar instructions the Franchisee has given the telephone company. The Franchisor shall have no liability to the Franchisee on account of or arising from any action it authorizes or takes to effect the transfer of the Franchisee's Business's telephone number(s) or email address(es) in accordance with this Section 17.D. In addition, the Franchisor shall be entitled to injunctive or similar relief, without bond, against the Franchisee and any other person bound to enforce compliance with these requirements.

E. Cease Operation of the Franchisee's Business

The Franchisee agrees upon termination or expiration of this Agreement, to cease to operate the Franchisee's Business, and to not thereafter, directly or indirectly, represent itself to the public or hold itself out as a present or former Franchisee of the Franchisor.

F. Assign the Lease

Upon termination or expiration of this Agreement, the Franchisee shall, at the Franchisor's option, and without paying compensation to the Franchisee, assign to the Franchisor, or to the Franchisor's designee, the Franchisee's interest in any lease then in effect for the Premises. The Franchisor shall notify the Franchisee of its intent to exercise this option and the identity of the designee within thirty (30) days after termination or expiration of this Agreement.

G. Cease Using Marks

Upon termination or expiration of this Agreement, the Franchisee shall immediately and permanently cease to use, by advertising, or in any manner whatsoever, any confidential methods, procedures, and techniques associated with the Franchisor and the Marks and any proprietary marks and distinctive forms, slogans, signs, symbols, logos, or devices associated with the System. In particular, the Franchisee shall cease to use all signs, advertising materials, stationery, forms, and any other articles which display the Marks.

H. Continue Client Service

The Franchisee agrees that upon termination or expiration of this Agreement it will cooperate with the Franchisor or with the Franchisor's designee to ensure the continued servicing of Clients. At the Franchisor's or its designee's option, the Franchisee's obligations include assigning without charge all Client Services Agreements to the Franchisor or its designee, providing the Franchisor or its designee access to all Client files, authorizing or releasing all of Franchisees employees from employment contracts to allow them to work for the Franchisor or for its designee.

18. COVENANTS

A. Full-Time Operation of Business

The Franchisee covenants during the Term, the Franchisee, or the Franchisee's CEO, and the Franchisee's Manager, shall devote full-time energy and best efforts to the management and operation of the Franchisee's Business, and shall refrain from engaging in any business offering Competitive Services, directly or indirectly, during the Term, except pursuant to another Securis® Franchise Agreement.

B. No Diversion of Business

The Franchisee's Representatives covenant that they shall not directly or indirectly, for themselves, through, on behalf of, or in conjunction with any person or legal entity:

1. Divert or attempt to divert any business or Client of the Franchisee's Business, or of any other Franchisee's Business, to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System; or

2. Employ or seek to employ any person, who is at that time employed in a senior management position by the Franchisor's Representatives or by any Franchisee of the Franchisor, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment.

C. Covenant Not To Compete

The Franchisee and its Principals covenant, except as otherwise approved in writing by the Franchisor, that they shall not, for a continuous uninterrupted period commencing upon the Expiration Date or Termination Date of this Agreement, regardless of the cause for termination, and continuing for twenty-four (24) months, either directly or indirectly, for themselves, on behalf of, or in conjunction with any person, individual or Business Entity sell, promote, recommend, own, maintain, advise, help, invest in, make loans to, be employed by, engage in or have any interest in any business which offers Competitive Services or a division or subsidiary of a business which provides Competitive Services:

1. Within the Protected Territory; or
2. Within a radius of ten (10) miles from the perimeter of the Protected Territory or within ten (10) miles from the perimeter of any other operating Securis® franchisee's territory or territory operated by us or our affiliates.

D. Exception to Covenant Not to Compete

Section 18.C. shall not apply to ownership by the Franchisee of less than a five percent (5%) Ownership Interest in the outstanding equity securities of any Publicly-Held Business Entity.

E. Covenants Are Independent

The Franchisee and the Franchisor agree each of the covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 18 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any final decision to which the Franchisor is a party, the Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulted covenant were separately stated in and made a part of this Section 18.

F. Right to Reduce Scope

The Franchisor may, in its sole discretion, reduce the scope of any covenant set forth in this Section 18, or any portion thereof, without the Franchisee's consent, effective immediately upon receipt by the Franchisee of written notice thereof. The Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable.

G. Claims Are Not Defense to Covenants

The Franchisee's Representatives expressly agree that the existence of any claim they

may have against the Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by the Franchisor of the covenants in this Section 18.

H. Injunctive Relief Available to the Franchisor

The Franchisee acknowledges that any failure to comply with the requirements of this section shall cause the Franchisor irreparable injury. The Franchisee consents to any order for injunctive or other extraordinary relief against any such failure to comply being obtained by Franchisor without the necessity for the Franchisor to post a bond. The Franchisor may further avail itself of any legal or equitable rights and remedies under this Agreement or otherwise.

I. Non-Disparagement

To the extent permitted by applicable law, the Franchisee's Representatives expressly agree that they shall not, at any time, either orally or in writing or through any other medium, or any other form of communication, (i) disparage, defame, impugn or otherwise damage or assail the reputation, integrity or professionalism of the Franchisor's Representatives, the Franchisees of the Franchisor, or any of their Representatives, or (ii) encourage any of the Franchisor's Franchisees to abandon their franchise, not pay fees to the Franchisor or not support the Franchisor or any of its programs in any way.

J. Identifying Business Information

The Franchisee and its Representatives agree to permit the Franchisor to disclose identifying information about the Franchisee's Business, including information about the name, address and telephone number of the Franchisee's Business, and any termination of the franchise relationship outlined in the Franchisor's Disclosure Document.

19. TAXES, PERMITS, AND INDEBTEDNESS

A. The Franchisee Must Pay Taxes Promptly

1. The Franchisee shall promptly pay when due all taxes levied or assessed against the Franchisee's Business, including unemployment and sales taxes, and all accounts and other indebtedness of any kind incurred by the Franchisee in the conduct of the Franchisee's Business. The Franchisee shall promptly pay when due all taxes assessed on the Franchisor regarding the operation of the Franchisee's Business, except for income tax. In the event gross receipts tax or other tax (other than income taxes) which is based on Gross Revenues, receipts, sales, business activities or operation of the Franchisee's Business is imposed upon the Franchisor by any taxing authority, then the Franchisee will reimburse the Franchisor in an amount equal to the amount of such taxes and related costs imposed upon and paid by the Franchisor.

B. The Franchisee May Contest Tax Assessment

In the event of any bona fide dispute as to liability for taxes assessed or other indebtedness, the Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law. However, in no event shall

the Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the Premises or any assets of the Franchisee's Business.

20. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. The Franchisee Must Notify the Franchisor of Lawsuits

The Franchisee shall notify the Franchisor in writing immediately of the commencement of any investigation, inquiry, action, suit or proceeding against the Franchisee or of the issuance of any subpoena, summons, order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which arises out of, concerns, or may affect the operation, reputation or financial condition of the Franchisee's Business, including any criminal action or any proceeding brought by the Franchisee against its employees, Clients or other persons who are associated or affiliated with the Franchisee.

B. No Fiduciary Relationship

It is understood and agreed by the Franchisee and the Franchisor this Agreement does not constitute a fiduciary relationship. The Franchisee is an independent contractor and nothing in this Agreement is intended to constitute either party as an agent, legal representative, subsidiary, joint venture, partner, employee or servant of the other for any purpose.

C. The Franchisee is an Independent Contractor

The Franchisee shall at all times hold itself out to the public as an independent contractor operating its business pursuant to a Franchise from the Franchisor. The Franchisee shall conspicuously identify itself in all dealings with its Clients, contractors, suppliers, public officials, and others, as an independent Franchisee of the Franchisor; and shall place such notice of independent ownership on all business forms, business cards, stationery, advertising, signs, and other materials, as the Franchisor may specify in the Manuals. Except as otherwise expressly authorized by this Agreement, neither the Franchisee nor the Franchisor shall 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 the relationship between the Franchisor and the Franchisee is other than that of the Franchisor and the Franchisee. The Franchisor does not assume any liability, and shall not be deemed liable, for any agreements, representations or warranties made by the Franchisee, which are not expressly authorized under this Agreement. The Franchisor shall not be obligated for any damages to any person or property, which directly or indirectly arise from or are related to the operation of the Franchisee's Business.

D. The Franchisor Is Not Liable for Acts of the Franchisee

Nothing in this Agreement authorizes the Franchisee to make any contract, agreement, warranty or representation on the Franchisor's behalf, or to incur any debt or other obligation in the Franchisor's name. The Franchisor shall not be liable hereunder as a result of any such action, or by reason of any act or omission of the Franchisee in its conduct of the Franchisee's Business's business, or any claim or judgment arising against the Franchisee. The Franchisee

shall indemnify and hold harmless the Franchisor's Representatives against any acts, omissions or claims arising directly or indirectly from, as a result of, or in connection with the Franchisee's operation of the Franchisee's Business, as well as the costs, including lawyers' fees incurred in defending same.

E. Indemnification

The Franchisee agrees at all times to defend at the Franchisee's expense, to indemnify and hold harmless to the fullest extent permitted by law, the Franchisor's Representatives from all losses and expenses incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof, which arises out of the Franchisee's Business, including the following:

1. The Franchisee's infringement or any other alleged violation of any patent, trademark, or other proprietary right that is owned, licensed or controlled by the Franchisor.
2. The Franchisee's alleged violation of any law, regulation or ordinance, or any directive or any industry standard.
3. The Franchisee's libel, slander or any other form of defamation.
4. The Franchisee's alleged violation or breach of any warranty, representation, agreement or obligation in this Agreement.
5. Any acts, errors or omissions of the Franchisee or any of its agents, servants, employees, contractors, partners, proprietors, affiliates, or representatives.
6. Any services provided by the Franchisee related to the operation of the Franchisee's Business.
7. Any injury that arises out of the services provided by the Franchisee.

21. WAIVER

No failure of the Franchisor to exercise any power reserved to it by this Agreement, or to insist upon strict compliance by the Franchisee with any obligation or condition, and no custom practice of the parties at variance with the terms, shall constitute a waiver of the Franchisor's right to demand exact compliance with any such terms. Waiver by the Franchisor of any particular default by the Franchisee shall not affect or impair the Franchisor's rights with respect to any subsequent default of the same, similar, or different nature; nor shall any delay, forbearance or omission of the Franchisor to exercise any power or right arising out of any breach or default by the Franchisee of any of the terms, provisions or covenants, affect or impair the Franchisor's right to exercise same; nor shall such constitute a waiver by the Franchisor of any preceding breach by the Franchisee of any terms, covenants or conditions of this Agreement.

22. ENFORCEMENT

A. This Agreement shall be construed and interpreted under the laws of Virginia, and these laws shall govern the relationship of the Franchisor and the Franchisee and their respective Representatives as set forth in this Agreement. Except as otherwise provided in this Agreement, any proceeding arising out of or relating to this Agreement shall be commenced exclusively in the United States District Court for the Eastern District of Virginia, unless the parties to the dispute agree otherwise. If the United States District Court does not have jurisdiction, any such proceeding may be commenced in any court having jurisdiction, unless the parties to the dispute agree otherwise. Notwithstanding the foregoing, any proceeding brought against a Franchisee's Representative for injunctive, mandatory, or other extraordinary relief may be brought in any court of competent jurisdiction.

B. Dispute Resolution

The following provisions shall apply to resolution of any disputes arising out of or relating to this Agreement:

1. Each party agrees to first notify the other party in writing of any dispute or claim arising out of or relating to this Agreement. The written notification shall specify, to the fullest extent possible, the notifying party's version of facts surrounding the dispute or claim. The Franchisee agrees to use its best efforts to communicate with the Franchisor to attempt to resolve the dispute.

2. The Franchisee's Representatives and Guarantors represent and agree that the sole entity against which the Franchisee's Representatives and Guarantors may seek losses and/or damages or any remedy under law or equity for any claim arising out of or relating to this Agreement, if any, is the Franchisor or its successor or assignee. The Franchisee represents and agrees that the Franchisor's Representatives (other than the Franchisor itself) shall not be liable or named as a party in any legal proceeding commenced by the Franchisee's Representatives or Guarantors. The Franchisee's Representatives and Guarantors acknowledge that the Franchisor's Representatives have relied upon this representation, are intended beneficiaries of this representation, and where they are not the Franchisor may take legal proceedings in their own names and independently of the Franchisor in order to enforce any rights arising therefrom.

3. Notwithstanding any other provision in this Agreement, the Franchisor may send default notices to the Franchisee, and terminate or refuse to renew this Agreement without first providing notification as otherwise required by Section 22.B.1 and without the need to obtain any judicial, administrative or other resolution, ruling or award, and without incurring any responsibility derived therefrom. If the Franchisor terminates this Agreement and the Franchisee disputes the termination, the Franchisee must give notice of the dispute within thirty (30) days after the effective date of the notice of termination or otherwise will be deemed to have accepted the termination.

4. The claims of the Franchisee's Representatives against the Franchisor may only be pursued separately from the claims of other Persons. The Franchisee and its Representatives' claims may not be joined with those of any other Person or heard on a class

action basis.

5. All claims or proceedings arising out of or relating to this Agreement brought by either party against the other, must be commenced within one (1) year from the occurrence of the facts giving rise to such claim, or such claim shall be barred. The parties recognize that this time limit may be shorter than that otherwise allowed by law.

6. If a court enters a binding order or judgment in any litigation between the Franchisee and/or its Representatives and the Franchisor and/or its Representatives, that any part, term or provision of this Agreement or any other agreement between the parties concerning the payment of monies due, directly or indirectly to the Franchisor is in any manner or to any extent void, invalid, or unenforceable or which requires the Franchisor to materially increase its duties or to incur liabilities which exceed its previously stated interpretation of those duties, the Franchisor may terminate this Agreement immediately upon delivering notice to the Franchisee.

7. Notwithstanding anything else in this Section, the Franchisor shall have the right to exercise any and all remedies, actions, and rights available to it at law, including specific performance, damages and losses, the right to seek preliminary or permanent injunctive or other extraordinary relief, or preventive or precautionary measures as may be available in accordance with applicable law, including the right to terminate or rescind this Agreement, without the necessity of showing actual or threatened damage and without being required to furnish a bond or other security.

C. Except as otherwise provided in this Agreement, the parties and their Representatives agree to waive, to the fullest extent permitted by law, the right to or a claim for any punitive or exemplary damages against the other and agree that in the event of any dispute between them each only shall be liable to each other for actual damages which they sustain from a breach of the other party's duties. The prevailing party in any dispute resolved by litigation may recover its lawyers' fees and costs from the dispute resolution process from the non-prevailing party(ies). The Franchisee shall be liable to the Franchisor's Representatives for the costs and lawyers' fees they incur in enforcing this Agreement and in successfully defending any claims or counterclaims the Franchisee's Representatives may assert against the Franchisor's Representatives.

D. THE PARTIES AND THEIR REPRESENTITIVES IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY OR THEIR REPRESENTATIVES RELATING TO THE RELATIONSHIP BETWEEN THE PARTIES OR ARISING UNDER OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR ANY RIGHT OR REMEDY HEREUNDER.

E. Notwithstanding any other provision in this Agreement, there shall be no monetary limitation on damages with respect to any claim by the Franchisor arising out of infringement of any of the Franchisor's IP, unauthorized disclosure of the Franchisor's Confidential Information or trade secrets, violations of the covenant not to compete (contained in Section 18 of this Agreement) or a Transfer in violation of Section 15. The Franchisee's Representatives agree that violations of these provisions may cause irreparable harm to the

Franchisor and to other Securis franchisees. Accordingly, the Franchisee and the Franchisee's Representatives hereby consent to the entry of an injunction, without the necessity of the Franchisor posting a bond, or providing an undertaking in damages, which prohibits the Franchisee and the Franchisee's Representatives from engaging in such violations. The Franchisor may bring a proceeding in any court having jurisdiction in connection with any such claim, and pursue any remedy available under applicable law, including for injunctive, mandatory, or other extraordinary relief.

F. All provisions of this Agreement are severable and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein; and partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. If any applicable law or rule requires a greater prior notice of the termination of this Agreement than is required, or the taking of some other action not required, the prior notice or other action required by such law or rule shall be substituted for the notice of requirements in this Agreement.

G. The Franchisee agrees it shall not withhold payments of any fees or contributions or any other amounts of money owed to the Franchisor or its Representatives for any reason, on the grounds of the alleged non-performance by the Franchisor of any obligation.

H. The rights of the Franchisor or the Franchisee hereunder are cumulative and no exercise or enforcement by the Franchisor or the Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by the Franchisor or the Franchisee of any other right or remedy, or which the Franchisor or the Franchisee is entitled by law to enforce.

I. This Agreement is binding upon the Franchisor and the Franchisee and their respective heirs, assigns, and successors in interest. Any promises made outside of the Disclosure Document and this Agreement may not be enforceable. This Agreement shall become valid when executed and accepted by the Franchisor in the State where the Franchisor's headquarters is located.

J. The Recitals of Fact (Section 1) are a part of this Agreement, which together with the Franchisor's Disclosure Documents, any other agreements or instruments referred to or which relate to the purchase or lease by the Franchisee from the Franchisor of any fixtures, signs, equipment or merchandise, constitutes the entire Agreement of the Franchisor and the Franchisee. There are no other oral or written understandings or agreements between the Franchisor and the Franchisee relating to the subject matter of this Agreement.

The headings of these several sections and paragraphs are for convenience only and do not define, limit or construe the contents of those sections or paragraphs. Except as expressly provided to the contrary, each section, part, term, and provision of this Franchise Agreement is considered severable. If for any reason, any section, part, term or provision is determined to be invalid or contrary to or in conflict with any existing or future law or regulation by a court or agency having competent jurisdiction, such determination shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms and provisions of this Franchise Agreement that may remain otherwise intelligible; and the latter shall continue to be given full force and effect and to bind the Franchisor and the Franchisee. Any sections, parts,

terms or provisions determined to be invalid shall be deemed deleted from this Franchise Agreement.

K. This instrument contains the entire Agreement between the Franchisor and the Franchisee relating to the rights granted and the obligations assumed. Any oral representations or modifications concerning this Agreement shall be of no force or effect excepting a subsequent modification in writing and signed by the Franchisor and the Franchisee. Nothing in this Agreement is intended to waive the Franchisee's right to rely upon representations made in the Franchisor's Disclosure Document, its exhibits and amendments, except for terms of this Agreement and agreements executed contemporaneously with it which the Franchisee negotiated with the Franchisor before their execution.

L. No notice, request, consent, approval, waiver or other communication which may be or is required or permitted to be given under this Agreement will be effective unless it is in writing and is delivered to the other party as a notice as set forth in Section 24.

M. This Agreement shall only become effective when it has been signed by the Franchisor. No amendment to this Agreement and no Transfer shall become effective until they have been approved by the Franchisor.

23. SECURITY INTEREST

The Franchisee hereby grants the Franchisor a Security Interest in its Collateral in accordance with the Uniform Commercial Code of the state in which the Franchisee's Business is located (the "UCC"), as security for the full and punctual payment of all of the fees and other amounts due under this Agreement, and the performance of, and compliance with, all of the terms, covenants and agreements contained in this Agreement. The Franchisee agrees that any default by the Franchisee under this Agreement which continues beyond any applicable cure period will entitle the Franchisor to exercise any and all rights and remedies provided under the UCC with respect to any part of the Collateral, including the right to take possession of all personal property of the business subject to this Agreement without the use of judicial process (the Franchisee hereby waives all right to prior notice and a judicial hearing) and the right to require the Franchisee to assemble the same at the Franchisee's Business or such other place as the Franchisor may designate. Any disposition of so much of the Collateral as may constitute personal property will be considered commercially reasonable if made pursuant to a public sale which is advertised at least twice in a newspaper of local circulation in the community where the Franchisee's Business is located. Any notice required to be given to the Franchisee pursuant to the UCC will be considered reasonable and properly given if given in the manner and at the address provided in Section 24 at least five (5) calendar days prior to the date of any scheduled public sale. All such rights and remedies are cumulative and may be exercised either concurrently or independently of the Franchisor's other rights under this Agreement and in such order as the Franchisor may determine in its sole and absolute discretion.

24. NOTICES

All notices required by this Agreement shall be written and sent to the location specified on the Summary Pages. All notices shall be given in writing in the English language. Notices

shall be deemed delivered immediately if delivered by hand, by confirmed receipt if delivered by email, delivered in three (3) days after being placed in the mail (Registered Mail/Return Receipt Requested), postage prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has on record, or on the second day after being sent by an overnight courier service (e.g. FedEx, UPS, DHL), and scheduled for next day delivery.

25. AUTHORITY

Except as otherwise provided, all references to the Franchisee in this Agreement shall be deemed to include, personally and individually, all the Franchisee's Principals, if the Franchisee is a Business Entity. All acknowledgments, promises, covenants, agreements, and obligations made or undertaken by the Franchisee shall be deemed jointly and severally undertaken by them and by all signatories on behalf of the Franchisee and by all of the Franchisee's Representatives.

26. BUSINESS JUDGMENT

Notwithstanding any contrary provisions contained in this Agreement, the Franchisee's Representatives acknowledge and agree that:

A. This Agreement (and the relationship of the parties which arises from this Agreement) grants the Franchisor the discretion to make decisions, take actions or refrain from taking actions not inconsistent with the Franchisee's Representatives explicit rights and obligations hereunder that may affect favorably or adversely the Franchisee's Representatives interests;

1. The Franchisor shall use its business judgment in exercising such discretion based on its assessment of its own interests and balancing those interests against the interests, promotion, and benefit of the System and Franchisees' Businesses generally (including the Franchisor, and its Representatives, and other Franchisees), and specifically without considering the Franchisee's Representatives' individual interests or the individual interests of any other particular franchisee (examples of items that shall promote or benefit the System and Franchisees' Businesses generally include, enhancing the value of the Marks, improving Client satisfaction, improving quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System);

2. The Franchisor shall have no liability to the Franchisee for the exercise of its discretion in this manner; and

3. Even if the Franchisor has numerous motives for a particular action or decision, so long as at least one motive is a reasonable business justification, no trier of fact in any legal action shall substitute his or her judgment for the Franchisor's judgment so exercised and no such action or decision shall be subject to challenge for abuse of discretion.

If the Franchisor takes any action or the Franchisor chooses not to take any action in its discretion with regard to any matter related to this Agreement and its actions or inaction if challenged for any reason, the parties expressly direct the trier of fact that the Franchisor's reliance on a business reason in the exercise of its discretion is to be viewed as a reasonable and proper exercise of its discretion, without regard to whether other reasons for its decision may

exist and without regard to whether the trier of fact would independently accord the same weight to the business reason.

B. In granting approval, designating suppliers or setting standards, the Franchisor shall exercise its reasonable business judgment. However, in the exercise of its business judgment, the Franchisor shall not be liable to the Franchisee's Representatives, guarantors, Clients, suppliers or anyone else, if the Franchisor's exercise of its business judgment results in a business loss, or if the advertising, service or software fails to meet either the Franchisor's, the Franchisee's or the Client's expectations. The Franchisor disclaims all warranties and liability for the acts or omissions of any contractors, vendors, suppliers, products or employees which the Franchisee use, purchase, retain or hire pursuant to the Franchisor's exercise of its business judgment hereunder.

27. TERRORISTS AND MONEY LAUNDERING ACTIVITIES

The Franchisee's Representatives represent and warrant to the Franchisor that none of the Franchisee's Representatives is identified, either by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (text currently available at www.treas.gov/offices/enforcement/ofac/). Further, the Franchisee's Representatives represent and warrant that none of the Franchisee's Representatives has violated and agrees not to violate any law prohibiting corrupt business practices, money laundering or the aid or support of Persons who conspire to commit acts of terror against any Person or government, including acts prohibited by the U.S. Patriot Act (text currently available at <http://www.epic.org/privacy/terrorism/hr3162.html>), U.S. Executive Order 13224 (text currently available at <http://www.tres.gov/offices/enforcement/ofac/legal/eo/13224.pdf>), or any similar law. The foregoing constitute continuing representations and warranties, and the Franchisee and its Principals shall immediately notify the Franchisor in writing of the occurrence of any event or the development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

28. SPECIAL REPRESENTATIONS

The Franchisee and its Principals represent as follows:

A. The Franchisee has conducted an independent investigation of the System and recognizes that the Franchisor's franchise program was founded in 2012, and that the business venture contemplated by this Agreement involves business risks and that the Franchisee's success is largely dependent upon the ability of the Franchisee as an independent businessperson. The Franchisor expressly disclaims the making of, and the Franchisee acknowledges it has not received, any warranty or guaranty, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement.

B. The Franchisee acknowledges having received, read, and understood this Agreement, and the Franchisee acknowledges the Franchisor has accorded the Franchisee the required time and opportunity to consult with advisors about the potential benefits and risks of entering into this Agreement. The Franchisee further acknowledges that it is fluent in the

English language and has been provided with a full opportunity to read and understand this Agreement (and all of its appendices and/or attachments). The Franchisee acknowledges having had the opportunity to discuss with the Franchisor each of the provisions, including the essential provisions, of this Agreement.

C. The Franchisee acknowledges receipt of a complete copy of this Agreement, the Schedules referred to, and agreements relating to, if any, and the Disclosure Document at least fourteen (14) days prior to the earlier of (1) the date on which this Agreement or any other agreement was executed and (2) any payment of any consideration by or on behalf of the Franchisee to the Franchisor or any of its associates for the grant of the Franchise.

D. The Franchisee affirms and agrees the Franchisor may sell its assets to a third party; may issue shares to the public; may engage in a private placement of some or all of its securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and with regard to any or all of the above sales, assignments and dispositions, the Franchisee expressly and specifically waives any claims, demands or damages arising from any of the above.

E. The covenants set forth in this Agreement are fair and reasonable, and shall not impose any undue hardship on the Franchisee's Representatives, because the Franchisee's Representatives have other considerable skills, experience, and education which afford the Franchisee the opportunity to derive income from other endeavors.

F. The Franchisee affirms all information set forth in any and all applications, financial statements, and submissions to the Franchisor is true, complete, and accurate in all respects, the Franchisee acknowledges that the Franchisor is relying upon the truthfulness, completeness, and accuracy of such information in making its decision to grant this Franchise.

G. The Franchisee acknowledges that a Securis area representative may fulfill many of the Franchisor's obligations under this Agreement to the Franchisee.

THE FRANCHISEE ACKNOWLEDGES THAT ITS SIGNATURE TO THIS AGREEMENT HAS NOT BEEN INDUCED BY ANY REPRESENTATION INCONSISTENT WITH THE TERMS OF THIS AGREEMENT OR INCONSISTENT WITH THE DISCLOSURE DOCUMENT GIVEN TO THE FRANCHISEE BY THE FRANCHISOR IN CONNECTION WITH THIS FRANCHISE. THIS AGREEMENT MAY BE AMENDED ONLY BY WRITTEN INSTRUMENT SIGNED BY ALL PARTIES.

**THE FRANCHISOR:
Securis Franchising, LLC**

WITNESS

BY: _____

THE FRANCHISEE:

WITNESS

BY: _____

WITNESS

BY: _____

WITNESS

BY: _____

SCHEDULE A
PROTECTED TERRITORY

The Protected Territory is defined as: (add map)

Initials

Date

Initials

Date

SCHEDULE B
GUARANTY AND ASSUMPTION OF OBLIGATIONS

DATE OF AGREEMENT: _____

SECURIS FRANCHISING, LLC (“Franchisor”)

_____ (“Franchisee”)

In consideration of, and as an inducement for the granting, execution, and delivery of the foregoing Franchise Agreement (“Agreement”) between the Franchisor and the Franchisee, the each of the undersigned (herein and in the Franchise Agreement collectively called the “Guarantor”), hereby personally and unconditionally (1) guarantees to the Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; (2) shall be personally bound by, and personally liable for the breach of each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities including the provisions of Sections 4-6, 8-20; and (3) acknowledges that he is included in the term "Principal" as used in the Agreement and makes all of the covenants, representations, warranties and agreements of Principals set out in the Agreement. Each of the undersigned waives: (1) acceptance and notice of acceptance of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; (4) any right it may have to require that an 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 it may be entitled.

Each of the undersigned consents and agrees that: (1) its direct and immediate liability under this guarantee shall be joint and several; (2) it 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 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 Franchisor may from time to time grant to Franchisee or to any other person including 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 guarantee, which shall be continuing and irrevocable during the term of the Agreement.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature on the same day and year as the Agreement was executed.

GUARANTOR(S)

PERCENTAGE OF OWNERSHIP IN
FRANCHISE, OR FRANCHISEE

_____	%: _____
_____	%: _____
_____	%: _____
_____	%: _____
_____	%: _____
_____	%: _____

SCHEDULE C
CONFIDENTIALITY AGREEMENT

This Agreement is made and entered into this ____ day of _____, 20__, between Securis (“Franchisee”) and _____ (“Employee”).

RECITALS

WHEREAS, Securis Franchising, LLC (“Securis” or “Franchisor”) has developed a system of standards, methods, and technology for the promotion and advertising or the operation of businesses that will provide clients with electronic destruction and recycling services, including on-site hard drive shredding, hard drive degaussing and collection of discarded electronic and computer products from client and recycling and disposal of Recycled Materials through the Recycled Material Processor, which includes proprietary software, security services and techniques, standards, technology systems, equipment, environmental certifications, government certifications, and destruction and security certifications, business methods, product specifications, proprietary marks, and information using the trade name, and trade-mark of “Securis®,” together with any other trade names and trade-marks that the Franchisor designates for use with the System.

WHEREAS, Employee understands that Securis is the owner of confidential information relating to the management and operation of the Franchisee’s business and of methods of conducting marketing and promoting the Franchisee’s business.

WHEREAS, Employee understands that as a part of its employment with the Franchisee it will be provided information relating to the operation of the System including the standards, methods, procedures, and specifications of the System, including the contents of the Manuals, client lists, client information, referral sources, prospect lists, information about the Securis franchisees and the operation of their business, information about suppliers and pricing, business plans, marketing plans, advertising programs, market research, information about clients and all other information that is used in Franchisee’s business, which is derived from Securis or franchisees, and which has value to Securis (“Confidential Information”).

WHEREAS, while employed with the Franchisee, Employee will receive valuable training and will be entrusted with Confidential Information relating to the Franchisee’s business and relating to clients. In consideration of Employee’s employment by the Franchisee, Employee agrees to comply with the provisions stated below. Employee also agrees the restraints imposed by this Agreement are reasonable and necessary to protect the Franchisee’s business, the Franchisor, franchisees, and the System.

WHEREAS, the Franchisee and Employee acknowledge and agree: (1) that the Franchisor is a third party beneficiary of the rights and obligations set for in this Agreement; (2) that the Franchisor will suffer irreparable harm in the event of any breach or violation of this Agreement; (3) that the Franchisor shall have the right to enforce the provisions of this Agreement in the event of any breach or violation, or threatened breach or violation, of this Agreement; and (4) that the Franchisor’s appropriate remedies for breach or violation, or threatened breach or violation of this Agreement, include interim, interlocutory, and final orders granting injunctive, mandatory, or other extraordinary relief, without the need for the posting of security or an undertaking in damages.

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

Confidentiality Agreement

1. The Franchisee will provide Employee with special techniques and information, including Confidential Information, which the Franchisee believes will be helpful and necessary to the performance of Employee's duties.

2. Employee will not, at any time during or after his/her employment by Franchisee, communicate or disclose to any person or entity, or use for his/her benefit or for the benefit of any other person or entity any Confidential Information Employee acquired while employed by Franchisee.

3. Upon termination of his/her employment, Employee will return all materials, documents, lists, and other items containing Confidential Information, all customer information, manuals, sales and service reports, sales and service manuals and literature, price books, samples and any Franchisor issued tools or control concerning clients, products or services of Franchisee and the Franchisor.

4. All provisions of this Agreement, which are to be effective following termination of Employee's employment, will be effective regardless of whether such termination was voluntary or involuntary.

5. This Agreement will not become effective or be binding upon the parties until accepted by the Franchisor. This Agreement represents the entire agreement between the parties and supersedes any previous agreements between the parties, written or oral, relating to this subject matter and may be amended or modified only by a writing signed by the parties hereto.

6. This Agreement shall be construed and interpreted under the laws of the State where the Franchisee's headquarters is located, and these laws shall govern the relationship of Franchisee, the Franchisor, and the Employee as set forth in this Agreement. Any proceeding arising out of or relating to this Agreement shall be commenced in the United States District Court of the said State, unless the parties to the dispute agree otherwise. If the United States District Court of the said State does not have jurisdiction, any such proceeding may be commenced in any court having jurisdiction thereof, unless the parties to the dispute agree otherwise. Notwithstanding the foregoing, any proceeding brought against the Franchisee and/or the Employee for injunctive, mandatory, or other extraordinary relief may be brought in any court of competent jurisdiction.

7. If any provisions in this Agreement are held to be invalid or unenforceable by a court of competent jurisdiction, such holding will not invalidate any of the other provisions of this Agreement, it being intended that the provisions of this Agreement are severable.

8. Any and all notices required or permitted under this Agreement shall be in writing and shall be deemed delivered immediately if delivered by hand, delivered in three (3) days after being placed in the mail (Certified Mail/Return Receipt Requested), postage prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has on record, or on the second day after being sent by an overnight courier service (e.g. FedEx, UPS, DHL) and scheduled for next day delivery.

If directed to the Franchisee the notice shall be addressed to:

Attention: _____
Facsimile: _____

If directed to Employee the notice shall be addressed to:

Attention: _____
Facsimile: _____

8. The rights and remedies of the Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successors, and assigns. The respective obligations of the Franchisee and Employee hereunder may not be assigned by the Franchisee or Employee, without the prior written consent of the Franchisor.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISEE:

By: _____
Name: _____

EMPLOYEE:

By: _____
Name: _____

CONFIDENTIALITY AGREEMENT

This Agreement is made and entered into this ____ day of _____, 20__, between _____ a _____ (“Franchisee”) and _____ (“Principal”).

RECITALS

WHEREAS, Securis Franchising, LLC (“Securis” or “Franchisor”) has developed a system of standards, methods, and technology for the promotion and advertising or the operation of businesses that will provide clients with electronic destruction and recycling services, including to on-site hard drive shredding, hard drive degaussing and collection of discarded electronic and computer products from client and recycling and disposal of Recycled Materials through the Recycled Material Processor, which includes proprietary software, security services and techniques, standards, technology systems, equipment, environmental certifications, government certifications, and destruction and security certifications, business methods, product specifications, proprietary marks, and information using the trade name, and trade-mark of “Securis®,” together with any other trade names and trade-marks that the Franchisor designates for use with the system (“System”).

WHEREAS, Principal understands that Securis is the owner of confidential information relating to the management and operation of the Franchisee’s business and of methods of conducting marketing and promoting the Franchisee’s business.

WHEREAS, Principal understands that as a part of its relationship with the Franchisee it will be provided information relating to the operation of the System including the standards, methods, procedures and specifications of the System, including the contents of the Manuals, client lists, client information, referral sources, prospect lists, information about the Securis franchisees and the operation of their business, information about suppliers and pricing, business plans, marketing plans, advertising programs, market research, information about clients and all other information that is used in Franchisee’s business, which is derived from Securis or franchisees, and which has value to Securis (“Confidential Information”).

WHEREAS, Principal will receive valuable training and will be entrusted with Confidential Information relating to the Franchisee’s business and relating to clients. In consideration of Principal’s relationship with the Franchisee, Principal agrees to comply with the provisions stated below. Principal also agrees the restraints imposed by this Agreement are reasonable and necessary to protect the Franchisee’s business, the Franchisor, franchisees, and the System.

WHEREAS, the Franchisee and Principal acknowledge and agree: (1) that the Franchisor is a third party beneficiary of the rights and obligations set for in this Agreement; (2) that the Franchisor will suffer irreparable harm in the event of any breach or violation of this Agreement; (3) that the Franchisor shall have the right to enforce the provisions of this Agreement in the event of any breach or violation, or threatened breach or violation, of this Agreement; and (4) that the Franchisor’s appropriate remedies for breach or violation, or threatened breach or violation of this Agreement, include interim, interlocutory, and final orders granting injunctive, mandatory, or other extraordinary relief, without the need for the posting of security or an undertaking in damages.

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

Confidentiality Agreement

1. The Franchisee will train Principal and provide it with special techniques and information, including Confidential Information, which the Franchisee believes will be helpful and necessary to the performance of Principal's duties.

2. Principal will not, at any time during or after his/her employment by Franchisee, communicate or disclose to any person or entity, or use for his/her benefit or for the benefit of any other person or entity, any Confidential Information Principal acquired during its relationship with Franchisee.

3. Upon termination of his/her relationship with Franchisee, Principal will return all materials, documents, lists and other items containing Confidential Information, all customer information, manuals, sales and service reports, sales and service manuals and literature, price books, samples, and any Securis issued tools or control concerning clients, products or services of Franchisee and Securis.

Covenants Not to Compete

1. In order to protect the goodwill and unique qualities of the System and the confidentiality and value of the Confidential Information, and in consideration for the disclosure to Principal of the Confidential Information, Principal further agrees and covenants as follows:

a. Not to divert or attempt to divert any business or client of the Franchisee's business, or of any other Franchisee's business, to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Securis trade-marks or the System.

b. Not to employ or seek to employ any person, who is at that time employed in a senior management position by the Franchisor or by any Franchisee of the Franchisor, or otherwise, directly or indirectly, induce or seek to induce such person to leave his or her employment.

2. Principal covenants that it shall not, for a continuous uninterrupted period commencing upon the expiration date or termination date of the Franchisee's Franchise Agreement, regardless of the cause for termination, and continuing for twenty-four (24) months, either directly or indirectly, for themselves, on behalf of, or in conjunction with any person, individual or business entity, own, maintain, advise, help, invest in, make loans to, be employed by, engage in or have any interest in any Competitive Services (electronic, electronic or data privacy or security services including destruction, recycling or processing of sensitive client information or technological products housing sensitive client information) or a division or subsidiary of a business which provides home care services:

a. Within the assigned area as defined in the Franchise Agreement; or

b. Within a radius of ten (10) miles from the perimeter of the Franchisee's Business protected territory or within ten (10) miles from the perimeter of any other operating

Securis® franchisee's business.

Miscellaneous

1. All provisions of this Agreement, which are to be effective following termination of Principal's relationship with Franchisee, will be effective regardless of whether such termination was voluntary or involuntary.

2. This Agreement will not become effective or be binding upon the parties until accepted by the Franchisor. This Agreement represents the entire agreement between the parties and supersedes any previous agreements between the parties, written or oral, relating to this subject matter and may be amended or modified only by a writing signed by the parties hereto.

3. This Agreement shall be construed and interpreted under the laws of Virginia, and these laws shall govern the relationship of Franchisee, the Franchisor, and the Principal as set forth in this Agreement. Any proceeding arising out of or relating to this Agreement shall be commenced in the United States District Court for the Eastern District of Virginia, unless the parties to the dispute agree otherwise. If the United States District Court of Virginia does not have jurisdiction, any such proceeding may be commenced in any Virginia court having jurisdiction thereof, unless the parties to the dispute agree otherwise. Notwithstanding the foregoing, any proceeding brought against the Franchisee and/or the Principal for injunctive, mandatory, or other extraordinary relief may be brought in any court of competent jurisdiction.

4. If any provisions in this Agreement are held to be invalid or unenforceable by a court of competent jurisdiction, such holding will not invalidate any of the other provisions of this Agreement, it being intended that the provisions of this Agreement are severable.

5. Any and all notices required or permitted under this Agreement shall be in writing and shall be deemed delivered immediately if delivered by hand, delivered in three (3) days after being placed in the mail (Registered Mail/Return Receipt Requested), postage prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has on record, or on the second day after being sent by an overnight courier service (e.g. FedEx, UPS, DHL) and scheduled for next day delivery.

If directed to the Franchisee the notice shall be addressed to:

Attention: _____
Facsimile: _____

If directed to Principal the notice shall be addressed to:

Attention: _____
Facsimile: _____

5. The rights and remedies of the Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successors, and assigns. The respective obligations of the Franchisee and Principal hereunder may not be assigned by the Franchisee or Principal, without the prior written consent of the Franchisor.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISEE:

By: _____

Name: _____

PRINCIPAL:

By: _____

Name: _____

SCHEDULE D
ASSIGNMENT OF TELEPHONE NUMBER(S)

This Assignment relates to:

Name of the Franchisee: _____

Address of Franchisee's Business: _____

Telephone Number(s) and other identifiers: Telephone numbers (____) _____;
(____); (____) _____; IP addresses _____;
VOIP identifier _____; usernames _____

Telephone Company: _____

For valuable consideration, the Franchisee identified above (the "Franchisee") assigns and Transfers to _____ (the "Franchisor") all of the Franchisee's rights and interests in each and all of the telephone numbers listed above (the "Numbers").

The Franchisee authorizes the Franchisor to file this Assignment with the telephone company that issued the Numbers for the purposes of establishing the Franchisor's claim to and right to designate the user of the Numbers.

The Franchisee irrevocably constitutes and appoints the Franchisor as the Franchisee's agent and lawyer-in-fact for the purposes of (i) signing and delivering any Transfer of Service Agreement or comparable document the telephone company requires to Transfer the rights in the Numbers from the Franchisee to the Franchisor or its designee, and (ii) canceling and revoking any call-forwarding or similar instructions the Franchisee has issued to the telephone company with respect to any of the Numbers, with full power to sign the Franchisee's name and otherwise to act in the Franchisee's name, place and stead.

The Franchisee agrees to reimburse the Franchisor the full amount of any local service and long distance charges the telephone company requires that the Franchisor pays to obtain the Numbers, together with interest as provided in the parties' Franchise Agreement.

The Franchisee represents and warrants to the Franchisor that the Franchisee obtained the Numbers in his, her or its own name, and that the Franchisee is the person of record the telephone company shall recognize as registered user or "owner" of the Numbers.

THE FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

SCHEDULE E
LEASE RIDER

This Lease Rider is executed as of this ____ day of _____, 20__, by and between _____ (the “Franchisee”) and _____, (“Landlord”) as a Rider to the lease (as amended, renewed, and/or extended from time to time, “the Lease”) for the Premises located at _____ (the “Premises”), State of _____ (the “Location”) dated as of _____.

WHEREAS, the Franchisee has executed or intends to execute a franchise agreement (the “Franchise Agreement”) with _____ (the “Franchisor”), for the operation of a Securis business (the “Securis Business”) at the Location, and as a requirement thereof, the Lease for the Location must include the provisions contained in this Rider; and

WHEREAS, Landlord and the Franchisee agree that the terms contained herein shall supersede any terms to the contrary set forth in the Lease;

NOW THEREFORE, in consideration of mutual covenants set forth herein, the execution and delivery of the Lease, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and the Franchisee hereby agree as follows:

1. The Location only may be used for the operation of a Securis Business.
2. Landlord shall deliver to the Franchisor a copy of any notice of default or termination of the Lease at the same time such notice is delivered to the Franchisee, but no later than thirty (30) days before a termination of the Lease would become effective.
3. The Franchisor shall have the right, but not the obligation, upon giving written notice of its election to the Franchisee and Landlord, to enter the Premises to cure any breach of the Lease, and if so stated in the notice, to also succeed to the Franchisee’s rights, title, and interests thereunder.
4. Notwithstanding anything to the contrary contained in the Lease, the Franchisee shall have the absolute right to sublet, assign or otherwise transfer its interest in the Lease to the Franchisor or its affiliate, or to a company with which the Franchisee or the Franchisor may merge or consolidate, without Landlord’s approval, written or otherwise, without any increase in rent, without a material change in any other terms of the Lease, and without execution of a guarantee of the Franchisor’s obligations (if any) under the assigned Lease.
5. The Franchisee shall, if requested by the Franchisor, assign to the Franchisor, and Landlord hereby irrevocably and unconditionally consents to such assignment, all of the Franchisee’s rights, title, and interest to and under the Lease upon any termination, or if no subsequent Franchise Agreement is executed, but no such assignment shall be effective unless: (a) the Franchise Agreement is terminated or expires without execution of a Subsequent Franchise Agreement; and (b) the Franchisor notifies the Franchisee and Landlord in writing that the Franchisor assumes the Franchisee’s obligations under the Lease.
6. The Lease may not be modified, amended, renewed or extended in any manner or

assigned by the Franchisee without the Franchisor's prior written consent. The Premises may not be altered or modified in any way without the Franchisor's prior written consent. Moreover, without the Franchisor's prior written consent, the Location may not be sublet, subdivided or used for any purpose other than for the operation of a Securis Business.

7. The Franchisee and Landlord acknowledge and agree that the Franchisor shall have no liability or obligation whatsoever under the Lease unless and until the Franchisor assumes the Lease in writing pursuant to Paragraphs 3, 4 or 5 above. The Franchisor shall assume all of the Franchisee's obligations under the Lease from and after the date of assignment, but shall have no obligation to pay any delinquent rent or to cure any other default under the Lease that occurred or existed prior to the date of the assignment.
8. If the Franchisor assumes the Lease, as above provided, the Franchisor may further assign the Lease to another person or entity to operate the Securis Franchisee's business at the Location, subject to Landlord's consent which consent shall not be unreasonably withheld or delayed. No such consent shall be required if the Lease is assigned or sublet to another Securis® franchisee. Landlord agrees to execute such further documentation to confirm its consent to the assignments permitted under this Rider as the Franchisor may request.
9. If the Franchise Agreement expires or is terminated, Landlord shall exercise its right to terminate the Lease and/or to exercise its other remedies under the Lease, unless the Lease is assumed by the Franchisor or its designee within thirty (30) days of the termination or expiration of the Franchise Agreement.
10. If the Lease expires or is terminated for any reason, the Franchisor may enter the Premises and remove any signs or other articles bearing any trade names, logos, trademarks that are part of the System and de-identify the leased Premises as a Securis business (including removing any Securis trade dress features and/or fixtures), without legal process and without being guilty of trespass.
11. Landlord and the Franchisor may rely upon any notice from either of them regarding the status of the Lease or of the Franchise Agreement; they shall have no duty to perform any independent investigation to verify the Franchisee's rights under the Lease or the Franchise Agreement; and, the Franchisee agrees to indemnify and hold the Franchisor harmless from any and all claims arising out of the Lease and the reliance upon the Franchisor's or Landlord's representations regarding the Franchisee's status, the status of the Franchisor or the status of the Franchise Agreement.
12. Landlord shall make available to the Franchisor all information which it collects or produces related to sales of the Securis Franchisee's business and the way in which the Securis Business is operated. The Franchisee consents to Landlord providing all such information to the Franchisor.
13. Copies of any and all notices required or permitted hereby or by the Lease shall also be sent to the Franchisor at _____, Attn: President or such other address as the Franchisor shall specify by written notice to Landlord.

14. Under the Franchise Agreement, any lease or any modification or renewal of the Lease for the Location of the Securis Business is subject to the Franchisor's approval. Accordingly, the Lease is contingent upon such approval.

LANDLORD:

THE FRANCHISOR:

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

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

THE FRANCHISEE:

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

SCHEDULE F
SECURITY AGREEMENT

This security agreement (hereinafter "Security Agreement") is made as of _____, between _____ "Debtor"), and Securis Franchising, LLC ("Secured Party").

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor hereby grants to Secured Party a security interest in present and after acquired personal property of the Debtor including in all accounts; accounts receivable; contract rights; leases; furniture; furnishings; equipment (including motor vehicles); fixtures; machinery; accessories; movable trade fixtures; goods held for sale or being processed for sale in Debtor's business, including all supplies, finished goods and all other items customarily classified as inventory; building improvement and construction materials; chattel paper; instruments; documents; letters of credit; all funds on deposit with any financial institution; commissions; and including the proceeds and products therefrom and any and all substitutions, replacements, additions and accessions thereto and any rebate/award program (or similar incentive programs) to which Debtor may be entitled pursuant to any franchise agreement entered into with Secured Party, together with all such rights and property hereafter acquired by Debtor; and all general intangibles (collectively, the "Collateral") as well as all parts, replacements, substitutions, profits, products and cash and non-cash proceeds of the foregoing Collateral (including insurance and condemnation proceeds payable by reason of condemnation of or loss or damage thereto) as security for (i) the prompt payment of any promissory notes executed by Debtor in favor of Secured Party, and any renewals, compromises, extensions, modifications, accelerations or other changes in the time for performance or other terms thereof (the "Notes"), and (ii) performance under any franchise agreements between Debtor and Secured Party, as the same may be amended (the "Franchise Agreements"), and (iii) all other agreements between Debtor and Secured Party. The Collateral shall not include consumer goods. The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the security interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

SECTION 1 -- DEBTOR'S OBLIGATIONS. Debtor agrees to the following:

- (a) Debtor will properly maintain and care for the Collateral and will not remove the Collateral from the Franchisee's Business' Location (as defined in the Franchise Agreement).
- (b) Debtor will notify Secured Party in writing prior to any change in Debtor's place of business;
- (c) Debtor has not executed and will not execute as debtor thereunder any security agreement or financing statement covering any of the Collateral except with Secured Party, nor will Debtor charge, pledge or encumber the Collateral, or allow any lien to be placed against the Collateral, whether voluntary or involuntary;
- (d) Debtor represents and warrants to Secured Party that the Collateral shall not become collateral for any other obligations previously incurred, nor collateral under any other security agreement(s) previously executed by Debtor; and

(e) Debtor will not sell, contract for sale or otherwise dispose of any of the Collateral except in the ordinary course of business.

SECTION 2 -- DEFAULTS. Debtor shall be in default under this Security Agreement upon the occurrence of any of the following events or conditions (an “Event of Default”):

(a) The failure by Debtor to pay any amount when due under the terms and provisions of the Notes (after applicable grace periods, if any); or

(b) Debtor’s breach of any term, provision, warranty or representation set forth herein or in the Franchise Agreements, or in any other agreement between Debtor and Secured Party; or

(c) The making of any levy on, or seizure or attachment of, any of the Collateral, if such levy, seizure or attachment is not set aside within fifteen (15) days thereafter; or

(d) The dissolution, termination of existence or insolvency of Debtor; the appointment of a receiver of all or any part of the property of Debtor; an assignment for the benefit of creditors by Debtor; the calling of a meeting of creditors of Debtor; or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor or any guarantor, surety or endorser for Debtor; or

(e) Any guarantor, surety or endorser for Debtor defaulting in any obligation or material liability to Secured Party, if such default is not cured within five (5) days thereafter.

SECTION 3 -- REMEDIES AFTER DEFAULT.

(a) In the event of the occurrence of an Event of Default, Secured Party, in addition to all other rights and remedies given Secured Party under any and all agreements by and among Secured Party, Debtor and/or Debtor’s guarantors, or otherwise by law, may do one or more of the following, without notice to or demand upon Debtor:

1) Declare all obligations secured hereby immediately due and payable;

2) Enforce the security interest given hereunder and otherwise exercise the rights of a secured creditor provided under the laws of the province in which the Office is located

3) Require Debtor to assemble the Collateral and make it available to Secured Party; and/or

4) Subject to applicable law, enter any office or offices of Debtor and take possession of the Collateral and of the records pertaining to the Collateral.

(b) Secured Party may apply the proceeds of any disposition of Collateral available for satisfaction of Debtor’s indebtedness, which shall include the reasonable expenses of such sale, in any order of preference which Secured Party, in its sole discretion, chooses. Debtor shall remain liable for any deficiency.

SECTION 4 -- INSURANCE PROCEEDS. So long as no default exists hereunder, the proceeds of fire and casualty insurance covering the Collateral may be utilized by Debtor for the repair and restoration of Debtor’s facilities, subject to such procedures as Secured Party may

reasonably require to assure the application of any such insurance proceeds for such purpose and completion of such repair and restoration.

SECTION 5 -- DUTIES OF SECURED PARTY. Secured Party's duties or responsibilities with reference to the Collateral shall be limited solely to the duties and responsibilities set forth in this Security Agreement and Secured Party shall not be responsible in any way for the condition, depreciation or maintenance of the Collateral other than as set forth herein. Debtor shall pay when due all taxes, charges, liens and assessments against the Collateral.

SECTION 6 -- MISCELLANEOUS.

(a) Performance of Debtor's Obligations. Simultaneously with the payment in full of all of Debtor's obligations under the Notes and performance of all outstanding obligations under the Franchise Agreements, all liens, encumbrances and security interests created by this Security Agreement shall be null and void.

(b) Waiver. Any waiver, express or implied, of any provision of this Security Agreement and any delay or failure by Secured Party to enforce any provision of this Security Agreement shall not preclude Secured Party from enforcing any such provision thereafter.

(c) Governing Law. This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the state in which the Debtor's office is located.

(d) Remedies. All rights and remedies provided herein are cumulative and not exclusive of any rights or remedies otherwise provided by law. Any single or partial exercise of any right or remedy shall not preclude the further exercise thereof or the exercise of any other right or remedy.

(e) Financing Statement. Concurrently herewith, Secured Parties shall file a financing statement and financing change statements as necessary in the personal property security registrar of the province in which the Franchisee's Business' Location is located as may be necessary to preserve, protect and perfect the security interest created hereby. Debtor waives any statutory requirement for notice of registration of any financing statement or financing change statement. Debtor will execute such other documents as Secured Party may reasonably require to perfect its security interest in the Collateral.

(f) Notices. In the event either party desires to give notice to the other with regards to this Security Agreement, such notice shall be in writing and may be hand delivered, express mailed, or sent by certified or registered mail. Notices mailed as provided herein shall be deemed to be given two (2) days after they are sent. Such notices shall be sent to the address provided for such party in the Franchise Agreement, unless a party gives notice of a change of its respective address.

(g) Attorneys' Fees. In the event either party commences litigation against the other with respect to this Security Agreement, or its interpretation or enforcement, the prevailing party shall be entitled to reasonable attorneys' fees and court costs.

(h) Successors in Interest. This Security Agreement shall inure to the benefit of, and be binding upon, the successors in interest of the parties hereto and their permitted assignees.

(i) Amendments. This Security Agreement may only be amended by a writing executed by both of the parties hereto.

(j) Entire Agreement. The foregoing constitutes the entire agreement between the parties, all representations or understandings, whether oral or written, having been incorporated herein or otherwise superseded hereby.

(k) Facsimiles. Facsimile or electronic copies of this Security Agreement shall be deemed to have the same force and effect as the original and, as such, shall be fully binding on all parties.

THE PERSON SIGNING THIS AGREEMENT ON BEHALF OF THE DEBTOR REPRESENTS AND WARRANTS THAT HE OR SHE IS A DULY APPOINTED OFFICER OR OTHERWISE HAS BEEN AUTHORIZED TO BIND THE FRANCHISEE TO THE TERMS OF THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement effective as of the date first written above.

DEBTOR

By: _____

Name:

Title: **Authorized Person**

SECURED PARTY

By: _____

Name:

Title: **Authorized Person**

SCHEDULE G
GENERAL RELEASE AGREEMENT

**THIS IS A CURRENT RELEASE FORM THAT GENERALLY WILL
BE USED WITH OR INCORPORATED INTO A SEPARATE AGREEMENT.**

THIS FORM IS SUBJECT TO CHANGE OVER TIME.

For and in consideration of the Agreements and covenants described below, Securis Franchising, LLC (“Franchisor”), _____ (“Franchisee”) and _____ (“Guarantors”) enter into this Release of Claims (“Agreement”).

RECITALS

- A. Franchisor and Franchisee entered into a Securis® Franchise Agreement dated _____, ____.
- B. [NOTE: Describe the circumstances relating to the release.]

AGREEMENTS

1. **Consideration.** [NOTE: Describe the consideration paid.]
- 2-3. [NOTE: Detail other terms and conditions of the release.]
4. **Release of Claims.**

A. Definitions.

1. Franchisor Parties: Franchisor and each of its respective officers, directors, attorneys, affiliates, agents, employees, owners, partners, members, shareholders, successors and assigns.

2. Franchisee Parties: Franchisee and each of the Guarantors, and each of their heirs, executors, administrators, trustees, agents, attorneys, employees, owners, shareholders, partners, members, directors, affiliates, successors and assigns.

B. The Franchisee Parties release and forever discharge the Franchisor Parties of and from any and all past, present, and future claims, demands, obligations, actions and causes of action at law or in equity, whether arising by statute, common law, or otherwise, including claims for negligence, that they may now have, hereafter have, or claim to have, that arise out of or relate to the franchise relationship, the development or operation of any franchised business, the sale of any franchise, or any franchise or development agreement between Franchisor and Franchisee.

C. The Franchisee Parties hereto specifically and expressly contemplate that this release of claims covers all of their claims, including those known and unknown claims for known and unknown injuries and/or damages, and those for expected and unexpected consequences.

5. **General.** No amendment to this Agreement or waiver of the rights or obligations of either party shall be effective unless in writing signed by the parties. This Agreement is governed by the laws of the State of _____ without regard to conflicts of laws principles. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. This Agreement contains the entire agreement and understanding of the parties concerning the subject matter of this Agreement. [NOTE: Detail other miscellaneous provisions.]

FRANCHISEE:

SECURIS FRANCHISING, LLC

BY: _____

BY: _____

ITS: _____

ITS: _____

DATE: _____

DATE: _____

PERSONAL GUARANTORS:

**MARYLAND ADDENDUM TO
FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in the State of Maryland, franchises sold to Maryland residents, and franchises to be located in Maryland and is intended to comply with Maryland statutes and regulations. In consideration of the execution of the Franchise Agreement, Franchisor and Franchisee agree to amend the Franchise Agreement as follows:

1. Release. Sections 3(B)(7), 15(A)(10) and 15(C)(4) of the Franchise Agreement are amended to provide that any release required as a condition of assignment or renewal will not apply to liability under the Maryland Franchise Registration and Disclosure Law (the “Maryland Franchise Law”).

2. Venue. Section 22(A) of the Franchise Agreement is amended to provide that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Acknowledgments. Section 28 of the Franchise Agreement is amended by the addition of the following at the end of such Section: “The representations made herein are not intended to and will not act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

4. Limitations. Section 22 of the Franchise Agreement is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

5. Construction. In all other respects, the Franchise Agreement will be construed and enforced with its terms.

SECURIS FRANCHISING, LLC

FRANCHISEE:

By _____
Its _____

By _____

By _____

NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

The Securis Franchise Agreement between _____ (the “Franchisee”) and Securis Franchising, LLC (“Securis”) dated _____, _____ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

NEW YORK LAW MODIFICATIONS

1. The New York Department of Law requires that certain provisions contained in franchise documents be amended to be consistent with New York law, including the General Business Law, Article 33, Sections 680 through 695 (1989). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. If the Agreement requires Franchisee to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the General Business Law, or any regulation, rule or order under the Law, such release shall exclude claims arising under the New York General Business Law, Article 33, Section 680 through 695 and the regulations promulgated thereunder, and such acknowledgments shall be void. It is the intent of this provision that non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law be satisfied.

b. If the Agreement requires that it be governed by a state's law, other than the State of New York, the choice of law provision shall not be considered to waive any rights conferred upon the Franchisee under the New York General Business Law, Article 33, Sections 680 through 695.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the New York General Business Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchisee Agreement, the Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the parties hereto have fully executed, sealed and delivered this Amendment to the Franchisee Agreement on the day and year first above written in the Franchisee Agreement.

SECURIS FRANCHISING, LLC

FRANCHISEE:

By _____
Its _____

By _____

By _____

EXHIBIT D TO DISCLOSURE DOCUMENT

OPTION AGREEMENT

OPTION AGREEMENT

This Option Agreement (the “**Option Agreement**”) is made and entered into this ___ day of _____, 20___ (the “**Effective Date**”), by and between Securis Franchising, LLC, a Virginia limited liability company with its principal business address at 14801 Willard Road, Suite 800, Chantilly, VA 20151 (the “**Franchisor**”), and Riverview Holdings, LLC, with a principal address at 13 Parkwood Road, Pennsville, NJ 08070 (the “**Grantee**”).

BACKGROUND

A. The Franchisor and its principals and affiliates have expended a considerable amount of time, effort, and money to develop a system (the “**System**”) for the operation of a business offering data destruction and electronics recycling services, including on-site data shredding, data degaussing, and the collection of discarded electronic and computer products (the “**Business**”).

B. The Franchisor offers qualified individuals the right to enter into franchise agreements to operate Businesses under the System and the “Securis®” mark (each a “**Franchise Agreement**”).

C. The Grantee seeks the option to enter into a Franchise Agreement to establish a single Business within the territory identified in the map attached as Schedule A to this Agreement (the “**Territory**”), pursuant to the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises, commitments and understandings contained herein, the Franchisor and the Grantee hereby agree as follows:

1. **Option Grant and Exercise.** For a period commencing on _____ and ending on _____ (the “**Option Period**”), the Franchisor grants to the Grantee an exclusive right to enter into a Franchise Agreement to operate a Business within the Option Territory (the “**Option**”). To be eligible to exercise the Option, the Grantee shall have substantially complied with the terms of any existing Franchise Agreements with the Franchisor. The Grantee shall exercise the Option by signing the Franchisor’s then-current form of Franchise Agreement and all related agreements and releases for the Option Territory and paying the Franchisor’s then-current initial franchise fee. If the Grantee fails to timely exercise the Option during the Option Period, or fails to meet the Franchisor’s eligibility criteria, the Option will expire, and the Grantee shall have no further rights or options to enter into a Franchise Agreement in the Option Territory.

2. **Option Territory.** During the Option Period, the Franchisor will not establish or operate, or grant to any third party the right to establish or operate, a Business within the Option Territory. The Franchisor retains all other rights within the Option Territory, including the right to recruit and service customers in the Option Territory, and the right to solicit prospective franchisees to operate one or more Businesses within the Option Territory after the Option Period Expires. Upon the expiration of the Option Period for any reason, the Franchisor may grant others the right to own, construct, open and/or operate Businesses in the Option Territory.

3. **Option Fee.** In consideration for the Option described herein, the Grantee agrees to pay a lump sum option fee of \$_____ (the “**Option Fee**”) upon executing this Option Agreement. If the Grantee exercises the Option, the Franchisor shall credit the Option Fee towards the Grantee’s

initial franchise fee due under the Franchise Agreement for the Option Territory. The Option Fee is fully earned and non-refundable upon payment.

4. **Sale or Assignment of Options.** The Grantee's rights under this Option Agreement are personal and the Grantee may not sell, transfer, or assign any right granted herein without the Franchisor's prior written consent, which may be withheld in its sole discretion.

5. **Time of the Essence.** Time is of the essence with respect to the Grantee's exercise under this Agreement.

6. **Full Investigation.** The Grantee, who has requested the Option granted herein, has received and read the Franchisor's franchise disclosure document and this Option Agreement in its entirety. Grantee has been encouraged by Franchisor to seek the advice of counsel in connection with entering into this Option Agreement. The Grantee has had a full and adequate opportunity to discuss the terms and conditions of this Option Agreement with legal counsel or other advisors of the Grantee's own choosing; has had ample opportunity to investigate the Securis franchise offering and this Option Agreement; and has had all questions relating to the Franchise Agreement and this Option Agreement, including those of any advisor, answered to the Grantee's satisfaction, including the differences between this Option Agreement and a Franchise Agreement.

7. **Entire Agreement.** The Agreement and this Option Agreement constitute the entire, full, and complete agreement between the Franchisor and the Grantee concerning the Option, and supersedes any and all prior agreements.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Option Agreement the Effective Date written above.

FRANCHISOR
Securis Franchising, LLC

GRANTEE

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

SCHEDULE A TO OPTION AGREEMENT

OPTION TERRITORY

EXHIBIT E TO DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

SECURIS FRANCHISING, LLC
(A Limited Liability Company)
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013 AND
THE PERIOD FROM SEPTEMBER 24, 2012
(INCEPTION) TO DECEMBER 31, 2012

SECURIS FRANCHISING, LLC
(A Limited Liability Company)
FOR THE YEAR ENDED DECEMBER 31, 2013 AND
THE PERIOD FROM SEPTEMBER 24, 2012 (INCEPTION) TO DECEMBER 31, 2012

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INDEPENDENT AUDITOR'S REPORT

To the Members
Securis Franchising, LLC

We have audited the accompanying financial statements of Securis Franchising, LLC (the "Company"), which comprise the balance sheet as of December 31, 2013, and the related statements of operations and members' equity and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Securis Franchising, LLC as of December 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of Securis Franchising, LLC as of December 31, 2012, were audited by other auditors whose report dated February 21, 2013, expressed an unmodified opinion on those statements.

Citrin Cooperman & Company, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Philadelphia, Pennsylvania
March 14, 2014

SECURIS FRANCHISING, LLC
(A Limited Liability Company)
BALANCE SHEETS
DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Cash	\$ 141,182	\$ 100,000
Deferred charges	<u>24,000</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 165,182</u>	<u>\$ 100,000</u>

LIABILITIES AND MEMBERS' EQUITY

Liabilities:		
Accounts payable	\$ 2,116	\$ -
Deferred franchise fees	<u>145,000</u>	<u>-</u>
Total liabilities	147,116	-
Members' equity	<u>18,066</u>	<u>100,000</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u>\$ 165,182</u>	<u>\$ 100,000</u>

See accompanying notes to financial statements.

SECURIS FRANCHISING, LLC
(A Limited Liability Company)
STATEMENTS OF OPERATIONS AND MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2013 AND
THE PERIOD FROM SEPTEMBER 24, 2012 (INCEPTION) TO DECEMBER 31, 2012

	<u>2013</u>	<u>2012</u>
Revenue	\$ -	\$ -
Operating expenses	<u>(82,118)</u>	<u>-</u>
Operating loss	(82,118)	-
Other income	<u>184</u>	<u>-</u>
Net loss	(81,934)	-
Members' equity - beginning	100,000	-
Contributions	<u>-</u>	<u>100,000</u>
MEMBERS' EQUITY - ENDING	<u>\$ 18,066</u>	<u>\$ 100,000</u>

See accompanying notes to financial statements.

SECURIS FRANCHISING, LLC
(A Limited Liability Company)
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013 AND
THE PERIOD FROM SEPTEMBER 24, 2012 (INCEPTION) TO DECEMBER 31, 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Net loss	\$ (81,934)	\$ -
Adjustments to reconcile net loss to net cash provided by operating activities:		
Changes in assets and liabilities:		
Deferred charges	(24,000)	-
Accounts payable	2,116	-
Deferred franchise fees	<u>145,000</u>	<u>-</u>
Net cash provided by operating activities	41,182	-
Cash provided by financing activities:		
Contribution from members	<u>-</u>	<u>100,000</u>
Net increase in cash	41,182	100,000
Cash - beginning	<u>100,000</u>	<u>-</u>
CASH - ENDING	<u>\$ 141,182</u>	<u>\$ 100,000</u>

See accompanying notes to financial statements.

SECURIS FRANCHISING, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 1. NATURE OF OPERATIONS

Securis Franchising, LLC (the "Company"), a limited liability company, was organized on September 24, 2012 in the Commonwealth of Virginia. The Company is a franchisor focusing on electronics, recycling and data destruction. The Company grants franchise licenses in the United States that provide the opportunity to open and operate franchise locations under the Securis tradename.

The Company's long-term goal is to create a nationwide franchise network consisting of 100 territories. Each franchise partner would sell electronics recycling services and data destruction services in their exclusive territory.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The Company prepares its financial statements using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Use of estimates

The preparation of financial statements in conformity with GAAP 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.

Revenue recognition

The Company's revenue is derived from initial franchise fees and ongoing royalty fees from the Company's franchisees. Initial admission fees are non-refundable and are recognized by the Company as revenue, generally upon the execution of the franchise agreement, provided that the Company has completed substantially all of its obligations under the franchise agreement. Royalty fees are based on a percentage of the franchisees' gross sales.

Income taxes

As a limited liability company, the members are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income tax has been included in the financial statements.

Uncertain tax positions

In accordance with the provisions of Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") 740, *Income Taxes*, tax positions initially need to be recognized in the financial statements when it is not more likely than not that the positions will be sustained upon examination by taxing authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

As of December 31, 2013 and 2012, the Company had no uncertain tax positions that qualified for either recognition or disclosure in the financial statements. Additionally, the Company had no interest and penalties related to income taxes.

SECURIS FRANCHISING, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Uncertain tax positions (continued)

The Company files income tax returns in the U.S. federal jurisdiction and in the state of Virginia. The Company is subject to U.S. federal and state tax examinations by taxing authorities for all periods since inception.

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Company has evaluated subsequent events through March 14, 2014, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 3. RELATED-PARTY TRANSACTIONS

License fees

The Company entered into a license agreement ("Agreement") with a company related through common ownership ("Licensor") to provide for the limited exclusive license to the Company of intellectual property for its use in the Company's marketing, sale and distribution of franchise agreements and related rights, products and services, and for the relicensure of such intellectual property to others strictly as permitted by the Agreement. Under the terms of the Agreement, the Company must pay the Licensor certain fees, including a 5% royalty related to royalty revenues earned. For the year ended December 31, 2013 and the period from September 24, 2012 (inception) to December 31, 2012, the Company did not incur any license fees.

Reimbursable expenses

The Company made payments to the Licensor for certain operational costs paid on its behalf, including management, marketing, and legal expenses. The expense related to these payments for the year ended December 31, 2013 and the period from September 24, 2012 (inception) to December 31, 2012, was \$80,000 and \$-, respectively.

EXHIBIT F TO DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

SECURIS FRANCHISING, LLC

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

As you know, Securis Franchising, LLC (the “**Franchisor**”) and you are preparing to enter into a franchise agreement (the “**Franchise Agreement**”) for the establishment and operation of a Securis® Business. The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized representatives of the Franchisor, or by employees or authorized representatives of a broker acting for the Franchisor (“**Broker**”) that have not been authorized, or that were not disclosed in the Disclosure Document or that may be untrue, inaccurate or misleading. The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) 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 Franchisor.

If you are intending to purchase an existing Securis® Business from an existing Franchisee, you may have received information from the transferring Franchisee, who are not employees or representatives of the Franchisor. The questions below do not apply to any communications that you had with the transferring Franchisee. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Are you seeking to enter into the Franchise Agreement along with a purchase or transfer of an existing Securis® Business from an existing Franchisee?

Yes _____ No _____

2. I had my first face-to-face meeting with a Franchisor representative on _____, 20__.

3. Have you received and personally reviewed the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

4. Do you understand all of the information contained in the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

If no, what parts of the Franchise Agreement, any Addendum, and/or related agreement do you not understand? (Attach additional pages, if needed.)

5. Have you received and personally reviewed the Franchisor's Disclosure Document that was provided to you?

Yes _____ No _____

6. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes _____ No _____

7. Do you understand all of the information contained in the Disclosure Document and any state-specific Addendum to the Disclosure Document?

Yes _____ No _____

If No, what parts of the Disclosure Document and/or Addendum do you not understand? (Attach additional pages, if needed.)

8. Have you discussed the benefits and risks of establishing and operating an Securis® Business with an attorney, accountant, or other professional advisor?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

9. Do you understand that the success or failure of your Securis® Business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, location, lease terms, your management capabilities and other economic, and business factors?

Yes _____ No _____

10. Do you understand that, per the Disclosure Document and your Franchise Agreement, it is your responsibility to review and understand the licensing requirements in your state?

Yes _____ No _____

11. Have you independently investigated your state's licensing requirements and the likely time and cost needed to comply with them?

Yes _____ No _____

12. Has any employee of a Broker or other person speaking for the Franchisor made any statement or promise regarding the amount of money you may earn in operating the Franchisee's Business that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

13. Has any employee of a Broker or other person speaking for the Franchisor made any statement or promise concerning the total amount of revenue the Securis® Business will generate, that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

14. Has any employee of a Broker or other person speaking for the Franchisor made any statement or promise regarding the costs you may incur in operating the Securis® Business that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

15. Has any employee of a Broker or other person speaking for the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Securis® Business?

Yes _____ No _____

16. Has any employee of a Broker or other person speaking for the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document or franchise agreement?

Yes _____ No _____

17. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise before today?

Yes _____ No _____

18. Have you paid any money to the Franchisor concerning the purchase of this franchise before today?

Yes _____ No _____

19. Have you spoken to any other franchisee(s) of this system before deciding to purchase this franchise? If so, who? _____

20. Do you understand that the Franchisor may modify the franchise program throughout the term of your agreements?

Yes _____ No _____

If you have answered No to question 9 or 11, or Yes to any one of questions 10 or 12-18, please provide a full explanation of each answer in the following blank lines. (Attach additional pages, if

needed, and refer to them below.) If you have answered Yes to question 9 or 11, and No to each of questions 10-17, please leave the following lines blank.

I signed the Franchise Agreement and Addendum (if any) on _____, 20____, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. In addition, by signing this Questionnaire, you also acknowledge that:

A. You recognize and understand that business risks, which exist along with the purchase of any business, make the success or failure of the franchise subject to many variables, including among other things, your skills and abilities, the hours worked by you, competition, interest rates, the economy, inflation, franchise location, operation costs, lease terms and costs and the marketplace. You acknowledge your awareness of and willingness to undertake these business risks.

B. You agree and state that the decision to enter into this business risk is in no manner predicated upon any oral representation, assurances, warranties, guarantees or promises made by Franchisor or any of its officers, employees or agents (including the Broker or any other broker) as to the likelihood of success of the franchise. Except as contained in the Disclosure Document, you acknowledge that you have not received any information from the Franchisor or any of its officers, employees or agents (including the Broker or any other broker) concerning actual, projected or forecasted franchise sales, profits or earnings. If you believe that you have received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings other than those contained in the Disclosure Document, please describe those in the space provided below or write "None".

C. You also acknowledge that the President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures"). The Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism. For that reason, you certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is:

- (i) a person or entity listed in the Annex to the Executive Order;
- (ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;
- (iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or

(iv) owned or controlled by terrorists or sponsors of terrorism.

You also covenant that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

Acknowledged this ____ day of _____, 20____.

Sign here if you are taking the franchise as an

INDIVIDUAL

Signature

Print Name _____

Signature

Print Name _____

Signature

Print Name _____

Signature

Print Name _____

Sign here if you are taking the franchise as a
**CORPORATION, LIMITED LIABILITY
COMPANY OR PARTNERSHIP**

Print Name of Legal Entity

By: _____
Signature

Print Name _____

Title _____

EXHIBIT G TO DISCLOSURE DOCUMENT

OPERATIONS MANUAL TABLE OF CONTENTS

Securis Franchise Operations Manual

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EXHIBIT H TO DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

LIST OF FRANCHISEES AS OF DECEMBER 31, 2013

Delaware

Riverview Holdings LLC
Gregg Haslinsky
13 Parkwood Road
Pennsville, NJ 08070
302-262-9905

District of Columbia/Maryland

Loreto Solutions LLC
Jorge Neyra / Paul Burke
1737 Johnson Ave. NW #D
Washington, DC 20009
301-363-4789

Maryland

McLaurin & Associates, Inc.
Hugh McLaurin
9015 Furrow Ave
Ellicott City, MD 21042
301-363-4788

EXHIBIT I TO DISCLOSURE DOCUMENT

LIST OF FRANCHISEES THAT HAVE LEFT THE SYSTEM

LIST OF FRANCHISEES THAT HAVE LEFT THE SYSTEM AS OF DECEMBER 31, 2013

None.

EXHIBIT J TO DISCLOSURE DOCUMENT

FORM OF GENERAL RELEASE

SECURIS FRANCHISING, LLC

GENERAL RELEASE AGREEMENT

THIS AGREEMENT (“Agreement”) is made and entered into this ____ day of _____, 20__ by and between Securis Franchising, LLC, a Virginia limited liability corporation having its principal place of business located at 14801 Willard Road, Suite 800, Chantilly, VA 20151 (the “Franchisor”), and _____, an individual residing at _____ OR _____ (referred to as “Releasor”), wherein the parties, in exchange for good and valuable consideration, the sufficiency and receipt of which is acknowledged, and in reliance upon the representations, warranties, and comments here are set forth, do agree as follows:

1. Release by Releasor:

Releasor does for itself, its successors and assigns, release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time before and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations like, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and promises never from this day forward, directly or indirectly, to institute, prosecute, begin, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state, or any other jurisdiction for any matter or claim arising before execution of this Agreement. If Releasor breaches any of the promises covenants, or undertakings made here by any act or omission, Releasor shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys’ fees. RELEASOR WAIVES ANY RIGHTS AND BENEFITS CONFERRED BY ANY APPLICABLE PROVISION OF LAW EXISTING UNDER ANY FEDERAL, STATE OR POLITICAL SUBDIVISION WHICH WOULD INVALIDATE ALL OR ANY PORTION OF THE RELEASE CONTAINED HERE BECAUSE THIS RELEASE MAY EXTEND TO CLAIMS WHICH TRANSFEROR DOES NOT KNOW OR SUSPECT TO EXIST IN ITS FAVOR AT THE TIME OF EXECUTION OF THIS AGREEMENT.

Releasor recognizes that it may have sustained claims, debts, costs, expenses, damages, injuries, liabilities, demands, losses or causes of action (collectively, “Claims”) along with the matters here released that are presently unknown or unexpected, and that these Claims may give rise to additional Claims in the future.

RELEASOR ACKNOWLEDGES THAT THIS AGREEMENT HAS BEEN MADE WITH KNOWLEDGE THAT THESE ADDITIONAL CLAIMS MAY EXIST AND WAIVES ANY AND ALL RIGHTS IT MAY HAVE UNDER CALIFORNIA CIVIL CODE SECTION 1542, OR UNDER ANY OTHER STATE OR FEDERAL STATUTE OR CASE AUTHORITY OF SIMILAR EFFECT.

2. Releasor represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released has been assigned or transferred by Releasor party to any

other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. If any claim, demand or suit shall be made or institute against any released party because of any purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold the released party free and harmless from and against any claim, demand or suit, including reasonable costs and attorneys' fees incurred in connection therewith. It is also agreed that this indemnification and hold harmless agreement shall not require payment to a claimant before recovery under this paragraph.

3. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.

4. California law shall govern the validity and interpretation of this Agreement, as well as the performance due. This Agreement is binding on respective assigns, successors, heirs and legal representatives of the parties.

5. If any action is filed to interpret any provision of this Agreement, or to enforce any of the terms, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the State of California.

6. This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original.

IN WITNESS WHEREOF, the parties, intending to be legally bound, have executed this agreement effective as of the date first above.

Witness:

RELEASOR:

(Name)

Witness:

SECURIS FRANCHISING, LLC

By: _____

Name: _____

Title: _____

RECEIPT

(KEEP THIS COPY FOR YOUR RECORDS)

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 Securis Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, Securis Franchising, LLC or its affiliate along with the proposed franchise sale. Iowa, New York, and Rhode Island require that Securis Franchising, LLC gives you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan and Washington require that Securis Franchising, LLC gives you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Securis Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit A.

The name(s) of the franchise seller(s) for this offering is/are _____.
The principal business address and telephone number of the franchise seller(s) is 14801 Willard Road Suite 800, Chantilly, Virginia 20151, 866-509-7250.

Issuance date: April 23, 2014

Securis Franchising, LLC authorizes the agents listed in Exhibit A to receive service of process for it.

I have received a disclosure document dated April 23, 2014, that included the following Exhibits:

- | | |
|--|---|
| A – State Administrators/Agents for Service of Process | Statement |
| B – State Specific Addenda | G – Operations Manuals Table of Contents |
| C – Franchise Agreement with Exhibits | H – List of Franchisees |
| D – Option Agreement | I – List of Franchisees That Have Left the System |
| E – Financial Statements | J – Form of General Release |
| F – Franchisee Disclosure Acknowledgment | |

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

RECEIPT

(RETURN THIS COPY TO US)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Securis Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, Securis Franchising, LLC or its affiliate along with the proposed franchise sale. Iowa, New York, and Rhode Island require that Securis Franchising, LLC gives you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan and Washington require that Securis Franchising, LLC gives you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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| E – Financial Statements | J – Form of General Release |
| F – Franchisee Disclosure Acknowledgment | |

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

You may return the signed receipt either by signing, dating and mailing it to Securis Franchising, LLC. at contact Jeremy Farber at 14801 Willard Road Suite 800, Chantilly, Virginia 20151, or by emailing a copy of the signed and dated receipt to Securis Franchising, LLC at jmfarber@securis.com.