

## FRANCHISE DISCLOSURE DOCUMENT



YOU MOVE ME LLC  
a Washington limited liability company  
887 Great Northern Way, Suite 301  
Vancouver, B.C., Canada V5T 4T5  
(1-855-9MO-VEME)  
www.youmoveme.com

You Move Me LLC offers franchises for the operation of professional commercial and residential moving businesses under the name “You Move Me.” The total investment necessary to begin operation of a You Move Me franchise with four subterritories is approximately \$138,000 to \$187,200. This includes an initial franchise fee of \$45,000 that must be paid to the Franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosure in different formats, contact our Franchise Development Manager at 887 Great Northern Way, Suite 301, Vancouver, British Columbia, Canada, V5T 4T5; by phone at 604-805-7498 or by email at [laurie@phoenixventuresinc.com](mailto:laurie@phoenixventuresinc.com).

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this disclosure document is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC’s home page at [www.ftc.gov](http://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: March 6, 2013.

## 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 D for information about the franchisor, or about franchising in your state.

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

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

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION ONLY IN VANCOUVER, BRITISH COLUMBIA AND LITIGATION IN SEATTLE, WASHINGTON. OUT-OF-STATE LITIGATION AND MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE WITH US IN BRITISH COLUMBIA AND TO LITIGATE WITH US IN WASHINGTON STATE THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT WASHINGTON LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. YOU MUST PAY SET MINIMUM ROYALTY PAYMENTS ANNUALLY FOR EACH SUBTERRITORY YOU PURCHASE, EVEN IF YOU HAVE NO EARNINGS. FAILURE TO MAKE THE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.
4. YOU WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$138,000 TO \$187,000. THIS AMOUNT EXCEEDS OUR MEMBER'S EQUITY AS OF OCTOBER 15, 2012, WHICH IS REPORT TO BE \$1.00.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

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

## STATE EFFECTIVE DATES

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

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

California:	December 4, 2012	New York:	January 24, 2013
Hawaii:	March 1, 2013	North Dakota:	January 25, 2013
Illinois:	March 29, 2013	Rhode Island:	November 30, 2012
Indiana:	November 26, 2012	South Dakota:	December 31, 2012
Maryland:	February 19, 2013	Virginia:	January 25, 2013
Michigan:	November 20, 2012	Washington:	February 8, 2013
Minnesota:	December 18, 2012	Wisconsin:	November 21, 2012

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## **ITEM 1. The Franchisor and any Parents, Predecessors, and Affiliates**

To simplify the language in this disclosure document “You Move Me”, “us” and “we” means You Move Me LLC, a Washington limited liability company, the franchisor. “Tracksuit Movers” means Tracksuit Movers Inc., a British Columbia, Canada corporation, an affiliate company. “You” means the person who buys a franchise. If you are a corporation, partnership, or other entity, “you” includes your owners.

### The Franchisor, its Predecessors and Affiliates

You Move Me was formed on September 12, 2012 and we will conduct business under that name. We are wholly owned by Tracksuit Movers (USA) Inc., a Canadian company. The same principals that own Tracksuit Movers (USA) Inc. also own our affiliate, Tracksuit Movers, which was incorporated on September 6, 2012. Tracksuit Movers owns the System and related marks, including the mark “You Move Me,” and licenses them to us for our exclusive use and sublicensing in the United States. Tracksuit Movers assists us in operating our Sales Center. We do not currently have and have not during the ten-year period immediately before the close of our most recent fiscal year, had any predecessors.

We are in the business of selling commercial and residential moving franchises in the United States. We have no other business activities. Our principal business address, which is the same as that of Tracksuit Movers (USA) Inc. and Tracksuit Movers, is 887 Great Northern Way, Suite 301, Vancouver, BC, Canada, V5T 4T5. We do not have a business address in the United States. Our agents for service of process are disclosed in Exhibit D to this disclosure document.

### Our Business Operations

We grant franchises to qualified candidates in the United States for the operation of franchises (each a “**Franchised Business**”) using the System and identified by the name You Move Me and have offered these franchises since 2012. We have not offered franchises in any other line of business, we have no other business activities and have not operated businesses of the type being franchised. Our affiliate company, Tracksuit Movers, does not have any prior business experience, nor do they offer franchises in any line of business in the United States.

Other than as stated above, we have no predecessors or affiliates offering franchises in any line of business, or providing products or services to our franchisees.

### The System

Brian Scudamore, our founder and CEO, in conjunction with our other principals, has developed a unique method for operating and franchising a moving business (the “System”). The System includes proprietary software, brand development, training, marketing programs and access to the exclusive service of the Sales Center, as well as the mark “You Move Me” and related registered and unregistered marks (collectively, the “Marks”). We, along with Tracksuit Movers, operate the Sales Center in Vancouver, BC, which receives telephone and web-based orders and acts as a “point of sale” contact for each customer. The Sales Center schedules all appointments, maintains a detailed client database, conducts follow-up calls with all customers to gauge customer satisfaction and provides you with detailed reports so that you may more effectively manage the Franchised Business. We leverage a national Sales Center, operate a sophisticated web-based dispatch system, and provide you with a comprehensive training program and ongoing business coaching and support.

## Market and Regulatory Matters

For the type of moving services provided by You Move Me businesses, that being residential and commercial moving services, there is a recognized and established business opportunity. Consumer demand for reliable, professional and timely moving was the driving force behind the development of the System. You will be competing with other moving businesses, including local and long distance moving companies, individuals performing moving services, and other franchised moving operations.

We operate a national Sales Center, a sophisticated web-based dispatch system, and provide you with a comprehensive training program and ongoing business coaching and support. Our target market includes homeowners, property managers, realtors, and businesses.

Each municipality has divisions that monitor businesses to ensure they follow all applicable laws. Each jurisdiction will issue a business licence if required. You should consult your own local authority's licensing and standards division for licenses or permits to do business, assumed name registrations and obtain sales tax permits. We are aware of industry specific regulations including, but not limited to, storage and hauling registration requirements, minimum insurance requirements, labor and wage laws, health and safety and sanitation regulations, and safety requirements. There may be specific laws or regulations in your state or municipality regarding the operation of the Franchised Business. The laws in your state or municipality may be more or less stringent. You should examine these laws before purchasing a franchise from us. You may be required to obtain licenses, registrations, authorizations and permissions required under applicable federal, state or local laws to operate your Franchised Business.

Many jurisdictions will require a contractor's license in order for you to be able to operate, which may require you to have experience in order for you to qualify. You are solely responsible for determining the requirements of such licenses before you sign the franchise agreement and for obtaining such licenses once you become a franchisee.

You will be required to research and to follow all pertinent local, state and federal laws and regulations specific to the residential and commercial moving industry. You will also be required to comply with all general business and commercial vehicle licensure laws and regulations. The Franchised Business will perform commercial and residential moving services. We urge you to make inquiries about laws that may be applicable to your Franchised Business. Because our industry is regulated, and regulations are subject to change, you must be aware of all regulations and keep apprised of changes that may have an impact on the Franchised Business. We have not determined the licensing requirements in your proposed territory, or whether it is possible to obtain necessary licenses. You are solely responsible for determining licensing requirements in your proposed territory before you sign the Franchise Agreement. You may want to obtain a complete copy of your state's and other applicable statutes and regulations and discuss them with your attorney.

### **ITEM 2. Business Experience**

#### **CEO: Brian C. Scudamore**

Brian Scudamore is one of our founders and is our Chief Executive Officer. He is currently the CEO of 1-800-GOT-JUNK?, a company he founded in 1989 Vancouver, British Columbia. In 2010, he formed 1-888-WOW-1DAY! LLC, and has served as its Chief Executive Officer and as a director since its formation.

**COO: Erik Church**

Erik Church is a founder of You Move Me and is currently its Chief Operating Officer. He joined 1-800-GOT-JUNK? in November 2011 as Chief Operating Officer. From 2007 until 2011 he was the President – Canada of EF Education First in Toronto, Ontario.

**Managing Director: Dave Garrett**

Dave Garrett joined You Move Me as its Managing Director in 2012. Prior to joining You Move Me, Mr. Garrett was Director of Sales at Public Mobile from April 2010 until August 2012 in Toronto, Ontario. Mr. Garrett served as General Manager at Elevate Sport, a division of Trimark Sportswear Group, in Toronto, Ontario from February 2008, until March 2010; from 2007 to 2008 he served as ‘Top Dog’ at Unleashed Brands in Toronto, Ontario.

**Principal: Paul Guy**

Paul Guy has been a principal in You Move Me since 2012. Mr. Guy joined 1-800-GOT-JUNK? in 1997 as VP, Franchise Development. Since 1989, Mr. Guy has operated 1-800-GOT-JUNK? franchises, including locations in Toronto, Ontario, New York, New York, Melbourne and Brisbane, Australia and Saskatchewan, Canada.

**Principal: Laurie Baggio**

Laurie Baggio has been a principal in You Move Me since 2012. Mr. Baggio has served as President of Phoenix Ventures Inc. since 2004, a management consulting firm and holding company for 1-800-GOT-JUNK? franchises in Portland, New Jersey, New York City, and Connecticut. Mr. Baggio served as Chief Operating Officer for 1-800-GOT-JUNK? from October 2009 until March 2011.

**Principal: Tom Rypma**

Tom Rypma has been a principal in You Move Me since 2012. Mr. Rypma has operated a 1-800-GOT-JUNK? franchise in San Francisco, California since 2000 and has operated additional 1-800-GOT-JUNK? franchises in Oakland, California and the Silicon Valley. In 2006, Mr. Rypma purchased franchises in New York, NY and in 2009 in Melbourne and Brisbane, Australia.

**General Counsel: Amy Peck**

Amy Peck joined You Move Me as General Counsel in August 2012. Prior to joining You Move Me, Ms. Peck was a partner at the law firm of Borden Ladner Gervais LLP’s Vancouver, British Columbia office, having worked at that firm since 2002.

**ITEM 3. Litigation**

There is no litigation information to be disclosed in this Item.

**ITEM 4. Bankruptcy**

There is no bankruptcy information to be disclosed in this Item.

**ITEM 5. Initial Fees**

The initial franchise fee is \$45,000, which includes \$18,000 for the first subterritory plus \$9,000 for each of the three additional subterritories. The minimum initial investment is four subterritories. Territories will generally consist of four subterritories, but we may offer more or less subterritories if, in our sole discretion, circumstances so require. For example, there may be areas with smaller populations that won't support four subterritories. The initial franchise fee of \$18,000 for the first subterritory is payable to us in a lump sum when you sign the Franchise Agreement. The fee for additional subterritories is payable to us on the due date mutually agreed upon and stated in the Franchise Agreement. Each portion of the initial franchise fee is fully earned upon receipt and there are no refunds under any circumstances.

**ITEM 6. Other Fees**

**OTHER FEES**

<b>Name of Fee</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
<b>Royalty</b>	8% of Gross Revenue	Semi-monthly on the third business day after the 15 <sup>th</sup> and last day of each month	Gross Revenue is defined to mean all sales at or from the franchised business, less sales tax and refunds. Paid by electronic fund transfer.
<b>Minimum Royalty</b>	Depending upon your year of operation, the Minimum Royalty will range from \$4,800 to \$14,400 per subterritory. The amount payable by you is the amount the Minimum Royalty exceeds the amount of Royalties actually paid by you in any year of operations.*	Within 30 days of each anniversary of the Scheduled Opening Date.	This is only payable if the Royalties actually paid by you in a year of operations are less than the Minimum Royalty.
<b>Sales Center Fee</b>	4% of Gross Revenue	Same as Royalty	This money goes into the Sales Center Cooperative Fund which pays the expenses of the Sales Center, web based booking system and Intranet. We manage the Sales Center on behalf of the Franchisees. Paid by electronic fund transfer.



Name of Fee	Amount	Due Date	Remarks
<b>Customer Relationship Management (CRM) Fee</b>	Payment for CRM software costs as required by Franchisor	Within 30 business days of billing by us	This money is used to purchase licenses from third-party CRM software providers.
<b>Marketing Fund</b>	1% of Gross Revenue	Same as Royalty	This money goes into a Marketing Fund which we use for regional and national advertising. Paid by electronic fund transfer.
<b>Branding Cooperative</b>	Up to 3% of Gross Revenue in aggregate	As determined by us	Only imposed if we authorize franchisees in a particular area to establish a branding cooperative and 75% of the involved franchisees (calculated on a gross revenue basis) subject to the branding cooperative consent to paying fees. This is paid as directed by us and amounts may be credited towards Local Marketing obligations. Any franchisor-owned outlets in an area subject to a branding cooperative will pay into and vote in the same manner as franchised outlets. You will not be required to contribute more than 3% of your Gross Revenue in the aggregate for all branding cooperatives to which you belong.

Name of Fee	Amount	Due Date	Remarks
<b>Additional Training</b>	Payment for additional training or retraining at up to \$500 per person per day for up to 10 days	Within 30 business days of billing by us	There is no separate charge for initial training of two employees. The costs of transportation, accommodations, meals, living expenses, and wages for employees attending training is the franchisee's responsibility and will vary greatly depending upon the timing of the training and your location in relation to the site of training.
<b>Training on Default</b>	Payment for additional training on default by Franchisee of franchise agreement obligations at the Franchisor's then-current training fees	Within 30 business days of billing by us	There costs of such training on default will be in Franchisor's sole discretion. The costs of transportation, accommodations, meals, living expenses, and wages for any employees attending such training are the franchisee's responsibility and will vary greatly depending upon the timing of the training and your location in relation to the site of training.
<b>Transfer</b>	\$10,000, unless the transfer is to an entity sufficiently controlled by you	You are required to pay \$2,500 to us upon announcing your intention to sell, and the balance upon transfer.	No charge if transferred to an entity in which you own at least 75% of voting equity.
<b>Renewal Fee</b>	\$5,000	Within 3 months before expiration of current term.	This fee is partly intended to defray legal and administrative costs incurred by us when you renew your franchise agreement.

<b>Name of Fee</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
<b>Audit Expenses</b>	Costs of examination or audit (approximately \$1,500 to \$5,000 but may be more), plus any deficiency in amounts that should have been paid to us	Upon demand	Audit costs are payable only if the audit reveals a material deficiency in any report delivered by you.
<b>Interest on late payments</b>	24% per year or the highest rate allowed by the state where you are located.	Upon demand	Payable on all overdue amounts accruing from the date payment is due until payment is received by us.
<b>Annual Conference</b>	\$1,500 - \$2,000 per year plus costs associated with attendance	Payable a minimum of one month before conference	This fee is intended to reimburse the Franchisor for the cost of holding annual conference. This will generally include hotel and some meals and will generally not include travel, entertainment, and salaries. You must send attendees for each Franchised Business.
<b>Management Assistance</b>	\$450 per day plus out of pocket expenses	Within 7 days of invoice	Payable if we exercise our right to run your franchised business.
<b>Liquidated Damages</b>	\$25 -\$2,000, depending upon the breach	Upon demand	Payable if we determine that you have contravened a standard set out in the Franchise Agreement or Operations Manual. Amount of damages depends upon the nature of the violation.
<b>Indemnity</b>	Depends upon the size of the loss for which you are required to indemnify us.	Upon demand	You must indemnify us for losses incurred by us that arise out of your operation of the Franchised Business.

Unless otherwise indicated, all fees are non-refundable, are payable only to us for our account and are uniformly imposed, though we retain the right to negotiate the above-listed fees with individual

franchisees under unique circumstances. We reserve the right to waive compliance with Minimum Royalty obligations for approximately 30 initial launch franchisees.

\* Minimum Royalty per subterritory is \$4,800 in the first year of operations, \$7,200 in the second year of operations, \$9,600 in the third year of operations, \$12,000 in the fourth year of operations, and \$14,400 in the fifth and subsequent years of operations.

**ITEM 7. Estimated Initial Investment**

**YOUR ESTIMATED INITIAL INVESTMENT  
(for a franchise with 4 subterritories)**

<b>Type of Expenditure</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment Is to Be Made</b>
Initial Franchise Fee	\$45,000 (Note 1)	Lump sum	At signing of Franchise Agreement	You Move Me
Initial Marketing Expense	\$12,000 (Note 2)	As arranged	As incurred	3 <sup>rd</sup> Party Vendors
Computer Hardware and Software	\$1,500 - \$3,000 (Note 3)	As arranged	As incurred	3 <sup>rd</sup> Party Vendors
Miscellaneous Opening Costs	\$5,000 - \$10,000 (Note 4)	As arranged	As arranged	3 <sup>rd</sup> Party Vendors
Vehicles & Graphics	\$8,000 - \$28,000 (Note 5)	Monthly Lease	Monthly	Dealer/Seller/Lessor/Finance Company
Real Estate/Rent	\$1,200 (Note 6)	As arranged	As arranged	Landlord
Training Expenses	\$2,700 - \$4,000 (Note 7)	As required by vendors	As arranged	3 <sup>rd</sup> Party Vendors
Insurance	\$3,500 - \$4,500 (Note 8)	As arranged	As arranged	3 <sup>rd</sup> Party Vendors
Cell Phone & Accessories	\$150 - \$500 (Note 9)	As arranged	Before opening	3 <sup>rd</sup> Party Vendors
Office Equipment and Supplies	\$150 - \$1,000 (Note 10)	As arranged	Before opening	3 <sup>rd</sup> Party Vendors
Licenses and Permits	\$1,500 (Note 11)	As arranged	As incurred	Governmental or regulatory authorities
Professional Fees	\$2,000 - \$5,000 (Note 12)	As arranged	As incurred	Lawyers, accountants, other professionals, etc.
Memberships to Local Organizations	\$300 - \$1,500 (Note 13)	As arranged	As incurred	Local organizations

<b>Type of Expenditure</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment Is to Be Made</b>
Additional Funds – 3 to 6 Months	\$55,000 - \$70,000 (Note 14)	As required by vendors and employees	As incurred	Employees, Suppliers, Utilities
<b>TOTAL</b>	\$138,000 - \$187,200 (Notes 15 and 16)			

Notes:

- (1) This figure includes the subterritory initial fee of \$18,000 for the first subterritory, plus \$9,000 for each of the three additional subterritories. See Item 5.
- (2) The initial marketing expense will be used by you to market and promote the Franchised Business prior to and/or during the first 6 months of operation. This figure is based on a Franchised Business operating in four subterritories, with a minimum spending requirement of \$3,000 per subterritory. See Item 11.
- (3) You must obtain computer, telephone and other related equipment that meets our specifications. These amounts represent the estimated cost to purchase this equipment. Item 11 describes the required computer hardware and software in greater detail.
- (4) This estimates your initial miscellaneous start-up expenses, including your initial truck-based marketing kit, yellow page and/or Universal Business Listing ads, uniforms, moving equipment, deposits, business licenses and legal expenses. Your expenses may vary substantially, upward or downward, depending upon the nature of your existing operations, whether you currently own computers and telephone equipment and whether you currently have an office. You will also have to pay for insurance on your trucks and equipment, public liability, join our health and safety program, worker's compensation and property insurance for your franchise, and fuel and maintenance costs for your trucks. These figures are estimates and we cannot guarantee that you will not have additional expenses in starting your business.
- (5) The above figures assume you lease two vehicles, and include the cost of wrapping your vehicle with the Marks, which we estimate to be \$4,000 per vehicle. Costs may vary substantially, especially if you elect to purchase a vehicle rather than lease one. You must purchase or lease vehicles/trucks which meet our standards and specifications, and you may only use your vehicles for the Franchised Business and for no other reason. You are required to abide strictly to our vehicle requirements and standards, including our requirements for the vehicles to be decorated with our approved graphics package. Your vehicles shall be outfitted, wrapped and/or decaled to our specifications. Please see Section 5 and Schedule C of the Franchise Agreement for further details.
- (6) You must secure administrative office space for your franchise at the commencement of operations. You must maintain sufficient space to operate computer and telephone equipment and maintain records. We estimate that you will need a minimum of 300 to 400 sq. feet. The above estimate is based upon paying 3 months' of rental payments estimated at \$400 per month.

- (7) Training fees for you and one additional employee are included in your initial fee; however, you are responsible for your travel, accommodations and meals while training at our training facility. Costs will vary depending on your proximity to British Columbia and the number of people attending training. These expenses are typically not refundable. Per person expected costs are based upon a 10-day estimated stay, with accommodations from \$100-200 per night; one meal per day (we provide breakfast and lunch during training); air transportation at \$500-1,000 per person, and local transportation at \$10-25 per day.
- (8) You must purchase insurance in accordance with our specifications:

<b>Type</b>	<b>Coverage</b>
Comprehensive Liability	not less than \$1,000,000 per occurrence
Business Interruption	As required by Franchisor
Vehicle Liability	Not less than \$1,000,000 or as required by Franchisor
Worker's Compensation	As required by state law
Other	As required by law or Franchisor

- (9) You must purchase a cell phone for use in connection with the Franchised Business, and you will be responsible for all costs associated with the use and maintenance of the cell phone. Upon termination or expiration of the Franchise Agreement, we may, at our option, purchase the cell phone number from you for fair market value, or require that you cancel the cell phone number, the costs or penalties of which will be your paid by you.
- (10) The cost of office equipment and supplies will depend on whether you already have such items (such as desk, stationary, etc.).
- (11) Governmental or regulatory agencies typically charge fees for permits and operating licenses. Your actual costs may vary from the estimates based on the requirements of federal, state and local government agencies. See also Item 1 of the disclosure document.
- (12) You will need to retain a lawyer, an accountant and other consultants to assist you in establishing your Franchised Business. These fees may vary from location to location depending upon the prevailing rates of local lawyers, accountants and consultants. These fees are typically non-refundable.
- (13) We recommend that you become a member of local business organizations such as the Better Business Bureau, Chamber of Commerce, and the Building Owners Management Association. Membership in these organizations is not mandatory.
- (14) This estimates your initial operating expenses, including working capital and local marketing fees, during the initial start-up months. Your costs will depend on factors such as: following You Move Me's methods and procedures; your management skill, experience and business knowledge; whether you elect to hire a General Manager; local economic conditions; local market for services; prevailing wage rate; competition; sales level reached during the initial period; lease rates for office space, vehicle and computer and telephone equipment. A significant amount of working capital may be allocated to additional marketing during the start-up phase of the business. The prices for these items will vary depending upon your location and on market prices. Additional Funds relate only to costs associated with the Franchised Business and do not cover any owners' draw or personal, "living,"

unrelated business or other expenses you may have, such as royalty payments, debt service on any loans, state sales and/or use taxes on goods and service, and a variety of other amounts not expressly described and included in the notes above.

- (15) We relied on our research to compile these estimates. You should review these figures carefully with your business advisors before making any decision to invest in the franchise. Your expenses may vary substantially, upward or downward, depending upon the nature of your existing operations, whether you currently own computers and telephone equipment and whether you have a home office. You will also have to pay for insurance on your truck and equipment, public liability and property insurance for your franchise, and fuel and maintenance costs for your truck. These figures are estimates and we cannot guarantee that you will not have additional expenses in starting your business.
- (16) Unless otherwise noted, all fees payable to us are non-refundable under any circumstances. Refundability of fees paid to third parties will depend on your negotiation with each party. Neither You Move Me nor its affiliates offer financing of all or any part of the initial investment. We reserve the right to waive compliance with the Local Marketing obligations as well as payment of the initial marketing expense for approximately 30 initial launch franchisees.

#### **ITEM 8. Restrictions on Sources of Products and Services**

You must purchase or lease certain items for your Franchised Business from our approved supplier(s) or satisfying our specifications. Sometimes we may recommend a supplier, but we will not require you to use that supplier. For other items, we will provide specifications, but you must find suppliers that meet our specifications for items such as vehicles, signage, uniforms, marketing materials, tools, telephone equipment, credit card processing software, equipment and computers. We reserve the right, in the future, to serve as, to change, or to designate, an approved supplier for any of these items. Specifications and standards for these items are included in the Operations Manual, and may be updated or modified periodically by us.

Our criteria for supplier approval, as may be needed, may also be included in the Operations Manual, or may be requested from us directly in writing on a case-by-case basis. The intent of the specifications, standards and supplier approval is to create brand consistency throughout North America. Generally, we apply the following criteria, among others, in considering whether a supplier will be an approved supplier:

1. ability to produce the products, services, supplies or equipment to meet our standards and specifications for quality and uniformity as well as our customers' expectations;
2. production and delivery capabilities and ability to meet supply commitments;
3. integrity of ownership (to ensure that its association with You Move Me will not be inconsistent with our image or damage our goodwill);
4. financial stability; and
5. the negotiation of a mutually satisfactory license to protect our intellectual property.

We will advise you within a reasonable time (no more than 30 days) whether the proposed items and supplier(s) meet our specifications, and our approval will not be unreasonably withheld. You will be notified in writing of our approval or disapproval and any revocation of approved suppliers. Suppliers must maintain our standards in accordance with written specifications and any modifications. Failure to correct a deviation from the System's specifications will result in the termination of an approved

supplier's status. We reserve the right to require you to reimburse us for reasonable expenses we incur in approving new items and/or suppliers.

We do not currently but may in the future organize branding cooperatives consisting of any number of franchisees. Branding cooperatives may be organized geographically, or along any other parameters that we designate. If your franchise belongs to a branding cooperative established by us, then you will be obliged to participate in the branding cooperative, which may include traveling to attend meetings. If franchisees representing 75% of the revenue in a particular branding cooperative agree, then you will be required to contribute to the branding cooperative. However, you can never be required to contribute a total of more than 3% of your Gross Revenue for all branding cooperatives to which you belong.

We do not currently but intend in the future to negotiate purchase arrangements with some suppliers for the benefit of our franchisees. We do not currently receive any rebates from any suppliers, but reserve the right to do so in the future. We do intend to negotiate additional volume discounts for our franchise system, which will involve rebates paid directly to us.

We are not currently an approved supplier of any items for use in the Franchised Business, nor are any of our affiliates. We do not currently derive income based on your required purchases or leases. None of our officers own an interest in any of our suppliers. The purchase and lease of items from approved suppliers or that meet our specifications are anticipated to represent approximately 35% to 45% of your total expenses in connection with the establishment of the Franchised Business, and approximately 10% to 40% of your total expenses in connection with the ongoing operation of the Franchised Business.

We do not provide material benefits to you based solely on your purchases from or use of designated or approved suppliers.

#### **ITEM 9. Franchisee's Obligations**

	<b>Obligation</b>	<b>Section in Agreement</b>	<b>Disclosure Document Item</b>
a.	Site selection and acquisition/lease	2.1(a); 4	Items 7, 8 and 11
b.	Pre-opening purchases/leases	4; 5.1; Schedule C	Items 7 and 11
c.	Site development and other pre-opening requirements	2.4; 3; 5.1; 11.4; 15.1	N/A
d.	Initial and ongoing training	12.1; 12.3; 12.4; 15	Item 11
e.	Opening	2.4	Item 11
f.	Fees	2.2; 3; 6; 7.1(s); 10.5(c); 11.3; 11.4; 11.5; 15; 16.8; 18(b); 19.3(b) and (c); 21.2	Items 5 and 6
g.	Compliance with standards and policies/Operating Manual	4; 7.1; 9.6; 13.3; 13.4; 14.1; 16	Item 11
h.	Trademarks and proprietary information	2.1; 2.3; 7.1; 7.5; 13; Schedule A	Items 13 and 14
i.	Restrictions on products/services offered	2; 7; 13; 20	Items 8 and 16



	<b>Obligation</b>	<b>Section in Agreement</b>	<b>Disclosure Document Item</b>
j.	Warranty and customer service requirements	7	Item 11
k.	Territorial development and sales quotas	2.2; 6.3	Items 6 and 12
l.	Ongoing product/service purchases	N/A	N/A
m.	Maintenance, appearance and remodeling requirements	4, 5, 7.1	Item 11
n.	Insurance	14.5	Item 7
o.	Advertising	7.1; 11	Items 6 and 11
p.	Indemnification	21.1	Item 6
q.	Owner's participation/management/staffing	7.1; 12	Item 15
r.	Records and reports	6.2; 9	Item 11
s.	Inspections and audits	9.5; 14.2	Items 6 and 11
t.	Transfer	19	Item 17
u.	Renewal	18	Item 17
v.	Post-termination obligations	16; 17; 19; 20	Item 17
w.	Non-competition covenants	20	Item 17
x.	Dispute resolution	21.13	Item 17
y.	Other (guarantee)*	2.6	N/A

\*Note: (1) If Franchisee is an entity, all directors, officers, shareholders, partners, or members shall each be required to sign an agreement guaranteeing the financial performance of the Franchisee under the Franchise Agreement. See Exhibit F to this disclosure document.

## **ITEM 10. Financing**

We do not offer financing at this time. However, in exceptional circumstances we may, in our sole discretion, allow you to pay the initial franchise fee with respect to some of the subterritories upon terms acceptable to us.

We do not guarantee any debts, leases or other obligations for you. While not obligated to do so, we may, in our discretion, introduce you to third party financing sources that may, if you meet their qualifications, supply financing options for items required as part of the initial investment.

## **ITEM 11. Franchisor's Assistance, Advertising, Computer Systems, and Training**

**Except as provided below, You Move Me is not required to provide you with any assistance.**

A. Before you open your business, we will:

1. designate your non-exclusive but protected territory (Franchise Agreement, Section 2.2);

2. provide artwork for advertising use, a list of exclusive suppliers of marketing materials and a specification list for decals, signage and trucks – we do not deliver or install decals or signage (Franchise Agreement, Section 7.1);
3. provide you with electronic access to the confidential and copyright-protected series of System manuals, as revised periodically (collectively, the “Operations Manual”) (Franchise Agreement, Section 2.1) (A copy of the Table of Contents of the Operations Manual is attached as Exhibit C to the disclosure document.) You may not copy the Operations Manual other than in the normal operation of the Franchised Business without You Move Me’s permission; and
4. provide an initial training program for you (or, if you are not an individual, your owner) and one employee, which you both must complete to our satisfaction. The training covers all aspects of the business operating system, consisting of both in-class training and in-field training. An outline of the training is provided below (Franchise Agreement, Section 15.1);

B. During the operation of the Franchised Business, we will:

1. operate the Sales Center (Franchise Agreement, Section 10.1);
2. provide access to MoveNet, our intranet system, for two users (additional users may be subject to additional fees) (Franchise Agreement, Section 10.2);
3. expend funds advanced by you on account for the Initial Marketing Fee during your first 6 months of operation (Franchise Agreement, Section 11.4);
4. administer and maintain the Sales Center Cooperative Fund (Franchise Agreement, Section 10.5);
5. administer and maintain the Marketing Fund (Franchise Agreement, Section 11.3);
6. provide you with general advice, assistance and field support as we deem helpful to you in the ongoing operation, advertising and promotion of the Franchised Business (Franchise Agreement, Section 15.4);
7. continue efforts to establish and maintain high standards of customer satisfaction and professionalism in the System (Franchise Agreement, Section 15.4);
8. coordinate and conduct periodic training programs for franchisees as we in our sole discretion deem necessary, at franchisees’ cost (Franchise Agreement, Section 15.2);
9. on a periodic basis, conduct inspections of the Franchised Business and its operations, and evaluations of the methods and staff employed at the Franchised Business (Franchise Agreement, Sections 9.5 and 14.2); and
10. take initiatives and steps to protect the integrity of the brand (Franchise Agreement, Section 13.6).

## Advertising and Marketing

### *Initial Marketing Fee*

You must expend an Initial Marketing Fee of \$18,000 upon execution of the Franchise Agreement. The Initial Marketing Fee will be spent by you in your area (as we reasonably define it), in order to market and promote the Franchised Business prior to and during the first 6 months of the Franchised Business's start up.

### *Marketing Fund*

We administer and maintain a Marketing Fund (the "Marketing Fund") for regional and national advertising programs with monies collected from franchisees (Franchise Agreement, Section 11.3). You Move Me selects the types of media used and the location of the advertising campaigns administered through the Marketing Fund. We use or may use the following media: print, radio, television, telephone, telephone directories, Internet and direct mail. We may also use the funds for general public relations, national accounts, development of marketing materials, and to otherwise obtain and build brand awareness. The focus is on national coverage and marketing development and will be handled in-house at You Move Me or outsourced to a professional advertising or public relations firm. You may always use your own advertisements beyond those produced by the Marketing Fund, subject to our prior written approval of the advertising, which will be granted or denied no more than 30 days after receipt of the materials you submit.

You must contribute 1% of Gross Revenue to the Marketing Fund. All franchisees and franchisor-owned operations will contribute on the same basis. We will prepare and provide to you upon written request an annual unaudited financial statement of the Marketing Fund. We administer the fund, but we will not receive any compensation for providing services to the Marketing Fund, other than the reimbursement of ordinary and necessary expenses, which may include in-house staff.

We are not obligated to spend a specific amount on advertising in your area. Any unspent amounts in the Marketing Fund will be saved for later spending. No percentage of the Marketing Fund is used for the solicitation of franchisees; however, our advertising and marketing material does contain contact numbers for obtaining information about You Move Me franchises. We do not currently have an advertising counsel that advises us on advertising policies, but we reserve the right to form one in the future. We did not collect any Marketing Fees in 2011.

### *Advertising Council*

There is no advertising council or cooperative yet formed to advise us on advertising policies. If one is formed, we will have the power to select and approve the members and to change, dissolve or merge the advertising council.

### *Minimum Local Advertising/Promotion Expenditure*

In addition to your contribution to the Marketing Fund, you must spend a minimum of 6% of Gross Revenue quarterly on local (in the vicinity of the franchised location) advertising and promotions. In your first year of operation you must spend, on local advertising and promotions, the greater of a minimum of 6% of Gross Revenue quarterly or \$3,600 per quarter.

### *Branding Cooperatives*

We may organize branding cooperatives consisting of any number of franchisees. Branding cooperatives may be organized geographically, or along any other parameters that we designate. If your

franchise belongs to a branding cooperative established by us, then you will be obliged to participate in the branding cooperative, which may include traveling to attend meetings. If franchisees representing 75% of the revenue in a particular branding cooperative agree, then you will be required to contribute to the branding cooperative. However, you can never be required to contribute a total of more than 3% of your Gross Revenue for all branding cooperatives to which you belong.

#### Hardware, Software and Internet Connectivity

You must install and maintain a computer system according to our specifications, as listed in the Operations Manual (Franchise Agreement Section 14.1). Your computer system must include a laptop or tablet computer with the ability to run current versions of Windows, Microsoft Office®, QuickBooks Pro, anti-virus software, and with built-in Bluetooth and Wi-Fi. You must subscribe for Cable or DSL broadband Internet service. Your Internet connection must *not* be AOL, Prodigy, or any similar service that requires the end user to use proprietary browser and email software. We estimate the cost to purchase a computer system to our specifications to cost approximately \$3,000. You must also purchase a printer and a digital camera.

We will provide you with secure passwords to our proprietary software, MoveNet, through the internet. We will train you on how to use MoveNet. We will maintain MoveNet and will provide updates as needed.

Your computer hardware and software must be kept up to date based on our specifications. There are no limitations on the frequency and cost of computer hardware and software upgrades. We are not responsible for providing on-going maintenance, repairs, upgrades or updates to your computer system, except to MoveNet. The cost for maintaining your computer system will vary based on the type of maintenance program, if any, you decide to purchase from third-party vendors.

We will have access at any time to information you enter into MoveNet but not to information entered or stored elsewhere on your computer system. MoveNet will collect sales data associated with the jobs you record and provide reports to you and us in order that we may more efficiently manage the business. Information collected on MoveNet includes financial information and the information you collect from your customers including including names, addresses, telephone numbers, and payment details. There are no contractual restrictions on our access to this data. Compiled sales data regarding all franchised businesses in the System will be made available to other franchisees.

#### Training

##### *Initial Training*

You and/or your manager must complete training approximately two (2) weeks before the projected launch date of your business. Five (5) business days of training takes place at the offices of You Move Me in either Vancouver, British Columbia or Toronto, Ontario, and two (2) business days of training will take place within your territory. Your first field visit from your Field Advisor (FA) will take place within a time frame of three (3) weeks before your launch to four (4) weeks after your launch and will be approximately three (3) days in duration.

The initial training program is conducted by members of You Move Me's development team, who are led by David Garrett. Mr. Garrett has led You Move Me's training program since September 2012, and has worked continually in this field of experience since September 2012. Our lead development team trainers are Ashton Lubman, who has experience with You Move Me since September 2012, and who has worked continually in this field of experience since 2012; and Joshua Herron, who has

experience with You Move Me since September 2012, and who has worked continually in this field of experience since 2011.

The training tools used include the You Move Me Operations Manual, on-site/hands on training, class room lectures by department heads and presentations from outside vendors.

If required, additional training may be scheduled at a later date. All expenses incurred by You Move Me to conduct this additional training are borne by the franchisee. Additional costs may include airfare, hotel and meals.

The franchisee is required to study the Operations Manual and associated documentation in order to be well prepared for launch.

### TRAINING PROGRAM

<b>Topic</b>	<b>Classroom</b>	<b>Hands-On</b>	<b>Location</b>
You Move Me Vision and Values	30 mins		Vancouver/Toronto
Customer Care <ul style="list-style-type: none"> <li>• You Move Me Customer Care Vision</li> <li>• Quality Focus Areas (QFAs)</li> <li>• Net Promoter Score (NPS)</li> </ul>	1.5 hours		Vancouver/Toronto
Marketing <ul style="list-style-type: none"> <li>• Brand and marketing philosophy</li> <li>• Marketing planning</li> <li>• Marketing execution</li> </ul>	4 hours	2 hours	Vancouver/Toronto/ Franchise location
Sales Centre Orientation	4 hours		Vancouver/Toronto
Estimating	4 hours	4 hours	Vancouver/Toronto/ Franchise location
Selling	2 hours	Included in estimating	Vancouver/Toronto/ Franchise location
Hiring and HR	2 hours		Vancouver/Toronto
You Move Me Mover Training Manual	4 hours		Vancouver/Toronto
Information Technology <ul style="list-style-type: none"> <li>• MoveNet setup</li> <li>• MoveNet training</li> </ul>	6 hours		Vancouver/Toronto
Accounting and Administration	4 hours		Vancouver/Toronto
Policies and Procedures	1 hour		Vancouver/Toronto

Note 1. All training is anticipated to take place at You Move Me's offices in Vancouver, British Columbia or Toronto, Ontario and in-field training will take place at the franchise location. Each day of training will begin at approximately 8:00 AM and will end at 5:00 PM.

Note 2. The initial training session generally includes five (5) days of classroom time and two (2) days of field training. Within 180 days of your business launch, we will do a field visit to revisit training in the field at your operation.

Note 3. Manuals, methods and tools used:

- One on one meetings
- Conference calls
- Field Training
- Self-study
- Peer Learning
- Role playing
- Demonstrations
- Guided Practice
- DVDs
- Online Training (eLearning)
- Operations Manual

We generally intend to conduct the initial training program monthly or as often as the number of new Franchise Partners requires. There is currently no charge for attendance at initial training by you (or your owner) and one of your employees. You must, however, pay for all travel and living expenses for you and your attendees; continental breakfasts and lunches will be provided on training days. At least one refresher training course is required each year. We reserve the right to offer and/or require additional training courses as we deem necessary. Initial training must be successfully completed at least 2 weeks before the commencement of the Franchised Business's operations.

The Table of Contents of our Operations Manual is located at Exhibit C. It contains a total of 197 pages, not including the attached forms and documents.

### *Truck Team Training*

You Move Me's Truck Team Training will focus on the following core topics: Who we are and our *Value Proposition* to our customers, our company HR policies, our Health and Safety guidelines, and our Customer Care and customer interaction expectations. In addition to these items we will also focus our training on the actual execution of the service we are providing, both moving and packing. Finally we will cover the marketing components of what a Truck Team will be expected to perform in the course of day-to-day jobs.

### Site Selection

We require you to secure office space for your Franchised Business. You must maintain sufficient space to operate computer and telephone equipment and maintain records. We estimate that you will need a minimum of approximately 300-400 square feet for both storage space and administrative office space. In addition to the rent you will be required to pay, the cost of office space will depend upon the amount of any

deposit you must pay in connection with the rental, build-out costs, or pre-paid rent that the landlord may require. We do not assist you with locating office space.

### Opening of Franchised Business

The typical length of time between the signing of the Franchise Agreement and the opening of the Franchised Business is 5 to 12 weeks. Factors affecting this length of time usually include your availability for attending the training session in Vancouver, British Columbia or Toronto, Ontario, and obtaining the required storage and administrative space if you elect to use commercial space.

## **ITEM 12. Territory**

### Protected Territory

You will receive a non-exclusive but protected territory in which to operate the Franchised Business. Your territory will be determined before you sign the Franchise Agreement. We determine territories by developing geographic areas with household populations of approximately 200,000 to 300,000, based on the most recently published data from the U.S. Census Bureau (or such other source as we may indicate to you). Your territory will generally consist of four of these geographic areas, each of which will be considered a "subterritory." The minimum population in a subterritory will be 200,000 people, unless in our sole discretion circumstances require the subterritory to contain a lesser population, in which case we must mutually agree to the smaller size.

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. However, the non-exclusivity extends only to our reserved rights with respect to national accounts as described below. We will protect your territory to the extent that we will not operate a company location within your territory; establish another franchisee in your territory; or solicit or accept orders from customers from inside your territory. We may, however, establish franchisor-owned locations, other franchises or sub-franchises outside your territory, regardless of proximity to the boundaries of your territory. We may also establish other franchises or company-owned outlets or other channels of distribution, including the Internet, offering similar services under names and trademarks other than the Marks, within or without your territory, provided they are not in direct competition with you. Other franchisees or You Move Me may operate moves that terminate within your territory. Your protected territory relates to the originating location of the move.

You are prohibited from soliciting or providing services to customers outside of your protected territory. You do not have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside your territory.

We require you to secure office space for your Franchised Business. We do not assist you with locating office space and we do not approve the location or relocation of your office space.

### Strategic, Regional and National Accounts

We reserve the right (for ourselves and our affiliates), at any time and upon written notice to you, to directly enter into and/or service national account contracts and/or strategic alliances, which are businesses that have locations in two or more territories or multiple locations within your territory. We also reserve the right to indirectly establish national accounts with third parties who have customers in your territory, regardless of whether you previously serviced such a customer in the past. We sometimes refer to national accounts as "Commercial Accounts," "Key Accounts", "Strategic Accounts" or "Strategic Alliances". You will be given the option to service the locations of the national account in your territory, provided that you

agree to do so, and continue to do so, under the terms and conditions of our (or our affiliate's) agreements with the national account. If you fail to agree to service such accounts, we may engage other franchisees or third-parties to service such accounts in your territory without liability or payment of compensation to you.

You may be restricted from soliciting business from any national account unless you agree to abide by the terms of our national account contract.

#### Additional Franchised Businesses/Subterritories

While we encourage you to expand to your maximum potential, including acquiring additional Franchised Businesses or subterritories, as appropriate, we have implemented the following minimum standards to encourage success. Of course, our approval of an additional Franchised Business or subterritory is not a guarantee that any Franchised Business will be successful, but to gain that approval, you must at minimum meet the following criteria:

- a) You must submit an annual financial statement and current personal net worth statement to show financial ability;
- b) You must have a minimum of 3 to 6 months' operating capital, based on your projections and living expenses;
- c) You must be in good standing and full compliance with all terms and conditions of the existing Franchise Agreement(s) (including minimum performance standards) and truck lease or purchase agreement; and
- d) You must have been in operations in your current Franchised Business for at least 6 months before you may add additional subterritories and at least a year before you may acquire a whole new Franchised Business.


You do not receive options, rights of first refusal or similar rights to acquire additional franchises. We continue to reserve the right to grant or refuse to grant a Franchised Business or territory in our sole discretion. The list above are simply *minimum* standards and we will continue to make a determination of whether or not to grant a Franchised Business based on our own assessment of each franchisee's business acumen. If you wish to acquire an additional subterritory after you commence operations, as a condition to approving this, we may require that you terminate your existing franchise agreement(s) and execute our then-current Franchise Agreement covering all subterritories. The term of this new franchise agreement may, in our sole discretion, coincide with the remainder of the shortest terms left under your prior Franchise Agreement(s). We reserve the right to negotiate the initial fees for such an arrangements based on the facts and circumstances existing at the time.

#### **ITEM 13. Trademarks**

We have been granted the exclusive license by Tracksuit Movers to use and license others to use the System and Marks in the United States. The license term is perpetual and will only terminate if we fail to pay royalties to Tracksuit Movers, become bankrupt, or breach the terms of the license which prohibit us from misusing or attempting to transfer the license. During the term of your Franchise Agreement, we will grant you the right to use the System and Marks in the operation of your Franchised Business within a territory. By Marks we mean the trade names, trademarks, service marks and logos used to identify the System. Other than the license referenced above in this Item 13, there are no other agreements currently in effect which significantly limit our rights to use or license the use of such trademarks, service marks, trade names, logotypes or other commercial symbols in any manner material to the Franchised Business.



Tracksuit Movers has applied for registration for the following Marks at the U.S. Patent and Trademark Office (“USPTO”) Principal Register:

<b>Mark</b>	<b>Application Date</b>	<b>Serial Number</b>	<b>Principal or Supplemental Register</b>	<b>Basis for Application</b>
You Move Me	August 2, 2012	85694149	Principal	Intent to Use
	August 2, 2012	85694140	Principal	Intent to Use

We do not have a federal registration for our principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expense.

Tracksuit Movers and the Franchisor also intend to claim common law rights to the Marks upon their continuous, exclusive and extensive use and advertising.

You must use the names and Marks in full compliance with the provisions of the Franchise Agreement and in accordance with our rules. You cannot use any name or Mark as a part of any corporate name with any prefix, suffix or other modifying words, terms, designs or symbols. In addition, you may not use any name or mark associated with the sale of any unauthorized product or service or in any other manner not explicitly authorized in writing by us.

You may not directly or indirectly oppose our right to our trademarks, trade names, trade secrets or business techniques that are part of our business. You must notify us immediately if you learn about a claim against your use of our trademarks. We will take whatever action, if any, we deem appropriate and we have the exclusive right to control any litigation or administrative proceeding involving the Marks licensed to you. We have no obligation to defend you or to take any legal action against others with respect to any claim related to your use of our trademark, but we will indemnify you against any losses or damages incurred by you as a result of a successful claim of infringement brought by a third party and related to your use of the Marks in accordance with the terms of the Franchise Agreement.

We have the unlimited right to change the Marks. If we change the Marks, then you must comply with our instructions in this regard. Upon termination of the Franchise Agreement, you must immediately cease all use of the Marks.

There is no currently effective material determination of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition or cancellation proceeding or any pending material federal or state court litigation involving the trademarks, service marks, trade names, logotypes or other commercial symbols licensed to us. We do not know of any superior prior rights or infringing uses that could affect your use of the Marks.

#### **ITEM 14. Patents, Copyrights, and Proprietary Information**

We do not register claims in patents or copyrights that are material to our business, but Tracksuit Movers does claim proprietary rights and copyright protection to the confidential information contained in the

Operations Manual. Tracksuit Movers also claims copyright protection on operational materials specifically associated with the System, including the proprietary advertisements, all materials presented to prospective customers, printed materials and forms associated with the operation of a Franchised Business. Tracksuit Movers licenses to us the right to use the Marks in the operation of the System. You must promptly tell us when you learn about unauthorized use of any of this proprietary information. We are not obligated to take any action, but will respond to this information as we deem appropriate. Our interests are to protect the integrity of the brand. We will not indemnify you for losses claimed by a third party concerning your use of this information.

**ITEM 15. Obligation to Participate in the Actual Operation of the Franchise Business**

We require that your Franchised Business be under the direct supervision at all times of one full-time General Manager approved by us. If you are an individual, you will generally be the person who acts as General Manager, but the General Manager can be any person so long as they have been trained and approved by us. Our approval is based on the General Manager having prior sales, marketing and business management experience, and having successfully completed our initial training program. If you acquire territory that is not contiguous with the territory you currently service, then we may require you to sign a separate franchise agreement for that territory, in which case it would be treated as a separate franchise requiring its own General Manager. During the term of the Franchise Agreement, you and/or your General Manager are prohibited from actively participating in any other business during the required hours of operation of the Franchised Business, unless you have our written approval. There is no requirement that a General Manager own equity in the franchisee or the Franchised Business. We may request that you cause your employees to sign a form of confidentiality agreement approved or provided by us.

**ITEM 16. Restrictions On What the Franchisee May Sell**

You must operate the Franchised Business and perform all services in accordance with the operating guidelines and quality standards that we establish. You may only sell the goods and services approved by us. You may only perform jobs properly processed through the Sales Center. You must operate your business during hours set by You Move Me, which may vary from territory to territory. We have the unlimited right to change the types of authorized goods and services.

You may be required to refrain from soliciting business directly from any national accounts customer.

**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**

	<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
a.	Length of the Franchise term	2.5, Schedule B	5 years
b.	Renewal or extension of the term	18, Schedule B	3 additional 5 year terms

	<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
c.	Requirements for franchisee to renew or extend	18	Give notice; meet our then-current requirements for franchisees; not be in default or have been habitually in default; sign current form of Franchise Agreement, which may be materially different from your current agreement; pay renewal fee
d.	Termination by franchisee	N/A	Only in accordance with applicable law
e.	Termination by Franchisor - without cause	2.5	If you do not renew, franchise will terminate at expiration of Term.
f.	Termination by Franchisor - with cause	16.2; 16.3	We may terminate by giving you written notice of any single Material Default.
g.	“Cause” defined – curable defaults	16.1	If we waive your default, you may cure it upon terms approved by us. We are not required to waive a Material Default. Cross defaults may result in termination, as well.

	<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
h.	“Cause” defined – non-curable defaults	16.1	“Material Default” for failure to pay, comply with Franchise Agreement or commence operations after time to cure; default in Lease or Vehicle Lease; failure to comply with obligations under Security Agreement; insolvency; attempted assignment or transfer without consent; misuse of trademarks or other intellectual property; failing to offer approved services; false reports; illegal or misleading business acts; failure to cure order given by governmental authority; criminal conviction of your owners, officers or directors; failing to meet the NPS Baseline in five (5) or more NPS Review Periods during the Term; franchisee receiving 3 or more notices of default in any 12 month period.
i.	Franchisee’s obligations on termination/non-renewal	16.7; 17; 20	Discontinue operations; payment of all accounts by bank draft; return all items belonging to Franchisor; transfer telephone numbers; immediately discontinue use of the Marks; comply with the non-competition provisions. We may purchase supplies at 50% of cost if the franchise terminates or expires.
j.	Assignment of contract by Franchisor	19.8	We may assign at any time all or part of our rights.
k.	“Transfer” by franchisee – defined	19.1; 19.2; 19.4	Material change in ownership triggers a transfer if more than 10% of voting units in franchisee are transferred.
l.	Franchisor’s approval of transfer by franchisee	19.1	You must obtain our written approval before any transfer.

	<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
m.	Conditions for Franchisor approval of transfer	19.3; 19.4	Advertisement approved; transfer fee paid; transferee approved; assignment signed; materials returned; releases signed; completion of training; all agreements in good standing; assignment of Lease and Vehicle Lease signed; Security Agreement signed.
n.	Franchisor's right of first refusal to acquire your business	17.4; 19.7	We have a right to buy your business if you decide to sell and we may buy your inventory.
o.	Franchisor's option to purchase your business	19.7	We have the right to buy your business if you decide to sell.
p.	Franchisee's death or disability	17.3; 19.6	Estate has 6 months to assign to qualified person.
q.	Non-competition covenants during the term of the franchise	20	Direct or indirect; within territory, within the metropolitan area where the territory is situate, within any territory within the System or any Affiliates'.
r.	Non-competition covenants after the franchise is terminated or expires	20	Direct or indirect; within territory for 24 months, within the metropolitan area where the territory is situate, within any territory within the System or any Affiliates'.
s.	Modification of the agreement	21.9	In writing signed by you and us.
t.	Integration/merger clause	21.8	Only the terms of the franchise agreement are binding (subject to state law). No other representations or promises will be binding. Nothing in the Franchise Agreement or in any related written agreement is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

	<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
u.	Dispute resolution by arbitration or mediation	21.13	All claims must be presented for period of 30 days before filing suit; during which time either party may demand non-binding mediation to be held at our Vancouver offices.
v.	Choice of forum	21.12	Subject to potential limitations of your state's law, litigation must be in Seattle, Washington, except we may take action in other jurisdictions as may be necessary to obtain declaratory, injunctive, or other relief, subject to state law.
w.	Choice of law	21.12	Subject to potential limitations of your state's law, Washington law applies for construction and interpretation of the franchise agreement, but does not give rise to statutory or regulatory claims that would not otherwise apply.

#### **ITEM 18. Public Figures**

You Move Me does not use any public figure to promote its franchises.

#### **ITEM 19. Financial Performance Representations**

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with 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 David Garrett (301 – 887 Great Northern Way, Vancouver, British Columbia, Canada, V5T 4T5, 1-855-9MO-VE ME), the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20. List of Outlets and Franchisee Information**

Unless otherwise indicated, all numbers are as of September 30, 2012. Reference to the year 2012 refers to the period from incorporation of the Franchisor on September 6, 2012 to September 30, 2012.

**Table No. 1**  
**System-wide Outlet Summary**  
**For years 2010 - 2012**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of Year</b>	<b>Outlets at the End of Year</b>	<b>Net Change</b>
Franchised	2010	n/a	n/a	n/a
	2011	n/a	n/a	n/a
	2012	0	0	0
Company-Owned	2010	n/a	n/a	n/a
	2011	n/a	n/a	n/a
	2012	0	0	0
Total Outlets	2010	n/a	n/a	n/a
	2011	n/a	n/a	n/a
	2012	0	0	0

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners**  
**(other than the Franchisor)**  
**For years 2010 - 2012**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
All States	2010	n/a
	2011	n/a
	2012	0
Total	2010	n/a
	2011	n/a
	2012	0

**Table No. 3**  
**Status of Franchised Outlets**  
**For years 2010 - 2012**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations –Other Reasons	Outlets at End of Year
All States *	2010	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2011	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2012	0	0	0	0	0	0	0
Total	2010	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2011	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2012	0	0	0	0	0	0	0

\* No states have franchised outlets as of the date of this disclosure document.

**Table No. 4**  
**Status of Company-Owned Outlets**  
**For years 2010 - 2012**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
All States	2010	n/a	n/a	n/a	n/a	n/a	n/a
	2011	n/a	n/a	n/a	n/a	n/a	n/a
	2012	0	0	0	0	0	0
Total	2010	n/a	n/a	n/a	n/a	n/a	n/a
	2011	n/a	n/a	n/a	n/a	n/a	n/a
	2012	0	0	0	0	0	0

**Table No. 5**  
**Projected Openings as of September 30, 2012**

STATE	AGREEMENTS SIGNED BUT BUSINESSES NOT OPEN	PROJECTED NEW FRANCHISEES IN THE NEXT FISCAL YEAR	PROJECTED COMPANY OWNED LOCATIONS IN NEXT FISCAL YEAR
California	0	5	0
Hawaii	0	0-1	0
Illinois	0	2	0
Indiana	0	0-1	0
Maryland	0	2	0
Minnesota	0	1	0



<b>STATE</b>	<b>AGREEMENTS SIGNED BUT BUSINESSES NOT OPEN</b>	<b>PROJECTED NEW FRANCHISEES IN THE NEXT FISCAL YEAR</b>	<b>PROJECTED COMPANY OWNED LOCATIONS IN NEXT FISCAL YEAR</b>
New York	0	3	0
North Dakota	0	0-1	0
Rhode Island	0	0-1	0
South Dakota	0	0-1	0
Virginia	0	0-1	0
Washington	0	0-1	0
Wisconsin	0	2	0
Other States	0	5-15	0
Totals:	0	20-37	0

As of the date of this disclosure document, we do not have any franchisees. There are no franchisees who have had an outlet terminated, cancelled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the issuance date of this disclosure document.

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

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

We are not currently aware of any trademark-specific franchisee organization associated with our franchise system.

#### **ITEM 21. Financial Statements**

Our audited Opening Balance Sheet as of October 15, 2012 is included in Exhibit E to this disclosure document. Because we have not been in business for three years, we cannot include the financial statements required by the Federal Trade Commission Rule. Our fiscal year ends on December 31.

#### **ITEM 22. Contracts**

All proposed agreements regarding the franchise offering are attached as follows:

- Exhibit B Franchise Agreement
- Exhibit F Guarantee Agreement
- Exhibit G General Security Agreement
- Exhibit H State-Specific Addenda
- Exhibit I Form of General Release

**ITEM 23. Receipt**

The last 2 pages of this disclosure document are duplicate Receipts, which will serve as an acknowledgement by you that you have received a copy of this disclosure document. You should sign both copies of the Receipt, return one copy to us and retain one for your records. If the Receipt pages, or any other page or Exhibit is missing from your copy of the Franchise Disclosure Document, please contact us immediately.

**EXHIBIT A**

**Lists of Current and Certain Former Franchisees**

**List of Franchisees  
of  
YOU MOVE ME  
as of October 31, 2012**

NONE

**List of Certain Former Franchisees  
of  
YOU MOVE ME  
as of October 31, 2012**

Franchisees who have transferred their franchise, or had a franchise terminated, cancelled, were not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our last fiscal year and through the date listed above, or who have not communicated with us within 10 weeks are:

NONE

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

**EXHIBIT B**

**Franchise Agreement**

**Franchise Agreement [1]  
YOU MOVE ME LLC,  
a Washington limited liability company**

**(“Franchisor”)**

and

[2]

[3]

**(“Franchisee”)**

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FRANCHISE AGREEMENT

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Effective Date: [4]

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THIS Franchise Agreement (the “Agreement”) is made effective on the effective date shown in Schedule B (the “Effective Date”)

BETWEEN:

YOU MOVE ME LLC, a Washington limited liability company having its head office at 887 Great Northern Way, Suite 301, Vancouver, BC, V5T 4T5 CANADA

(“Franchisor”)

AND:

[2], [3] , having an office at [4]

(“Franchisee”)

WHEREAS:

A. Franchisor has developed a system (the “**System**”) providing for the operation of a business offering moving services using confidential methods, procedures, and business techniques and known to the public under the name “You Move Me”.

B. The distinguishing characteristics of the System currently include, but are not limited to, the trademarks and U.S. trademark applications shown in Schedule A and related logos, designs, brands and slogans as may be added or modified from time to time (collectively the “**Marks**”) which are licensed to Franchisor by RBDS Rubbish Boys Disposal Service Inc., a British Columbia company, which Marks Franchisor in turn licenses to Franchisee under the terms and conditions set forth herein.

C. The System includes, but is not limited to, use and promotion of the Marks, operating procedures, policies, manuals, and techniques designed to enable franchisees to compete in the market for moving services.

D. Franchisee wishes to establish and operate a You Move Me franchise (the “**Franchised Business**”) utilizing the System at the Franchised Location described in Schedule B, and to derive the benefits of Franchisor’s experience, name, advice and guidance.

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

## 1. DEFINITIONS

1.1 *Definitions and Interpretation.* In this Agreement and in every amendment hereto (unless otherwise specified in any particular amendment), the following shall apply:

- (a) “Affiliate” means any entity directly or indirectly controlling or controlled by one or more of Franchisor and shareholders or members of Franchisor, or an entity directly or indirectly controlled by Tracksuit Movers Inc, a British Columbia company. In this

context, a corporation is “controlled” by a control group if the majority of the corporation’s outstanding voting equity is held by that control group.

- (b) “Business Day” means any day, other than a Saturday, Sunday or a U.S. federal holiday, “Week” means a calendar week, beginning on a Sunday and ending on the following Saturday; and “Month” means a calendar month, or portion thereof in the case of the first and last months of the Term and Renewal Term when the Term does not begin on the first day of a calendar month.
- (c) The words “Franchisor,” “Affiliate,” and “Franchisee” shall be applicable to one or more persons, firms, corporations, limited liability companies or other entities.
- (d) The singular number shall include the plural, and the masculine gender shall include the feminine and neuter genders, and vice versa.
- (e) All references to currency are expressed in U.S. Dollars.
- (f) The article, section and subsection headings are for convenience of reference only and shall not for the purpose of interpretation or any other purpose be deemed a part of this Agreement.

1.2 ***Cross-Reference Definitions.*** The following terms have been defined in the recital, section or subsection noted opposite each:

<u>Term</u>	<u>Defined In</u>
Assets	16.4(a)
Branding Cooperative	11.5
Confidential Information	13.9
Copyright-Protected Materials	13.4
Coverages	14.6
Customer Relationship Management Fee	10.6
Effective Date	Schedule B
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Know-How	13.8
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Security Agreement	2.7
Semi-Monthly Report	9.4(a)
Services	2.1(a)
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Territory	2.2
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Unsolicited Order	10.4
Vehicles	5.1
Vehicle Lease	5.1

## 2. GRANT OF LICENSE, TERM AND TERRITORY

2.1 **Grant.** Upon the terms, covenants and conditions set forth and referred to in this Agreement, Franchisor grants to Franchisee, and Franchisee accepts from Franchisor, the right and license, for the Term and any duly exercised Renewal Term:

- (a) to establish and operate the Franchised Business from the specific location named in Schedule B (the “**Franchised Location**”) in the Territory offering the services pursuant to the System (the “**Services**”);
- (b) to use the System, the Marks and the Copyright-Protected Materials in connection with the operation of the Franchised Business and in accordance with this Agreement and the provisions of the Operations Manual, or in such manner as may be approved in advance in writing by Franchisor; and
- (c) to use the copyright-protected series of System manuals, including online materials, developed and owned by Franchisor, as revised by Franchisor (collectively, the “**Operations Manual**”).

2.2 **Territory and Subterritories.** The license granted in this Agreement gives Franchisee the right to establish the Franchised Business at the Franchised Location and Franchisee shall only offer Services to customers who are moving from a location within the borders of the geographical area specified in Schedule B, or such further area as may be agreed by Franchisor and Franchisee in writing (the “**Territory**”), provided that Franchisee may perform moves that terminate within the Territory or outside the Territory so long as (a) the move terminates no more than 120 contiguous miles from the nearest edge of the Territory, (b) the move

does not terminate in Canada or Mexico, and (c) Franchisee holds all the required licenses and other local, state or federal requirements to operate in the regions where the move terminates and through which the Franchisee must travel in order to complete the move. The Territory may be divided into sub-areas ("**Subterritories**") depending upon its size, for which the Franchisee shall pay additional initial franchise fees, as set forth in Schedule B. Franchisor may charge additional franchise fees for additional Subterritories as may be agreed by Franchisor and Franchisee in writing from (the "**Subterritory Initial Fees**"). Absent Franchisor's written consent, or unless otherwise indicated in Schedule B, each Subterritory Initial Fee must be paid in full prior to Franchisee offering Services in that Subterritory. In the event Franchisor and Franchisee desire to add one or more additional Subterritories to the Territory, the Franchisor may require, as a condition of consent to granting such additional Subterritory, that the Franchisee enter into the Franchisor's then-current form of franchise agreement, the term of which may coincide with the term of this Agreement.

2.3 **Protected Territory.** Except as otherwise provided herein, Franchisor agrees not to grant a franchise for another Franchised Business permitting any person to originate moves within the Territory so long as this Agreement is in force and Franchisee is not in default hereunder. Notwithstanding this Section 2.3, Franchisor, for itself and its Affiliates, expressly reserves the right to:

- (a) offer the Services under the Marks through other franchised businesses outside of any Territory, but regardless of proximity to the boundaries of any Territory, and through channels of distribution other than other franchised businesses;
- (b) offer or establish other franchises or company-owned outlets or other channels of distribution, selling or leasing similar products or services under names and trademarks other than the Marks, within or without the Territory;
- (c) upon providing Franchisee with written notice of such intention, enter into and service strategic, regional, or national account contracts or strategic alliance contracts with businesses that have locations within the Territory, regardless of whether Franchisee previously serviced such businesses in the past. Franchisee may be required by Franchisor to service the strategic, regional, or national account locations in the Territory, under the terms and conditions of the applicable agreement between the Franchisor or its Affiliate(s) and the account customers, which agreements shall be negotiated and entered into by Franchisor in its sole discretion, and if Franchisee fails to agree to service such accounts, Franchisor may engage other franchisees or third-parties to service such accounts in the Territory without liability to Franchisee; and
- (d) offer or establish other franchises or company-owned outlets or other channels of distribution, selling or leasing similar products or services under any name or trademark for moves that terminate within the Territory.

2.4 **Scheduled Opening Date and Subterritory Activation Dates.** The parties intend that the Franchised Business shall commence operation on the date specified in Schedule B (the "**Scheduled Opening Date**"). Franchisee shall obtain and maintain all licenses, permits and inspection approvals required by law to operate the Franchised Business at the Franchised Location from and after the Scheduled Opening Date. Franchisor may extend the Scheduled Opening Date by up to 60 days on written notice from Franchisee. If the Territory consists of Subterritories, the Franchisee may not offer the Services in any given Subterritory until the later of: (i) such time as the Subterritory Initial Fee for such Subterritory has been paid in full, or (ii) the activation date for such Subterritory specified in Schedule B. The Initial Fee or any Subterritory Initial Fee may be paid in full at any time prior to the due date in the Franchisee's sole discretion. Franchisee may

commence operations in a particular Subterritory prior to the Scheduled Opening Date, provided the Subterritory Initial Fee in respect of the particular Subterritory has been paid in full and the Franchisee has provided written notice to the Franchisor of its intended commencement date. Any extension or delay in the Scheduled Opening Date, whether or not approved by Franchisor, shall not thereby extend the due date for any Initial Fee or Subterritory Initial Fee.

2.5 **Term.** The term of this Agreement shall commence on the Scheduled Opening Date, whether or not the Franchised Location is open for business on that date and, unless sooner terminated as herein provided, shall continue for a term of 5 years until the expiration date shown in Schedule B (the “**Term**”), subject to the possibility of renewal pursuant to Article 18 of this Agreement.

2.6 **Guarantee.** In the event that Franchisee is a corporation or other business entity, all directors, officers, shareholders, partners or members of the Franchisee entity shall be required by Franchisor to sign Franchisor’s current form of guarantee (each, a “**Guarantee**”) at the same time as the Franchisee executes this Agreement.

2.7 **Security Agreement.** Franchisee shall execute and deliver concurrently with this Agreement a general security agreement (the “**Security Agreement**”) in a form prescribed by the Franchisor, securing all present and future obligations of Franchisee to Franchisor under this Agreement, and any other agreement between Franchisor and the Franchisee.

### 3. INITIAL FEE

In consideration of Franchisor entering into this Agreement, Franchisee shall pay to Franchisor all portions of the initial fee shown in Schedule B (the “**Initial Fee**”) on or before the due dates set forth in Schedule B. The Initial Fee shall be deemed to be earned in full by Franchisor upon it executing this Agreement and thereafter shall be non-refundable, either in whole or in part.

### 4. FRANCHISED LOCATION

During the Term, Franchisee and all employees and other representatives of Franchisee shall manage the Franchised Business exclusively from the Franchised Location, which shall include administrative office space and associated equipment, in full compliance with any lease for the Franchised Location and the obligations and policies set out in this Agreement and in the Operations Manual as may be amended. Franchisee shall maintain the Franchised Location in a clean and attractive condition so as to comply with the Operations Manual and to preserve, maintain and enhance the reputation and goodwill of the Franchisor and its franchisees and the value of the Marks. Franchisee may operate the Franchised Business from a different or additional location within the Territory only with the prior written notice to the Franchisor and at Franchisee’s sole expense.

### 5. VEHICLE LEASING REQUIREMENTS

5.1 **Form of Vehicle Lease.** Franchisee shall purchase or enter into leases or subleases (each, a “**Vehicle Lease**”) for at least two vehicles (the “**Vehicles**”). The Vehicles shall meet Franchisor’s then-current specifications at the time of purchase or lease, which requirements are currently set out in Schedule C and the Operations Manual. Each Vehicle Lease shall only be entered into by Franchisee on the condition that the Franchisor has approved the form of the Vehicle Lease prior to Franchisee executing any such document. Franchisor shall not unreasonably withhold its approval to the form of Vehicle Lease provided that Franchisee

has delivered a complete copy of the proposed form of Vehicle Lease to Franchisor at least 10 days prior to executing the Vehicle Lease.

5.2 **Copy of Vehicle Lease.** Franchisee shall provide to Franchisor a complete copy of all executed Vehicle Leases as soon as practicable after execution along with the associated serial numbers for each of the Vehicles.

5.3 **Assignment of Vehicle Lease.** Franchisee shall not assign or sublet the Vehicle Lease or otherwise part with possession of the whole or any portion of the Vehicles during the Term without first obtaining the prior written consent of Franchisor, which consent shall not be unreasonably withheld.

## 6. CONTINUING ROYALTIES

6.1 **Royalty.** Franchisee shall pay to Franchisor a continuing royalty equal to 8% of Franchisee's Gross Revenue semi-monthly (the "**Royalty**"). Franchisor may apply amounts received on account of Royalties to any other amounts payable to Franchisor by the Franchisee pursuant to this Agreement.

6.2 **Calculation and Payments.** The Royalty, Marketing Royalty and Sales Center Fee, or any other amount payable to the Franchisor by the Franchisee, shall be paid by way of electronic transfer (automatic debit) to Franchisor within three (3) Business Days of the 15th day and of the last day of each month. Any other recurring amounts owed to Franchisor, including Subterritory Initial Fees, shall also be paid by electronic transfer, when due. Franchisee shall execute all banking forms and documents and do all other things necessary to facilitate such payments by way of electronic transfer (automatic debit). The automatic debit amount for each month shall be calculated by the Franchisor based upon the Semi-Monthly Reports submitted by the Franchisee according to Section 9.4 of this Agreement. Should Franchisee fail to update MoveNet as required in accordance with Section 9.4 of this Agreement and the Operations Manual, Franchisor shall calculate the automatic debit amount based upon the most recent Semi-Monthly Report. Any necessary reconciliation will be made during the month following receipt of the Semi-Monthly Report that was not submitted in a timely way.

If the electronic transfer (automatic debit) of the Royalty, Marketing Royalty or Sales Center Fee transfers are declined by Franchisee's bank for any reason, Franchisee shall reimburse Franchisor for all costs incurred by Franchisor in connection with such declination, including any reasonable administrative fee as may be set by Franchisor.

6.3 **Minimum Royalty.** If at the end of any year of operations of the Franchised Business, the total of all Royalties the Franchisor has received from the Franchisee in the previous year of operations is less than the Minimum Royalty for that year, then the Franchisee shall pay to Franchisor the amount that the Minimum Royalty for that year exceeds the total of all Royalties actually paid for that year. Amounts payable in respect of such difference, if any, shall be payable on or before the fifteenth (15th) day of the month immediately following the anniversary of the Scheduled Opening Date of the Franchised Business, and shall be paid by way of electronic transfer (automatic debit).

For the purposes of this Agreement, "**Minimum Royalty**" shall mean:

- (a) In respect of the first twelve (12) month period following the original Scheduled Opening Date of the Franchised Business, \$4,800 dollars multiplied by the number of Subterritories in the Territory;



- (b) In respect of the second twelve (12) month period following the original Scheduled Opening Date of the Franchised Business, \$7,200 dollars multiplied by the number of Subterritories in the Territory;
- (c) In respect of the third twelve (12) month period following the original Scheduled Opening Date of the Franchised Business, \$9,600 dollars multiplied by the number of Subterritories in the Territory;
- (d) In respect of the fourth twelve (12) month period following the original Scheduled Date of the Franchised Business, \$12,000 dollars multiplied by the number of Subterritories in the Territory; and
- (e) Except as otherwise specified in any renewal agreement, in respect of each twelve (12) month period thereafter (including any twelve month period during any Renewal Term), \$14,400 dollars multiplied by the number of Subterritories in the Territory.

## 7. OPERATION OF FRANCHISED BUSINESS

7.1 *Standards of Operation.* Franchisee acknowledges that the Marks, the Services and every other component of the System are important to Franchisor and its franchisees, and Franchisee covenants and agrees to comply with the System, in its entirety as outlined in this Agreement, and the Operations Manual which may be modified by the Franchisor. In particular Franchisee covenants and agrees that Franchisee shall:

- (a) ensure that the operation of the Franchised Business is at all times under the direct control of the General Manager(s) as provided in Section 12.3. Where a General Manager is absent from the Franchised Location due to illness or vacation, Franchisee shall ensure that the Franchised Business is under the direct control of a member of the management personnel named in Schedule B (the “**Management Personnel**”) or other person who has undergone the employee training requirements applicable to Management Personnel pursuant to this Agreement;
- (b) operate the Franchised Business strictly in accordance with the standards of customer service, cleanliness, environmental safety, consistency, employee training, operation, advertising, promotion and management prescribed by Franchisor in this Agreement and the Operations Manual, and shall, in all dealings with customers, suppliers and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. Franchisee shall respond to customer, supplier and public complaints in a prompt, courteous and efficient manner;
- (c) comply with all business policies, practices and procedures prescribed by Franchisor and outlined in the Operations Manual;
- (d) keep the Franchised Business continuously open for business during all hours and days specified in writing by Franchisor, in the Operations Manual or otherwise, subject to compliance with the hours of operation required by local laws, if applicable;
- (e) prepare and sell to the public only the Services and other services designated or approved in writing by Franchisor;

- (f) maintain the interior and exterior of each Vehicle in a safe, sound, clean and attractive condition and do all maintenance and repairs as necessary or as Franchisor or lessor under each Vehicle Lease requires in writing;
- (g) handle, move and dispose of any waste products strictly in accordance with applicable local, state and federal laws and regulations and in accordance with written specifications provided in this Agreement and the Operations Manual;
- (h) not alter, modify or otherwise change, add to or delete from any portion of the System, Marks, Copyright-Protected Materials or Services in use or exercised as licensed hereunder;
- (i) maintain at all times a sufficient number of properly trained employees to service customers of the Franchised Business, and maintain an inventory of goods and supplies sufficient to satisfy customer demand;
- (j) hire and supervise efficient, competent, and courteous operators and employees for the operation of the Franchised Business and set and pay their wages, commissions, benefits and incentives. Franchisor shall have no liability or any other obligation to any employee of Franchisee;
- (k) cause all employees, while engaged in the operation of the Franchised Business, to wear uniforms of the color, design and other specifications provided in the Operations Manual, or in such manner as may be approved in advance in writing by Franchisor, and to present a neat and clean appearance and render competent and courteous service to the customers of the Franchised Business;
- (l) use, publish or display in connection with the operation of the Franchised Business only those signs, advertising or other materials designated or approved by Franchisor. Franchisor shall provide written specifications for such signage, advertising or other materials to Franchisee upon request. When signage is procured pursuant to a lease, the lease must be assignable to Franchisor and Franchisee shall submit such lease to Franchisor for its written approval prior to executing it;
- (m) operate the Franchised Business only under the trade name "YOU MOVE ME" and the Marks, as designated by Franchisor, without any accompanying words or symbols of any nature except as designated or approved in writing by Franchisor;
- (n) secure and maintain the currency of all required licenses, permits, approvals, and certificates relating to the operation of the Franchised Business and operate the Franchised Business in full compliance with all applicable laws, and regulations, including but not limited to all governmental regulations relating to environmental safety, occupational health and safety, ERISA, workers' compensation insurance, unemployment insurance, withholding and payment of all federal and state taxes including without limitation FICA, FUTA, income tax, sales tax and personal property tax, use tax and license fees. In particular, Franchisee shall pay in a timely manner all local, state and federal sales, business, property, goods and services taxes and all other taxes, rates, levies and fees levied or assessed by any governmental authority directly or indirectly in connection with the Franchised Business;

- (o) advise all suppliers, contractors, employees and others with whom Franchisee deals, that Franchisee is an independent contractor and that all debts, liabilities and obligations incurred by it are for the account of Franchisee only, and not Franchisor;
- (p) faithfully observe and perform in a timely fashion all covenants to be observed and performed by Franchisee pursuant to each Vehicle Lease and any lease for the Franchised Location;
- (q) use the Vehicles solely for the Franchised Business;
- (r) conduct all advertising and use all media including MoveNet in accordance with lawful business practices and only in accordance with the provisions of the Operations Manual, or in such manner as may be approved in advance in writing by Franchisor;
- (s) attend all franchise conferences and meetings as required by Franchisor at the Franchisee's sole cost and expense. The Franchisee shall pay to the Franchisor a non-refundable registration fee prescribed by the Franchisor for attendance at any such conference or meeting. In the event that Franchisee operates more than one franchised business, Franchisee shall send a separate attendee to all such franchise conferences and meetings for each separate franchise agreement;
- (t) participate in such programs as Franchisor may require, including the servicing of System-wide or other special accounts as may be designated in the Operations Manual, or in such manner as may be designated in advance in writing by Franchisor, including servicing in the Territory strategic, regional, or national account contracts or strategic alliance contracts entered into by Franchisor under the terms and conditions of the applicable agreement between the Franchisor or its Affiliate(s) and account customers, as well as the use and honoring of gift certificates and coupons;
- (u) replace such items of equipment which have become obsolete or otherwise mechanically impaired, to the extent they require replacement, or as required by Franchisor;
- (v) identify Franchisee by its legal name, as a "YOU MOVE ME" Franchisee and as the owner of the Franchised Business, and identify Franchisee as an "independently owned and operated franchisee of YOU MOVE ME" on all Vehicles, invoices, contracts, agreements, correspondence and other materials and communications used in the Franchised Business and not make or attempt to make any registration of nor representation related to any of the Marks that would grant or suggest Franchisee has ownership of the Marks or any part of the Marks;
- (w) use the customer invoicing system provided by Franchisor;
- (x) not subcontract performance of any part of the Services to any other person or entity without the prior written consent of Franchisor, which consent may be granted or withheld in Franchisor's sole discretion; and
- (y) at all times in any "**NPS Review Period**," defined as between January 1 and June 30, and July 1 and December 31 in a given year, maintain a net promoter score (NPS) for the

Franchised Business of no less than the NPS baseline specified by Franchisor in the then-current Operations Manual (the “**NPS Baseline**”).

7.2 **Proposed Services.** If Franchisee proposes to offer for sale through the Franchised Business any services not previously designated or approved by Franchisor, then Franchisee must first submit the proposed service to Franchisor for consideration and approval. Franchisor shall consider the proposed service and respond to Franchisee within a reasonable time as to whether or not the service is approved for sale through the Franchised Business. Franchisor reserves the right to make alterations to the proposed service as a condition of approval. Franchisor also reserves the right to adopt any such service for use as a standard service forming part of the Services so as to maintain consistency and enhance the System and Marks without any compensation payable to Franchisee. Franchisee, in submitting any such proposal to Franchisor agrees that Franchisor may take such action, that each such submission by Franchisee to Franchisor shall constitute an irrevocable and perpetual assignment of the copyright and waiver of moral rights for the service to Franchisor, and each such adopted submission shall be deemed to be part of the Know-How.

7.3 **Sale of Services.** Franchisee acknowledges that the reputation and goodwill of the System is based upon, and can be maintained and enhanced only by, the continued sale and provision of high quality services and the satisfaction of customers who rely upon the uniformly high quality of services that are sold under the System. Accordingly, Franchisee agrees to sell or otherwise deal in only the Services and such other services as Franchisor designates or approves in advance in writing, which approval may be given or withheld in the sole discretion of Franchisor.

7.4 **Pricing.** Franchisor shall deliver to Franchisee, prior to the Scheduled Opening Date, Franchisor’s current list of suggested prices for the Services, which may vary among various franchises. Franchisor shall give Franchisee written notice of all changes to suggested prices (including any temporary promotional changes) and such changes shall be effective upon receipt, unless otherwise stated in the notice. Franchisee is under no obligation to adhere to the suggested prices, but should be aware that promotional and marketing materials and campaigns prepared and provided by the Franchisor may include such prices.

7.5 **System Changes.** Franchisor may, by written notice to Franchisee, add to, subtract from, modify or otherwise change the System, including without limitation by deletion or adoption and use of new or modified Marks or Copyright-Protected Materials pursuant to Section 13.7, new or enhanced services, or new techniques in connection therewith. Franchisee shall, at its own cost, within a reasonable amount of time following receipt of such notice, accept, implement, use and display all such changes.

7.6 **Franchisee Programs.** Where Franchisor designates a voluntary program respecting the operation of the Franchised Business or the provision of Services to specified accounts, and the Franchisee consents to participate in such a program, the respective obligations of Franchisor and Franchisee under such program shall be deemed to be obligations pursuant to this Agreement.

## 8. SALES

8.1 **Credit Cards and Other Methods of Payment.** Franchisee shall maintain arrangements with Visa, American Express, MasterCard and additional or replacement credit card and debit card issuers or sponsors nominated by Franchisor, in order that the Franchised Business may accept customers’ credit cards and debit cards. Franchisee shall also accept checks and other methods of payment. Whenever Franchisor designates a new payment system or financial institution for the System, Franchisee agrees to adopt and accommodate such changes promptly at the Franchisee’s sole cost.

8.2 **Payments to Suppliers.** Franchisee shall make all payments to Franchisor and designated and approved suppliers promptly when due and shall provide proof of payment to other suppliers to Franchisor upon request. Franchisee acknowledges that failure of Franchisee to pay any other supplier in a timely manner could harm the reputation of the System and the relationship of Franchisor and its other franchisees with such supplier. If Franchisee fails to pay any other supplier in full when due, then Franchisor shall have the right, but not the obligation, to pay all or any portion of the sum due, together with accrued interest and penalties. If Franchisor makes any such payment, then Franchisor shall invoice Franchisee for such payment and Franchisee shall reimburse Franchisor immediately upon receipt of the invoice.

## 9. RECORDS AND REPORTING

9.1 **Sales Records.** Franchisee shall keep, and shall disclose to Franchisor, true and accurate records and books of account in relation to the Franchised Business, including daily records of services provided to all customers and of Gross Revenue, in such form and detail as Franchisor in writing requires.

9.2 **Definition of "Gross Revenue."** The term "**Gross Revenue**" as used in this Agreement means the entire amount of the sale price, whether for cash, credit, payment in kind (valued at fair market value), or otherwise, of all sales from or in connection with the operation of the Franchised Business, including all sales by any concessionaire, licensee or otherwise at or from the Franchised Location. Deductions shall be allowed for:

- (a) sums collected by Franchisee for any governmental authority and paid out by Franchisee to that authority on account of sales taxes or other taxes imposed upon the sale of goods or services (or both) by Franchisee in respect of the Franchised Business and which Franchisee is not entitled to recover;
- (b) the amount of any refund or credit given in respect of any services provided to a customer of the Franchised Business for which a refund of the whole or part of the purchase price is made or for which a credit is given;
- (c) amounts for uncollected or uncollectable credit accounts; and
- (d) amounts uncollected due to discount coupons.

9.3 **Preservation of Records.** Franchisee shall keep and preserve for a period of at least 84 months after the end of each year all books and records (including point of sale records, computer generated records and evidence of all sources and amounts of individual sales and Gross Revenue) related to such year.

9.4 **Semi-Monthly and Annual Reporting.** Franchisee shall report to Franchisor as follows:

- (a) within three (3) Business Days of the 15th and last day of each Month, Franchisee shall update all records and data on MoveNet in order that Franchisor can produce from MoveNet a report in electronic form (the "**Semi-Monthly Report**") containing:

- (i) a correct and complete statement of all sales and Gross Revenue for the 1st through the 15th day, or the 16th through the last day, of each Month, as the case may be; and
- (ii) such other financial information as Franchisor may require.

The Semi-Monthly Report shall contain all information noted therein and shall be certified as correct by Franchisee. Upon request by Franchisor, Franchisee shall supply copies of some or all of the sales records related to the operation of the Franchised Business in any given period; and

- (b) within 90 days after the end of each fiscal year of Franchisee, Franchisee shall submit to Franchisor (in electronic form whenever possible) the following information concerning such fiscal year, certified as correct by Franchisee and, on a review engagement basis, by a Certified Public Accountant retained by Franchisee at Franchisee's sole cost:
  - (i) a statement of Gross Revenue for such year as finally adjusted and reconciled after the close and review of Franchisee's books and records for the year. If such statement discloses any underpayment of Royalties for such year, then Franchisee shall pay to Franchisor, at the time of submitting such statement, the amount of such underpayment. Any overpayment disclosed by such statement shall be credited to Franchisee's Royalty account by Franchisor once verified and accepted by Franchisor;
  - (ii) complete financial statements, including balance sheet, income statement and statement of changes in financial position, all prepared in accordance with U.S. generally accepted accounting principles applied on a basis which is consistent with prior fiscal years of Franchisee; and
  - (iii) such other reports and financial information (including up-to-date personal financial information concerning guarantors of Franchisee, if applicable) as Franchisor may reasonably require.

9.5 **Inspection and Audit Rights.** Franchisor and any of its representatives shall be entitled, during the regular business hours of the Franchised Business and without undue disturbance to it, to enter the premises of the Franchised Business to inspect and take copies of all paper and electronic records of Franchisee relating in any way to the Franchised Business, whether or not of a financial nature, all without prior notice to Franchisee. Franchisor may cause its auditor to conduct an audit of the Franchised Business for any fiscal year of Franchisee or any calendar year or time period. Franchisee consents to the Franchisor directly contacting and obtaining information from any creditors or suppliers of the Franchisee. Upon request by Franchisor, Franchisee shall: (i) allow Franchisor and its representatives access to at all reasonable times or (ii) forward to Franchisor by reputable overnight courier any and all business and financial records of the Franchised Business, including financial statements, accounting records, federal and state income, sales, business and occupation and other tax returns of Franchisee, and Franchisor at any time shall have the opportunity to take copies thereof at Franchisor's expense. If any such audit reveals a material deficiency in Franchisee's reporting, whether financial or otherwise, then the Franchisee shall reimburse the Franchisor for the reasonable costs of the audit and any related enforcement.

9.6 **Notice to Meet Standards.** Should any inspection or audit reveal any non-compliance with the System or failure to meet the standards of operation, management, production, employee training, service, cleanliness, environmental safety, consistency, quality control or advertising and promotion set by Franchisor, then Franchisee shall immediately upon receipt of notice from Franchisor specifying the particulars of the non-compliance or failure by Franchisee, do all things necessary to correct the non-compliance or failure, in

addition to co-operating with the representatives of Franchisor in respect of any training or retraining determined necessary by Franchisor.

9.7 **Corporate Records.** If Franchisee is an entity, Franchisee shall complete and remit Franchisor's company information form, and provide such other information and certificates regarding the company structure of Franchisee as required by Franchisor, and Franchisee agrees to update such information and promptly upon any change in such information.

## 10. SALES CENTER AND INTRANET

10.1 **Order Processing.** Franchisor shall maintain a centralized inbound call center and online booking system (the "**Sales Center**") to process all orders for the Services within the System, including all orders in the Territory and otherwise handle customer inquiries. Upon receipt of an order for the Services within the Territory, Franchisor shall post such order on a System-wide intranet system ("**MoveNet**"). Franchisee shall retrieve all orders for the Services in the Territory from MoveNet. Franchisor shall direct all aspects of planning and operation of the Sales Center and MoveNet in its absolute and uncontrolled discretion. Franchisee shall fully participate in all programs involving the Sales Center and MoveNet, as Franchisor may require.

10.2 **Intranet Access.** Franchisor shall provide Franchisee with access to MoveNet and a confidential password (the "**Password**") for MoveNet. Franchisee shall keep the Password confidential at all times during the term of this Agreement, any exercised renewal, and after the expiration or earlier termination of this Agreement. Franchisee shall not release the Password to any person, including employees of the Franchised Business, without the previous written consent of Franchisor, which consent may be withheld in Franchisor's sole discretion for any reason.

10.3 **No Other Sales.** Franchisee acknowledges and agrees that except as provided for in this Agreement, it is not permitted to solicit, receive or fill any order for the Services within the Territory other than those orders which are placed or processed through the Sales Center and posted on MoveNet. Should Franchisee receive orders through the use of Franchisee's local telephone number or any other method, Franchisee must process these orders through MoveNet.

10.4 **Unsolicited Orders.** Notwithstanding the provisions of Section 10.3, if Franchisee receives a request to provide the Services to a new or returning customer (the "**Unsolicited Order**") while providing services to another customer, Franchisee shall immediately upon completion of the Unsolicited Order, notify Franchisor of the particulars of the Unsolicited Order (including, without limitation, the name and address of the customer, the amount charged for the Services and the date on which the Unsolicited Order was made and completed) via MoveNet.

### 10.5 **Sales Center Cooperative Fund.**

Franchisee acknowledges and agrees that:

- (a) Franchisor shall maintain a fund to operate the Sales Center (the "**Sales Center Cooperative Fund**"). The Sales Center Cooperative Fund shall be used and extended to cover the operating and development expenses of the Sales Center and MoveNet, including costs associated with the creation, staffing, purchase of equipment, and other ongoing operational and development costs of the Sales Center and MoveNet;

- (b) the Sales Center, MoveNet, and the Sales Center Cooperative Fund are intended to provide a uniform standard for placement of orders for Services and handling of customers throughout the System, and to maintain a complete client database which provides management reports to franchisees. Franchisor undertakes no obligation to ensure that any particular franchisee (including Franchisee) benefits on a pro-rata basis from the Sales Center, MoveNet or Sales Center Cooperative Fund;
- (c) Franchisee shall contribute to the Sales Center Cooperative Fund an amount equal to 4% of the Gross Revenue (the “**Sales Center Fee**”). The Sales Center Fee shall be paid by Franchisee to Franchisor semi-monthly in accordance with Section 6.2 of this Agreement;
- (d) the Sales Center Cooperative Fund and sales center cooperative funds of the Franchisor’s Affiliates may be aggregated and if so aggregated shall be accounted for separately from other funds of Franchisor and shall not be used to defray any of Franchisor’s general operating expenses, except for salaries, administrative costs and overhead (calculated on a fully allocated basis), if any, as Franchisor may incur in activities reasonably related to the administration, direction, and operation of the Sales Center, MoveNet and the Sales Center Cooperative Fund. An in-house statement of operation of the Sales Center Cooperative Fund shall be prepared annually and shall be made available to Franchisee upon request, the cost of preparing such statement to be paid by the Sales Center Cooperative Fund;
- (e) except as expressly provided for in this Article 10, Franchisor assumes no direct or indirect liability or obligation to Franchisee with respect to the maintenance, direction or administration of the Sales Center, MoveNet or Sales Center Cooperative Fund. Franchisee is not a third party beneficiary and shall have no right to enforce any contributions from other franchisees or direct the administration of the Sales Center Cooperative Fund. Any obligation of Franchisor with respect to the Sales Center Cooperative Fund shall be contractual in nature, and Franchisee shall have no proprietary right in the Sales Center Cooperative Fund, and it shall not constitute a trust fund; and
- (f) Franchisor shall use commercially reasonable efforts to operate the Sales Center and MoveNet in a reasonable commercial manner. The Sales Center Cooperative Fund shall be accounted for separately in accordance with subsection (d), above. The Sales Center Cooperative Fund is not intended to be a source of profit for the Franchisor. In the event of surplus funds at the end of any year, such funds shall be applied to one or more of the following, in any combination as may be determined in Franchisor’s absolute discretion: (i) carried forward and applied to the next year’s operating costs, (ii) transferred to the Marketing Fund, or (iii) distributed pro rata to Franchised Businesses that contributed to the Sales Center Cooperative Fund for that year. In the event that surplus funds are carried forward during three (3) consecutive years, the remaining surplus shall be applied to one or more of the following, in any combination as may be determined in Franchisor’s absolute discretion: (i) distributed pro rata at the end of the third year to franchised businesses who contributed to the Fund during the surplus time period, or (ii) transferred to the Marketing Fund. Where the Franchisor elects to return funds from the Sales Center Cooperative Fund, the Franchisor may do so over such period of time as it deems prudent in order to preserve the solvency of the Sales Center Cooperative Fund. In the event of a shortage of funds in the Sales Center Cooperative Fund at the end of any year, the Franchisor shall have the right to contribute the shortage to the Sales Center Cooperative



Fund and to deem such contribution an account receivable from the Sales Center Cooperative Fund, to be paid back in the next year, without interest.

10.6 **Customer Relationship Management Fee.** Franchisee acknowledges and agrees that Franchisor may implement a mandatory Customer Relationship Management (CRM) program using third-party CRM software that Franchisee shall use as directed by Franchisor, and Franchisor may charge Franchisee for use of such CRM software on such terms as determined by Franchisor.

## 11. LOCAL AND COOPERATIVE ADVERTISING

11.1 **Local Marketing.** During the Term and any exercised Renewal Term, Franchisee shall expend 6% of Gross Revenue in each quarter on local advertising and promotions in the Territory. Franchisee shall provide such details and evidence of expenditures under this Article 11 as may be required by Franchisor. During the first year of operation of the Franchised Business, the Franchisee shall not expend less than \$3,600 per quarter on local advertising.

11.2 **Particulars of Local Advertising.** Franchisee shall have the right to conduct such local advertising and promotions in respect of the Franchised Business as Franchisee shall, in its reasonable discretion choose, provided that:

- (a) Franchisee shall advertise and promote only in a manner that will reflect favorably on Franchisor, Franchisee, Services and the good name, goodwill and reputation of the System;
- (b) Franchisee shall submit to Franchisor for its approval, which approval shall not be unreasonably withheld or unduly delayed, all local advertising and promotions material to be utilized by Franchisee, and until such time as Franchisor shall give its written approval to the use of such advertising and promotions, Franchisee shall not utilize same in any manner. In no event shall Franchisor take more than 30 days either to approve or to reject such local advertising or promotions material. Franchisor reserves the right to adopt any advertising or promotions submitted by Franchisee for approval for general use in advertising or promoting the Services in any part of the System. Franchisee, in submitting any such advertising or promotions, agrees that Franchisor may take such action, and that each such submission shall constitute an irrevocable and perpetual assignment of the copyright and waiver of moral rights for such advertising or promotions, and upon each such adopted submission shall be deemed to be part of the Know-How;
- (c) Franchisee shall prominently display, at its expense, in connection with the Franchised Business signs of such nature, form, color, number, location and size and containing such information and identifying marks as Franchisor may direct or approve in writing and such signs shall be purchased from Franchisor or from suppliers designated or approved by Franchisor; and
- (d) Franchisee agrees to advertise the Franchised Business (at Franchisee's expense) in the white pages and classified section (yellow pages) of all local major telephone directories in the Territory, and, or alternatively, in one or more online Universal Business Listings, using only such information as is approved in advance by Franchisor in writing, the cost of which shall be credited towards Franchisee's obligations under Section 11.1. If other

franchises are served by the same white pages or classified section, Franchisor shall have the right to require group listings therein, to make direct arrangements with the telephone company and to allocate an equitable part of the cost thereof to Franchisee.

- 11.3 **Marketing Fund.** Franchisee agrees that: recognizing the value of uniform advertising and promotion to the goodwill and public image of the System, Franchisee agrees that Franchisor shall maintain and administer an advertising and promotion fund (the “**Marketing Fund**”) for such regional and national marketing, advertising and promotions programs as Franchisor in its sole discretion deems appropriate. Franchisor shall direct all such programs, materials, endorsements and media used therein, and the placement and allocation thereof after consultation with such franchisees of the System as Franchisor in its sole discretion deems appropriate;
- (b) Franchisee shall contribute to the Marketing Fund an amount equal to 1% of the Gross Revenue for each month (the “**Marketing Royalty**”). The Marketing Royalty shall be paid to Franchisor semi-monthly in accordance with Section 6.2 of this Agreement;
  - (c) the Marketing Fund shall be used and expended for media costs, commissions, market research costs, creative and production costs, including without limitation, the costs of creating promotions and artwork, printing costs, and other costs relating to advertising and promotional programs undertaken by Franchisor. Franchisor reserves the right to place and develop such advertisements and promotions and to market same as agent for and on behalf of Franchisee, either directly or through an advertising or public relations agency retained or formed for such purpose;
  - (d) the Marketing Fund shall be accounted for separately from the other funds of Franchisor and shall not be used to defray any of Franchisor’s general operating expenses, except for reasonable salaries, administrative costs and overhead (calculated on a fully allocated basis), if any, as Franchisor may incur in activities reasonably related to the administration or direction of the Marketing Fund and advertising programs (including, without limitation, conducting market research). An in-house statement of the operations of the Marketing Fund shall be prepared annually and shall be made available to Franchisee upon request, the cost of preparing such statement to be paid by the Marketing Fund. In the event of surplus funds at the end of any year, such funds may be applied to one or more of the following, in any combination as may be determined in Franchisor’s absolute discretion: (i) carried forward and applied to the next year’s marketing costs, or (ii) transferred to the Sales Center Cooperative Fund;
  - (e) Franchisee acknowledges and agrees that the Marketing Fund is intended to maximize general public recognition and patronage of the System for the benefit of all franchisees and that Franchisor undertakes no obligation to ensure that any particular franchisee (including Franchisee) benefits directly or pro-rata from the placement or conduct of such advertising and promotion;
  - (f) except as expressly provided for in this Article 11, Franchisor assumes no direct or indirect liability or obligation to Franchisee with respect to the maintenance, direction or administration of the Marketing Fund. Franchisee is not a third party beneficiary and shall have no right to enforce any contributions from other franchisees or the administration of the Marketing Fund. Any obligation of Franchisor with respect to the

Marketing Fund shall be contractual in nature, and Franchisee shall have no proprietary right in the Marketing Fund, and it shall not constitute a trust fund; and

- (g) Franchisee shall fully participate in all sales and promotional activities (including the introduction of new products, grand opening or other marketing programs directed and approved by Franchisor) as Franchisor may require.

11.4 **Initial Marketing Expense.** Franchisee acknowledges and agrees that:

- (a) Prior to and, or alternatively, during the first six months of operation of the Franchised Business, Franchisee shall expend \$3,000 per Subterritory (collectively, the “Initial Marketing Expense”), in recognition of the importance and unique marketing needs of the Franchised Business in the early months of operations;
- (b) the Initial Marketing Expense shall not be applied in discharge of the Franchisee’s obligations under Section 11.1 or Section 11.3 of this Agreement.

11.5 **Branding Cooperative.** Franchisee agrees that Franchisor may, but is not obliged to, form, and, if so formed, the Franchisee agrees to join in, a branding cooperative (“**Branding Cooperative**”) organized in a geographical area, or using such other parameters as the Franchisor may designate, but which may comprise the entire System. Each franchisee subject to a Branding Cooperative shall be required to comply with the terms of such Branding Cooperative including the requirement to attend periodic meetings of the Branding Cooperative. Further, if franchisees representing at least 75% of the revenue base generated by the members of the Branding Cooperative, which revenue base shall be calculated by Franchisor in such a manner as it in its sole discretion determines, consent, then the Franchisee shall be required to contribute to the Branding Cooperative such amounts and in such manner as determined by the Franchisor; provided that the Franchisee shall not be required to contribute more than 3% of Gross Revenue in the aggregate for all Branding Cooperatives to which the Franchisee belongs, and any amount contributed by the Franchisee to any Branding Cooperative may be credited towards local expense obligations under Section 11.1 of this Agreement. Each Branding Cooperative shall be organized and governed in the form and manner that the Franchisor determines in its absolute discretion and all branding and promotional plans or materials shall be subject to the Franchisor’s written approval.

## 12. MANAGEMENT AND EMPLOYEES

12.1 **Management Personnel.** Franchisee or, if Franchisee is an entity, one of its directors or officers, and the Management Personnel, or any replacement(s) approved in advance in writing by Franchisor, shall complete initial training to the satisfaction of Franchisor prior to the Scheduled Opening Date, or such later date as agreed by Franchisor if related to a replacement Management Personnel, unless waived in writing by Franchisor in its sole discretion for any particular person(s). Once trained and approved by Franchisor, Franchisee shall cause Management Personnel to participate, on a full-time basis (i.e., a minimum of 40 hours per week), in the management and operation of the Franchised Business. Franchisee shall verify that all Management Personnel have the legal right to work in the United States, and are legally able to travel to Canada for training.

12.2 **Reliance on Management Personnel.** The grant of license to Franchisee to operate the Franchised Business is made by Franchisor in reliance on the personal attributes of the Management Personnel and in consideration of the trust and confidence which Franchisor places in the Management Personnel, who shall actively and substantially participate personally in the management of the Franchised Business.

12.3 **General Manager.** The individual named first in Schedule B under the heading “Management Personnel” shall be the initial general manager of the Franchised Business (hereinafter called the “**General Manager**”, which term shall include every other person who in the future acts as general manager of the Franchised Business). Franchisee shall ensure that every person who acts as General Manager is not (while so acting) engaged in any retail business activity other than the Franchised Business. The General Manager must participate on a full-time basis (i.e., a minimum of 40 hours per week) in the operation of the Franchised Business. Unless waived in writing by the Franchisor, Franchisee shall ensure that the Franchised Business employs one full-time General Manager. Franchisee shall not hire any person to act as General Manager without the prior written approval of Franchisor. As a condition of such approval, the managerial candidate must complete the Franchisor’s training requirements to the satisfaction of Franchisor. Franchisor may charge Franchisee Franchisor’s then-current standard training fee for any candidate who is proposed to replace the General Manager. In the event of the resignation, termination, death or incapacity of any person acting as General Manager or other Management Personnel, Franchisee shall have a period of 30 days after such resignation, termination, death or incapacity of that person in which to complete arrangements for hiring and training of a replacement.

12.4 **Other Employees.** Franchisee shall hire all employees of the Franchised Business, and shall be responsible exclusively for payment of wages, benefits, statutory remittances and compliance with other terms and conditions of their employment and for the proper training and direction of them in the operation of the Franchised Business. At the direction of Franchisor, Franchisee shall cause such other employees as may be designated by Franchisor to complete all applicable training programs developed by Franchisor. Franchisee shall be solely responsible for all direct and indirect costs of such training in accordance with Sections 15.1 and 15.2 of this Agreement. Franchisee shall verify that all employees have the legal right to work in the United States.

### 13. LICENCE GRANTED TO FRANCHISEE

13.1 **Nature of Grant.** The license granted by this Agreement is a license to use the System and Marks only in connection with operation of the Franchised Business in the Territory during the Term. Nothing in this Agreement shall give Franchisee any other right, title or interest in or to any part of the Marks or the System.

13.2 **Inurement.** Franchisee acknowledges that Franchisee’s use of the System and Marks and any goodwill established by such use inures to the exclusive benefit of Franchisor.

13.3 **Use of Name and Marks.** Franchisee shall operate the Franchised Business continuously throughout the Term and any duly exercised Renewal Term under the name “YOU MOVE ME” or such alternate name or names as Franchisor may direct in accordance with the provisions of the Operations Manual, or in such manner as may be approved in advance in writing by Franchisor, and Franchisee’s name shall be clearly marked on all documented and electronic representations of the Franchised Business as well as on all Franchisee’s advertising, stationery, business cards, purchase orders, sales slips, checks, and other business documents in a manner specified or approved by Franchisor and which clearly indicates that Franchisee is the person, firm or corporation, as the case may be, operating the Franchised Business pursuant to a license from Franchisor. Franchisee shall use ®, TM or some other symbol directed by Franchisor, to indicate to the public that each of the Marks is a trademark belonging to Franchisor and shall in such usage clearly indicate this by using the phrase “Trademark owned by RBDS Rubbish Boys Disposal Service Inc.” or some other phrase designated or approved by Franchisor. Franchisee shall not use, as part of the corporate name of any corporation or other business entity which may operate the Franchised Business (or any other corporation or business entity in which Franchisee has any interest), any of the Marks or any variation or derivative thereof

or any word or phrase or combination of words confusingly similar thereto or colorably imitative thereof, nor may Franchisee use the Marks in connection with the sale or offering for sale of any item or services which has not been properly approved for sale pursuant to the requirements of this Agreement. All provisions of this Agreement applicable to the Marks shall apply to any additional proprietary trade and service marks and commercial symbols hereafter authorized by Franchisor for use by Franchisee.

13.4 ***Use of Copyrights.*** Franchisee acknowledges that Franchisor claims copyright protection in the Operations Manual, MoveNet and all other systems, binders, videotapes, software, and printed materials which form part of the System (as well as all revisions and additions of or to any of the foregoing) (collectively, the “**Copyright-Protected Materials**”). Franchisee acknowledges that Franchisee’s right to use the Copyright-Protected Materials is derived solely from this Agreement and is limited to the conduct of business by Franchisee pursuant to and in compliance with this Agreement and all applicable specifications, standards and operating procedures prescribed in writing by Franchisor during the Term and any exercised Renewal Term. Any unauthorized use of any of the Copyright-Protected Materials by Franchisee shall be an infringement of the rights of Franchisor in and to the Copyright-Protected Materials and shall constitute a breach of this Agreement. Franchisee agrees not to contest or oppose, nor to assist anyone else to contest or oppose, Franchisor’s application for registration or protection of any of the Copyright-Protected Materials in the United States, Canada or any other country. Franchisee shall ensure that all Copyright-Protected Materials used by Franchisee bear whatever copyright notice that may be prescribed by Franchisor in writing.

13.5 ***Notification of Infringement.*** Franchisee shall notify Franchisor immediately upon learning of any apparent or potential infringement of or challenge or claim to any of the Marks or any of the Copyright-Protected Materials or any claim to any rights in or to any of the Marks or Copyright-Protected Materials made by anyone which comes to the attention of Franchisee, and Franchisee shall not communicate with anyone other than Franchisor and its legal counsel in connection with any such infringement, challenge or claim. Franchisor shall have the ability to take such action as it in its sole discretion deems appropriate and shall have the right to control exclusively any litigation or other proceeding arising out of any such infringement, challenge or claim. Franchisee agrees to execute all documents, to render such assistance and to do all acts and things as may, in the opinion of Franchisor or its legal counsel, be necessary or advisable to protect and maintain the interests of Franchisor in any such litigation or other proceeding or otherwise to protect and maintain the interests of Franchisor in the Marks and Copyright-Protected Materials. Franchisor agrees to indemnify Franchisee against any losses or damages incurred by Franchisee as a result of a successful claim of infringement brought by a third party and related solely to Franchisee’s use of the Marks in accordance with the terms of this Agreement.

13.6 ***Act in Derogation of Franchisor’s Rights.*** Franchisee acknowledges that all goodwill and ownership rights arising out of the use by Franchisee of the Marks, the Copyright-Protected Materials and any other part of the System shall accrue solely to Franchisor and the system as a whole, and that now and hereafter Franchisee shall assert no claim to any goodwill by virtue of the licensed use thereof. Franchisee shall not dispute or impugn the validity of any of the Marks or the rights of Franchisor thereto, or do or assist others to do or permit any act or thing to be done in derogation of same. Franchisee shall take such action (including signature and assistance in preparation of documents or the giving of testimony) as may be requested by Franchisor to evidence, transfer, vest or confirm the Franchisor or one or more of its Affiliates’ rights and ownership in the Marks, the Copyright-Protected Materials and any other part of the System. If Franchisor is unable for any reason to secure Franchisee’s signature to fulfill the intent of this paragraph, then Franchisee irrevocably appoints the Franchisor and its authorized agents as agent and attorney in fact, to transfer, vest or confirm Franchisor’s rights and to execute and file any such applications and to do all other lawful acts to further the intent of this Article 13 with the same legal force as if done by Franchisee.

13.7 **Changes in Marks and Copyright-Protected Materials.** If, during the Term or any exercised Renewal Term, Franchisor deems it advisable to modify or discontinue use of any Marks or Copyright-Protected Materials or to adopt for use in the System any additional or substitute marks or copyrights, then Franchisor shall give written notice thereof to Franchisee whereupon Schedule A hereto shall be deemed to be amended accordingly and Franchisee shall promptly comply with such amendment. All provisions of this Agreement applicable to Marks and Copyright-Protected Materials shall apply to all additional, substituted or modified Marks and Copyright-Protected Materials hereafter adopted by Franchisor or its Affiliates and authorized for use by Franchisee by written notice.

13.8 **Use of Know-How.** Franchisee acknowledges that Franchisor possesses know-how comprised of methods, techniques, specifications, materials, procedures, information, systems and knowledge of and experience in the provision of the Services through the Franchised Business (collectively, the “**Know-How**”). Franchisor shall disclose the Know-How to Franchisee in the training program, the Operations Manual and in guidance furnished to Franchisee during the Term and any exercised Renewal Term. Franchisee shall not acquire any proprietary interest in the Know-How or any part of it, other than the right to use it in the development and operation of the Franchised Business during the Term and any duly exercised Renewal Term, in full compliance with this Agreement. Franchisee acknowledges that the Know-How is proprietary and, except to the extent that it is or becomes generally known in the moving industry, the Know-How and every part of it comprises a valuable trade secret of Franchisor.

13.9 **Confidential Information.** Franchisee acknowledges that the designs, materials and other features of the Services and the information, techniques, procedures, methods, systems and format now and hereafter comprised in the System, including, without limitation, the Password and the Know-How, and revealed within or pursuant to this Agreement and the Operations Manual (collectively, the “**Confidential Information**”), are so revealed in strictest confidence and Franchisee covenants to keep and respect the confidence so reposed. Franchisee shall neither use nor permit any of its directors, officers, shareholders, employees, agents or other representatives to use for any purpose inconsistent with this Agreement nor reveal to any person, firm or corporation, both while this Agreement is in force and for an unlimited time thereafter, any Confidential Information which Franchisee has acquired through or as a result of its relationship with Franchisor including, without limitation, any contents of this Agreement, MoveNet and the Operations Manual. Franchisor reserves the right at any time, upon written notice to Franchisee, to more particularly specify or define any items of information or materials which Franchisor considers to be Confidential Information for the purposes of the ongoing application and survival of Franchisee’s covenants herein. Upon request by Franchisor, Franchisee shall cause the employees of the Franchised Business to sign a form of confidentiality covenant prepared by Franchisor. Notwithstanding the foregoing, “Confidential Information” does not include information that: (a) Franchisee establishes through written records, is known to Franchisee prior to disclosure by Franchisor or its personnel; (b) is or becomes publicly available through no act or omission of the Franchisee or its personnel; or (c) Franchisee establishes through written records, is lawfully received by Franchisee from a third party that is not under any confidentiality obligation to Franchisor.

13.10 **Operations Manual.** Franchisor may make additions, deletions and other revisions to the Operations Manual that it determines are in the best interest of the System in its sole discretion. The provisions of the Operations Manual, as amended, shall constitute provisions of this Agreement to be observed and performed by Franchisee as though incorporated specifically in this Agreement. Franchisee shall not at any time copy or permit to be copied the whole or any portion of the Operations Manual other than in the normal operation of the Franchised Business. When Franchisor makes revisions to the Operations Manual, it shall make revisions available to Franchisee online. Franchisee shall at all times maintain a complete and up-to-date hard copy of the Operations Manual by filing revised pages and deleting pages replaced, upon receipt

of revised pages from Franchisor. In the event of a dispute as to the contents of the Operations Manual, the master copy maintained by Franchisor shall govern.

#### **14. FURTHER OBLIGATIONS OF FRANCHISEE**

14.1 ***Use of Operations Manual.*** Franchisee shall conduct the Franchised Business strictly in accordance with all of the provisions set out in the Operations Manual as amended. In particular, Franchisee shall promptly adopt, apply and use the specifications, standards, methods and policies contained in the Operations Manual as amended by Franchisor. Franchisee acknowledges that Franchisor is the sole and exclusive owner of all proprietary rights in and to the System and that the information revealed in the Operations Manual, in its entirety, constitutes Confidential Information and Copyright-Protected Material. Without the prior written consent of Franchisor, Franchisee shall not use the contents of the Operations Manual for any purpose not related to this Agreement, and shall not disclose the contents of the Operations Manual to any person, except to employees of Franchisee on a need to know basis for purposes related solely to the operation of the Franchised Business, nor shall Franchisee publish, reprint or reproduce the Operations Manual in whole or in part for any purpose other than the operation of the Franchised Business. Franchisee shall take all safeguards and precautions specified by Franchisor or as would be expected to be exercised by a careful person entrusted with valuable property of another, to protect and maintain the confidentiality of the Operations Manual. The covenants contained in this Section 14.1 shall survive the termination of this Agreement for such period of time as such information remains confidential to Franchisor and does not fall into the public domain. Franchisee hereby acknowledges that the Operations Manual is and shall at all times remain the sole and exclusive property of Franchisor, and upon the expiration or termination of this Agreement for any reason whatsoever, Franchisee shall forthwith return any printed copies of the Operations Manual to Franchisor.

14.2 ***Inspection Rights.*** Franchisee authorizes Franchisor and its representatives to enter the Franchised Location or the Territory at any reasonable time or times, without undue disturbance of the Franchised Business, to inspect the Franchised Location or the Territory and the Vehicles, inventory, fixtures, furnishings, and equipment therein, to confer with or otherwise contact Franchisee's employees, to examine and inspect the operation of the Franchised Business to determine compliance with this Agreement and the Operations Manual.

14.3 ***No Solicitation of Employees.*** Franchisee shall not knowingly employ nor solicit employment of anyone who is employed by Franchisor, by any of its Affiliates, by any other franchisee of the System or by any other franchisee of another system operated by Franchisor or any of its Affiliates, without the prior written consent of the employer, unless the employee in question has ceased to be employed by such employer for a period of 90 days prior to such solicitation. The Franchisor shall not solicit Franchisee's employees unless the employee in question has ceased to be employed by the Franchisee for a period of 90 days.

14.4 ***Use of Media.*** Franchisee agrees that for purposes of advertising and public relations related to the System, Franchisor may make, reproduce and publish in good taste photographs, videos and other media utilizing the Franchised Location, the Vehicles and the employees and customers of Franchisee on an individual or collective basis. Franchisee shall cooperate with Franchisor in this regard.

14.5 ***Insurance.*** Franchisee shall ensure that the following insurance coverages are placed and maintained during the entire Term and any duly exercised Renewal Term:

- (a) reasonable comprehensive public liability and property damage insurance, including personal and bodily injury liability, contractual liability, employers' liability, and owners'

and contractors' protective insurance coverage with respect to the activities conducted by Franchisee and any employee, agent or other person performing work on behalf of Franchisee with respect to the Franchised Business, with a policy limit of not less than \$1,000,000 per occurrence or such greater amount as may be specified in writing by Franchisor;

- (b) reasonable business interruption insurance in respect of the Franchised Business with a policy limit not less than that which may be prescribed by Franchisor;
- (c) reasonable owned, hired and non-owned vehicle liability insurance with a policy limit of not less than \$1,000,000 combined single limit or such other amount as may be specified in writing by Franchisor for any vehicle used to any extent in the Franchised Business; and
- (d) such other insurance as required by Franchisee's home state or Territory and such revised minimum standards and limits for insurance coverage and other terms as may be specified by Franchisor.

The insurance providers and types of insurance shall be subject to prior written approval of Franchisor, which Franchisee shall seek in a timely fashion. Franchisor may require that Franchisee cause such coverages to be added to or otherwise amended in accordance with recommendations of Franchisor's independent insurance advisor. The foregoing insurance coverages, as so amended, are hereinafter called the **"Coverages."**

Franchisor, acting reasonably, may elect, at any time, upon the recommendation of its independent insurance advisor, to require Franchisee, either individually or as part of a group of franchisees, to place the Coverages (or any them) through Franchisor, in which case Franchisee shall pay its proportionate share (with other franchisees of the System) of all costs thereof, upon receiving invoice(s) therefor.

All policies of insurance for the Coverages shall expressly include Franchisor as well as its officers, directors, employees, subsidiaries, and affiliates as "franchisor/additional insured" and shall require the insurers to defend Franchisee and Franchisor, jointly and severally, in all claims and actions to which the Coverages are applicable. The policies shall further provide that Franchisee's insurance coverage is primary and non-contributory to any coverage maintained by Franchisor. Such policies shall require provision of 30 days' notice to Franchisor prior to any amendment, termination, cancellation or modification, and shall require the insurer to defend Franchisee and Franchisor in any action based on personal injury or property damage suffered as a result of or arising out of the operation of the Franchise. Within 10 days of entering into any policy of insurance, and as such policies are renewed or entered into, Franchisee shall cause insurer to forward a certificate of insurance directly to Franchisor confirming the terms and Coverages set forth in this section 14.5.

Each policy must be issued by an insurance carrier that is licensed in the State in which the Franchised Business is located and must carry a rating of A- or better by A.M. Best Company. Each policy should contain a waiver by the insurance company of all subrogation rights against the Franchisor. Franchisor shall have the opportunity to approve the insurance carrier.

Franchisee understands and acknowledges that Franchisor is not an insurance broker. Nothing done by Franchisor pursuant to this Section 14.5 shall constitute an assurance that Franchisee has adequate



insurance for its assets, business and potential liabilities at the Franchised Business and Franchisee may place additional insurance as it sees fit, upon the advice of its own insurance broker.

14.6 **Maintain Minimum Capital.** Franchisee shall maintain, throughout the Term and any exercised Renewal Term, sufficient capital to operate the Franchised Business and which amount may be determined by the Franchisor.

## 15. TRAINING AND OTHER OBLIGATIONS OF FRANCHISOR

15.1 **Training.** Franchisor shall provide one initial training session of seven (7) Business Days for up to two employees of Franchisee selected by Franchisee (who must include the prospective initial Management Personnel specified in Schedule B). The format and content of the training program shall be determined solely by Franchisor. The cost of such initial training is included in the Initial Fee. Additional prospective employees of Franchisee may be accommodated for such initial training or for subsequent equivalent training at Franchisee's request and cost. Franchisee may provide initial training to Management Personnel, but Management Personnel must attend Franchisor's training within six months of commencing employment. Franchisor may charge its current training fee to Franchisee for providing training other than the cost of training included in the Initial Fee. All training shall be given at times and at a location or locations designated by Franchisor. All expenses incurred by Franchisee and other trainees in connection with and during such training including without limitation those related to transportation, accommodation, meals and other living expenses, wages and other employment benefits shall be at the sole expense of Franchisee. Neither Franchisor nor any owner of an existing business at which the training is given shall provide wages or employee benefits to Franchisee or other trainees during the training period.

15.2 **Retraining.** In the event that Franchisee is not operating the Franchised Business in full accordance with the System and this Agreement, which determination Franchisor shall make in its sole discretion, Franchisor shall have the right to send its representatives to the Franchised Location to conduct such retraining of the representatives and employees of Franchisee as Franchisor determines to be appropriate in the circumstances. Franchisee shall reimburse Franchisor upon demand for all out-of-pocket costs incurred by Franchisor in connection with such retraining, including all transportation, lodging and meal expenses incurred by and reasonable hourly charges for representatives of Franchisor providing the retraining.

15.3 **Initial and Ongoing Goods and Services.** Franchisor shall provide to Franchisee:

- (a) an initial inventory of supplies to be used in connection with the Franchised Business (the "Supplies"), in such types and quantities determined by Franchisor in its sole discretion;
- (b) login and Password for access to MoveNet;
- (c) additional training materials developed by Franchisor;
- (d) marketing materials and other sales aids developed by Franchisor (to be provided at Franchisee's cost);
- (e) promotional assistance at the time when the Franchised Business opens for business and ongoing promotional assistance on a reasonable basis thereafter;
- (f) regular communications to keep Franchisee up to date with respect to important developments in the System; and

- (g) ongoing reviews and a summary annual review of the operation and management of the Franchised Business which shall be conducted by one or more representatives of Franchisor.

15.4 **Continuing Availability.** Franchisor shall make one of its representatives at its head office available to Franchisee during Franchisor's normal business hours, for consultation and guidance with respect to operation or management of the Franchised Business. Reasonable consultation and guidance shall be given by correspondence, telephone, and email. One or more representatives of the Franchisor shall make a minimum of one field visit a year to the Franchised Business for purposes of performing a review. Franchisor shall also co-ordinate and conduct periodic training programs for franchisees as Franchisor, in its sole discretion, deems necessary.

## 16. REMEDIES UPON DEFAULT BY FRANCHISEE

16.1 **Definition of "Material Default."** For the purposes of this Agreement, the phrase "**Material Default**" shall mean any one of the following defaults by the Franchisee:

- (a) failure to pay any sum due to Franchisor, any Affiliate or nominee of Franchisor, Franchisee's landlord, any governmental authority, the lessor of any of the Vehicles, supplier of any item of Supplies or other inventory to the Franchised Business, or any other third party providing any goods or services to the Franchised Business, for a period of 15 days after written notice of such default has been delivered to Franchisee;
- (b) failure to comply with any other obligation of Franchisee contained in this Agreement or any other agreement between Franchisee and Franchisor or any Affiliate or nominee of Franchisor for a period of 30 days after written notice of such default has been delivered by Franchisor to Franchisee; provided, however, that if the nature of such default is such that it cannot be cured within a 30-day period, and Franchisee takes reasonable action to cure such default immediately upon receiving such notice and diligently continues to do so, then Franchisee shall have such additional period of time as is reasonably necessary to cure such default;
- (c) failure to commence operation of the Franchised Business on the Scheduled Opening Date as provided herein or doing anything or omitting to do anything which causes the Franchised Business to be closed for business or otherwise not operating in full compliance with this Agreement for 5 consecutive Business Days or any 5 Business Days in any 30 consecutive day period, without the prior written consent of Franchisor, unless the Franchised Business ceased operation by reason of force majeure, strike, fire, natural disaster, unavoidable casualty or any other cause beyond Franchisee's control and not caused or continued, directly or indirectly, by an act or omission of Franchisee or any of its employees, directors, officers, agents or other representatives. In such a case, Franchisee shall diligently employ all reasonable measures to resume the Franchised Business as soon as possible;
- (d) failure to remain in good standing under all Vehicle Leases, or doing or omitting to do anything which gives anyone the right to terminate a Vehicle Lease or take possession of any of the Vehicles;
- (e) failure to comply with any of Franchisee's obligations under the Security Agreement;

- (f) (i) Franchisee becoming insolvent (as revealed by its books and records or otherwise) in that it is unable generally to meet all of its obligations as they become due, (ii) the Franchisee files, or has filed against it, a petition (or similar pleading) in bankruptcy under federal bankruptcy laws or any similar legislation, (iii) a receiver, receiver-manager, trustee in bankruptcy or similar officer is temporarily or permanently appointed to take charge of Franchisee's affairs or any of Franchisee's property, (iv) dissolution proceedings are commenced by or against Franchisee or it otherwise ceases its corporate existence (whether voluntarily or involuntarily), (v) Franchisee goes into liquidation, either voluntarily or under an order of a court of competent jurisdiction, (vi) Franchisee makes a general assignment for the benefit of creditors or otherwise acknowledges insolvency, (vii) Franchisee sells or purports to sell or transfer or otherwise loses possession or ownership or control of all or a substantial part of the assets used in the Franchised Business, (viii) Franchisee allows any item of personal property used in the Franchised Business to become attached, executed against, levied upon or subject to sequestration or extent, without obtaining the release of such attachment, execution, levy, sequestration or extent within 5 days, (ix) Franchisee allows any judgment to be entered against Franchisee or any of its Affiliates of which Franchisee has notice (actual or constructive) arising out of or relating to operation of the Franchised Business without satisfying such judgment or securing it by payment into Court within 30 days, or (x) Franchisee is enjoined from operating the Franchised Business and such injunction is not dismissed, stayed or set aside within 30 days;
- (g) an assignment or attempted assignment, at law or at equity, of this Agreement by Franchisee, including an involuntary assignment under applicable matrimonial laws, in whole or in part, without obtaining the prior written consent of Franchisor as required by this Agreement;
- (h) Franchisee or any of its directors, officers, employees, agents or other representatives attempting to assign, transfer or convey any part of its interest in the System, including any of the Marks, Know-How, Copyright-Protected Material or other copyrights, Operations Manual, trade secrets, systems, methods of operation or format, or discloses, copies or uses or permits the use of any of the foregoing, or if Franchisee uses or permits the use of any of the foregoing in a manner or at a location not authorized in advance in writing by Franchisor;
- (i) 30 days after Franchisee's receipt of notice from Franchisor, Franchisee continually failing to offer for sale any approved Service, or offering to sell any service from the Franchised Location that is not part of the Services or has not been designated or approved in writing by Franchisor;
- (j) Franchisee intentionally falsifies, misrepresents or misstates to Franchisor any information contained in a financial statement, report or other document which Franchisee provides to Franchisor whether prior to or after the execution of this Agreement;
- (k) Franchisee engages in misleading advertising or operating the Franchised Business in a dishonest, illegal or unethical manner, or having its business license for the Franchised Business suspended or revoked;

- (l) Franchisee fails to diligently rectify any order issued by a governmental or regulatory authority concerning breach of any health, safety or other regulation or legal requirement applicable to the Franchised Business within the time frame required by the government authority;
- (m) a personal or corporate Franchisee or any director or officer of a corporate Franchisee being convicted of an offence which in the reasonable opinion of Franchisor could bring the System, any of the Marks or any other part of the goodwill established thereby into disrepute;
- (n) Franchisee fails to meet the NPS Baseline in five (5) or more NPS Review Periods during the Term; and
- (o) Franchisee receiving three (3) or more notices of default under this Section 16.1 or Section 16.2 in any 12 month period, whether or not such defaults are cured after notice.

For greater certainty the defaults which do not have an opportunity to cure specified, shall be deemed incurable.

16.2 **Cross Default.** If one or more of Franchisee, a member of its Management Personnel, or any partnership or joint venture or corporation in which one or more of Franchisee and a member of its Management Personnel has a controlling interest, is a franchisee pursuant to another franchise agreement with Franchisor respecting another franchised business, a default under this Agreement shall constitute a default under such other franchise agreement, and vice-versa, with the like remedies available to Franchisor, and should such other franchise agreement for any reason therein be terminated, Franchisor may, at its option, terminate this Agreement.

16.3 **Termination for Material Default.** Franchisor may terminate this Agreement, forthwith upon giving written notice to Franchisee, if Franchisee commits any single Material Default.

16.4 **Appointment of Receiver or Receiver-Manager.** Upon a Material Default by Franchisee, Franchisor may in writing appoint a receiver or receiver-manager (in either case, the "Receiver") of the assets of Franchisee and may remove any Receiver so appointed and appoint a replacement. A Receiver shall be deemed the agent of Franchisee and Franchisor shall not be responsible for any misconduct or negligence on the part of the Receiver. The Receiver shall have power to:

- (a) enter upon and take possession of the inventory of Supplies, the Vehicle Lease, the Vehicles, all other inventory and all other assets used in or offered for sale by the Franchised Business (collectively, the "Assets") with power to exclude Franchisee, its employees, agents and other representatives therefrom, without becoming liable as a creditor in possession;
- (b) preserve, protect and maintain the Assets and make such replacements thereof and repairs and additions thereto as Franchisor may deem advisable;
- (c) sell, lease, assign or otherwise dispose of or concur in selling, leasing, assigning or otherwise disposing of all or any part of the Assets, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained therefor and on such terms as to credit and with such conditions of sale and stipulations as to title

or conveyance or evidence of title or otherwise as to Franchisor may seem reasonable, provided that Franchisee shall not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies therefor are actually received; and

- (d) exercise all other rights and remedies provided to Franchisor by this Agreement, the Security Agreement and any Guarantee to the extent permitted by law or to such lesser extent permitted by its appointment, the Receiver shall have all the powers of Franchisor hereunder, and in addition shall have power to carry on the Franchised Business of Franchisee and for such purpose to borrow money either secured or unsecured, and if secured by a security on any of the Assets, any such security may rank in priority to or behind the security constituted by the Security Agreement. Subject to applicable law and the claims, if any, of the creditors of Franchisee ranking in priority to the security constituted by this Agreement and the Security Agreement, all amounts realized from the disposition of the Assets pursuant to this Agreement and the Security Agreement shall be applied as Franchisor, in its sole discretion, may direct as follows:

- (i) in or toward payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor and own client basis) incurred by Franchisor in connection with or incidental to:

- (1) the exercise by Franchisor of all or any of the powers granted to it pursuant to this Agreement or the Security Agreement; and

- (2) the appointment of the Receiver and the exercise by the Receiver of all or any of the powers granted to the Receiver pursuant to this Agreement and the Security Agreement, including the Receiver's reasonable remuneration and all out goings properly payable by the Receiver;

- (ii) in or toward payment to Franchisor of all interest referred to in this Agreement and unpaid;

- (iii) in or toward payment to Franchisor of all principal and other monies (except interest) due as provided or referred to in this Agreement; and

- (iv) any surplus shall be paid to Franchisee.

If the amounts realized from the disposition of the Assets are not sufficient to pay Franchisee's obligations in full to Franchisor, then Franchisee shall immediately pay to Franchisor the amount of such deficiency.

16.5 ***Other Remedies for Default.*** In the event of a default of this Agreement, whether or not a Material Default, and in addition to the other remedies provided in this Agreement, at law or in equity, Franchisor may:

- (a) bring such action for restraining order, injunction (including an interim injunction) decree of specific performance or other similar relief, without the need to post any bond or other security in connection therewith, as may be necessary to compel Franchisee to comply with Franchisee's obligations contained or referred to in this Agreement. In this regard, Franchisee acknowledges that certain breaches of this Agreement would result in loss to

Franchisor for which Franchisor could not be adequately compensated in damages by a monetary award. Accordingly, Franchisee agrees that in the event of any such breach of this Agreement, Franchisor shall, in addition to all the remedies available to Franchisor at law or in equity, be entitled as a matter of right to the relief outlined in this Subsection 16.5(a) to ensure compliance by Franchisee with the provisions of this Agreement and preservation of Franchisor's rights;

- (b) without waiving any claim for default hereunder and without prior notice to Franchisee, take whatever steps Franchisor deems necessary to cure any default by Franchisee hereunder for the account of and on behalf of Franchisee, and Franchisee hereby irrevocably appoints Franchisor as its attorney to do so, and the related expenses incurred by Franchisor shall be due and payable forthwith by Franchisee upon demand and shall be deemed to be an amount owing to Franchisor hereunder;
- (c) without waiving any claim for default hereunder and without prior notice to Franchisee, enter upon any premises upon which the Franchised Business is conducted without being liable to Franchisee in any way for such entry, for the purposes of securing the return of any of Franchisor's property, performing or compelling performance of Franchisee's obligations to Franchisor and protecting Franchisor's rights upon expiration or termination of this Agreement;
- (d) (i) reduce the Territory; (ii) remove the exclusivity provided in the Territory (allowing Franchisor to grant or operate other Franchised Businesses in the Territory); (iii) withhold, postpone, or forgo any services, licenses, rights, payments, orders, access to strategic, regional, or national accounts, any electronic systems or other materials (including without limitation MoveNet or any successor system used to communicate orders to Franchisee), or any other obligations imposed on Franchisor by this Agreement until Franchisee cures its violation or otherwise remedies the default to Franchisor's satisfaction; or (iv) any combination of (i), (ii), and (iii);
- (e) require attendance of Franchisee and, or alternatively, one or more of its employees at such training programs as Franchisor in its sole discretion deems necessary or appropriate, and Franchisee shall pay Franchisor's then-applicable fee for such training as well as all costs related to attendance at such training; and, or alternatively
- (f) send a dedicated field advisor or trainer to the Franchised Location to perform such training with such employees as Franchisor determines is necessary for such time period specified by Franchisor, and Franchisee shall pay the costs related to the attendance of such field advisor or trainer, including travel-related costs and applicable training fees as specified by Franchisor.

**16.6 Damages based on Material Default.** In the event of a termination of this Agreement by Franchisor based on a Material Default, Franchisor shall have the right to claim and recover damages from Franchisee and such damages shall include, without limitation, loss of the benefit of Franchisor's bargain hereunder. It is acknowledged by Franchisee that the benefit of Franchisor's bargain hereunder shall include the Royalties which Franchisor would have expected to receive for the unexpired balance of the Term (or Renewal Term, if it is then in-force).

16.7 **Telephone Number(s).** Rights to the telephone or facsimile number or numbers which are utilized in connection with the Franchised Business shall be held by Franchisee in trust for Franchisor and, on expiration or earlier termination of this Agreement, Franchisee hereby irrevocably authorizes Franchisor to do whatever is necessary (including executing documents in the name of Franchisee) to transfer all rights to such number or numbers to Franchisor or an assignee of Franchisor. Franchisee shall not use any personal or residential telephone numbers in the operation of the Franchised Business. If Franchisee does so, those numbers shall be subject to the provisions of this Section 16.7.

16.8 **Liquidated Damages for Breach of Franchise Agreement.** Compliance by Franchisee and all of its employees with all standards and obligations set out in this Agreement and the Operations Manual (collectively, the “**Standards**”) is integral to the goodwill of the System. Franchisee agrees to pay as liquidated damages such amounts as detailed in the Operations Manual should Franchisor discover that Franchisee has breached any such standard, which liquidated damages Franchisee acknowledges are a reasonable pre-estimation of the internal and, or alternatively, external cost to Franchisor related to such breaches. Such liquidated damages will range from \$25 to \$2,000 for each violation, and may be assessed for each day Franchisee is found to be in violation. Any liquidated damages assessed shall be immediately due and payable by Franchisee within ten (10) days of Franchisor providing notice to Franchisee of a violation. Franchisee’s obligation to pay liquidated damages as provided for herein is not an exclusive remedy. Franchisor may elect to pursue any other remedies available to it, including without limitation the right to enjoin continuing violations or termination of this Agreement.

16.9 **Remedies Cumulative.** The rights and remedies of Franchisor contained in this Article 16 and elsewhere in this Agreement or in a document referred to in this Agreement are cumulative and no exercise or enforcement of any right or remedy by Franchisor shall preclude its exercise or enforcement of any other right or remedy to which Franchisor is entitled by law, in equity or otherwise.

## 17. FRANCHISEE’S OBLIGATIONS UPON EXPIRATION OR TERMINATION

17.1 **Payment of Accounts.** Within 15 days after expiration or termination of this Agreement (or on such later date as such debts are due), Franchisee shall pay all outstanding Royalties, Marketing Royalties, Sales Center Fees, amounts owing under any Branding Cooperative, all amounts due for Supplies, and all other amounts payable by Franchisee (whether to Franchisor or any of its Affiliates) together with accrued interest charges thereon in accordance with Section 21.2.

17.2 **Discontinuance.** Upon expiration or termination of this Agreement, Franchisee shall immediately discontinue use or display of the Marks, MoveNet, Operations Manual, Copyright-Protected Materials, and other materials provided by Franchisor such as advertising materials and training materials, trade secrets, systems, methods of operation, format and goodwill of the System. Franchisee shall also forthwith change the color scheme of the Franchised Location and Vehicles to one that differentiates it from the color scheme of the System and shall remove all signage related to the System from the Franchised Location and Vehicles. Franchisee shall not thereafter operate or do business under any name or in any manner that might tend to give the general public the impression that Franchisee is directly or indirectly associated, affiliated, licensed by or related to Franchisor or the System, and Franchisee shall not, directly or indirectly, use any Mark, or any other name, logo, signage, symbol, insignia, slogan, advertising, copyright, Copyright-Protected Materials, design, trade secret, process, system, method of operation or format confusingly similar to or colorably imitative of those used by the System. Franchisee acknowledges the proprietary rights of Franchisor as set out in this Agreement and agrees to return to Franchisor the Operations Manual, all advertising and training materials and all other confidential information relating to the System, as well as all other property of Franchisor, forthwith upon expiration or earlier termination of this Agreement.

Additionally, Franchisee shall, upon termination or expiration of this Agreement, promptly remove any signage and murals from the Franchised Location and any other premises from which the Franchised Business is conducted which uses the Marks or otherwise and refers, directly or implicitly, to the System.

17.3 **Power of Attorney.** Following expiration or earlier termination of this Agreement, Franchisor may execute in Franchisee's name and on Franchisee's behalf all documents necessary or advisable in Franchisor's judgment to terminate Franchisee's use of the Marks and Franchisor is hereby irrevocably appointed as Franchisee's attorney to do so, and such appointment, to the extent permitted by applicable law, shall survive the incapacity or death of an individual Franchisee.

17.4 **Right of Franchisor to Repurchase.** In the event of expiration or termination of this Agreement, Franchisor shall have the option, exercisable by written notice to Franchisee, to purchase from Franchisee free and clear of any lien, charge, encumbrance or security interest (except the Security Agreement) not previously approved by Franchisor, all or any portion of Franchisee's supplies or equipment for the Franchised Business at a price equal to 50% of Franchisee's originally invoiced cost thereof.

## 18. RENEWAL

If Franchisee is in full compliance with this Agreement, has not at any time committed any Material Default, whether or not remedied, and meets Franchisor's then current standard requirements for franchisees, and the Franchisee has not been habitually in default under this Agreement or any other franchise agreement between Franchisee and Franchisor, whether or not the Franchisor has issued notices of default, then Franchisor shall enter into a new franchise agreement with Franchisee for the renewal term(s) specified in Schedule B (the "**Renewal Term**"), upon the following terms and conditions:

- (a) Franchisee must give written notice of the right of renewal to Franchisor not more than 12 calendar months nor less than 9 calendar months prior to expiration of the Term;
- (b) Franchisee shall, not less than 6 calendar months prior to expiration of the Term, execute Franchisor's then-current form of franchise agreement, and not less than 30 days prior to expiration of the Term Franchisee shall pay to Franchisor a non-refundable renewal fee of \$5,000;
- (c) Franchisee shall execute and, if Franchisee is a corporation, partnership or joint venture, shall cause all of its then current shareholders (both legal and beneficial), directors, officers, partners and joint venturers to execute a general release, in a form provided by Franchisor, of any and all claims against Franchisor and its Affiliates and their respective officers, directors, shareholders, employees, agents and other representatives with respect to the Term; and
- (d) at the time of execution of a renewal franchise agreement, Franchisee shall not have been given notice of a default under this Agreement or any other agreement or obligation Franchisee may have with Franchisor (such as, but not limited to, another franchise agreement within the System) including, but not limited to, all obligations to pay Royalties, Marketing Royalties, Sales Center Fees, interest charges, audit fees and other amounts, and all obligations to comply with the Operations Manual, including trade name and logo guidelines.



If Franchisee continues to operate after the end of the Term or any Renewal Term without exercising an option to renew, Franchisee shall be deemed to be operating on a month to month basis under the terms and conditions of Franchisor's then-current form of franchise agreement. In such circumstances, and notwithstanding the foregoing, Franchisor may on 10 days written notice terminate Franchisee's franchise agreement.

## **19. ASSIGNMENT OR TRANSFER**

19.1 **Assignment or Transfer by Franchisee.** Franchisee acknowledges that the rights and duties created by this Agreement are personal to Franchisee and that Franchisor has entered into this Agreement in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of Franchisee (or its principals, in the case of a corporate Franchisee). Therefore, except as expressly provided herein, neither this Agreement nor any of the rights and privileges of Franchisee contained herein, nor the Franchised Business or any part of it, nor any share or interest in Franchisee (if an entity) may be voluntarily, involuntarily, directly or indirectly (including by operation of law) assigned, sold, pledged, hypothecated, subdivided, sublicensed, optioned, diluted (such as by stock allotment) or otherwise transferred or encumbered, at law or at equity. Any assignment or transfer not expressly permitted by this Agreement shall constitute a breach of this Agreement and shall not be effective to convey any interest in this Agreement or the Franchised Business.

Without limiting the foregoing, Franchisee shall not assign or transfer, in whole or in part, Franchisee's interest in this Agreement or the Franchised Business except upon the terms and conditions provided in this Article 19. Any such assignment or transfer shall require the prior written consent of Franchisor, which Franchisor will not withhold unreasonably. Franchisor may refuse to consent to an assignment or transfer if any Material Default has occurred and has not been remedied. By way of illustration and not limitation, Franchisor may withhold its consent if the proposed assignee or transferee does not meet Franchisor's then-current requirements for new franchisees, is and will remain involved in any way in another business similar to the Franchised Business, is not in Franchisor's opinion financially or operationally capable of performing the then-current obligations of System franchisees, or has had previous business experience or lack of experience which, in the sole discretion of Franchisor, suggests that the proposed assignee or transferee may not be a suitable franchisee of the System. Franchisor's consent to any assignment or transfer shall not constitute a waiver of any claim, demand, action or cause of action which it may have against Franchisee, and shall not constitute a release of any Guarantee or other third party guarantee or covenant for performance of this Agreement by Franchisee.

19.2 **Transfer of Interest in Corporate Franchisee.** Without limiting Section 19.1, in the event that Franchisee is a corporation, partnership or other form of business organization, any material change in the legal or beneficial ownership of Franchisee, whether by agreement, court order, or by operation of law shall be deemed to be an assignment or transfer of this Agreement by Franchisee. For the purposes of this paragraph, a material change in ownership shall be any cumulative change in the legal or beneficial ownership of voting shares (or comparable voting units) representing more than 10 percent of all outstanding voting shares (or comparable voting units).

19.3 **Conditions of Consent.** Any consent given to Franchisee to assign, transfer, sell or otherwise alienate or modify Franchisee's interest in this Agreement, in whole or in part, and the Franchised Business shall be subject to the following conditions (none of which limit in any way the discretion of Franchisor to grant or reasonably withhold its consent to any proposed assignment or transfer):

- (a) Franchisee shall submit all proposed advertisements for the sale of the Franchised Business and all the material terms and conditions of any proposed transfer or assignment to Franchisor for prior written approval;
- (b) Franchisee shall pay a non-refundable fee of \$10,000 to Franchisor, of which \$2,500 shall be payable upon the Franchisee's declaration of an intent to sell the Franchised Business and the remainder payable on execution by the proposed assignee of Franchisor's then-current form of assignment of franchise agreement, and, or alternatively, Franchisor's then-current form of franchise agreement, at Franchisor's election;
- (c) Franchisor may charge the assignee a non-refundable administration fee of \$5,000, which shall be payable prior to and as a condition of any assignment;
- (d) Franchisee and assignee shall execute Franchisor's then-current form of assignment of franchise agreement or, at the election of Franchisor, the assignee shall execute Franchisor's then-current form of franchise agreement for a term equal to the remainder of the Term or such other term as agreed to by the Franchisor and the assignee;
- (e) Franchisee shall return to Franchisor all manuals and materials provided hereunder, for re-issuance to the assignee or destruction, at Franchisor's sole discretion;
- (f) Franchisee and its principals shall each execute a release in the form provided by Franchisor and described in Section 19.5. Notwithstanding any assignment or transfer, Franchisee shall not be released from any of its obligations by Franchisor;
- (g) the assignee or transferee and its designated management personnel shall have completed to Franchisor's satisfaction Franchisor's then-current training program;
- (h) all obligations of Franchisee under this Agreement and under all documents relating hereto and any or all other agreements then in effect between Franchisor or its nominee and Franchisee shall be in good standing;
- (i) Franchisee shall provide evidence sufficient to Franchisor, acting reasonably, that the assignee has either taken an assignment or deemed assignment of the Vehicle Lease (with the consent of the lessor), or that the Vehicle Lease has been terminated and the proposed assignee has entered into a new Vehicle Lease meeting Franchisor's then current specifications; and
- (j) the assignee and, if the assignee is a corporation or other business entity, all such directors, officers, shareholders, partners or members of the assignee entity as shall be required by Franchisor, shall execute each of Franchisor's then-current forms of security agreement and guarantee agreement.

19.4 ***Transfer to an Entity by Personal Franchisee.*** If Franchisee is an individual, then his or her assignment of this Agreement to an entity formed solely for the purpose of owning and operating the Franchised Business pursuant to this Agreement, including but not limited to a corporation, limited liability company, limited liability partnership, limited partnership or any other form of entity, shall not be deemed to be an assignment of this Agreement, on condition that at least 21 days prior to an assignment being effected,

Franchisee provides full written details of the proposed assignment to Franchisor and both Franchisee and proposed assignee certify in such writing that:

- (a) Franchisee is possessed of and shall retain at all times during the Term and any exercised Renewal Term, indefeasibly vested legal and beneficial ownership of not less than 75% of the outstanding voting equity of the assignee entity;
- (b) Franchisee is and shall remain the principal officer, chairman, director, member, partner, or manager of the assignee entity;
- (c) Franchisee shall remain liable, jointly and severally with the assignee entity and guarantors, for all obligations of Franchisee contained herein, and concurrently with the assignment, the assignor shall execute and become bound by the Franchisor's then-current form of guarantee;
- (d) all equity holders (both legal and equitable), members, partners, managers, directors and officers of the assignee entity as directed by Franchisor shall execute Franchisor's then-current form of guarantee whereby they shall jointly and severally guarantee performance of this Agreement by the entity;
- (e) the assignor assigns to the assignee all Security Agreements related to this Agreement;
- (f) the assignor assigns to the assignee all Assets, leases, intangibles (including without limitation, insurance contracts), and all other assets held by the assignor that are necessary for or used in the Franchised Business; and
- (g) the assignee has no material liabilities that would affect the ability of the assignee to carry on the Franchised Business.

19.5 **Franchisee's Release of Claims.** It shall be a condition of Franchisor's consent to any assignment that Franchisee and its principals each deliver to Franchisor a complete release of all claims against Franchisor and its Affiliates and their respective directors, officers, shareholders, members, managers, partners, employees, agents and other representatives in respect of all obligations arising under or pursuant to this Agreement, such release shall be in a form provided by Franchisor.

19.6 **Death, Incapacity or Permanent Disability.** In the event of the death or permanent disability of a personal Franchisee (or a principal of Franchisee where Franchisee is an entity or other entity), then Franchisee or estate of a deceased personal Franchisee shall have the right, within 6 months after such event, to assign this Agreement to an assignee who is, in Franchisor's opinion, financially and operationally capable of performing the obligations of Franchisee hereunder, provided that each of the conditions set out in Section 19.3 are fulfilled to the reasonable satisfaction of Franchisor. For the purposes of this Section 19.6, permanent disability means the inability of the personal Franchisee or principal to manage effectively the day-to-day operation of the Franchised Business for a period of 30 days. During any period of disability (permanent or otherwise) or pending assignment or in the event of death, in the event the Franchisee does not or is unable to replace the General Manager as required by Section 12.3, Franchisor may appoint a competent and trained manager to operate the Franchised Business for the account of Franchisee. The substitute manager shall be deemed for all purposes to be the agent or employee of Franchisee. Franchisor shall not be liable to Franchisee or to any creditor of the Franchised Business for any debt, obligation, contract, loss or damage incurred, or for any purchase made during any period in which the Franchised Business is so managed.

19.7 **Right of First Refusal.** If Franchisee or its shareholders shall at any time determine to sell, assign or transfer this Agreement or an interest in the Franchised Business or any equity interest in Franchisee (if an entity), then Franchisee shall provide Franchisor with a copy of the written offer from a fully disclosed purchaser. Franchisor shall have the right, exercisable by written notice delivered to Franchisee within 15 days from the date of delivery of a bona fide offer, to purchase such interest for the price and on the terms and conditions contained in such offer, provided that Franchisor may substitute cash for any form of payment proposed in such offer and shall have not less than 60 days to prepare for closing. Franchisor may, at closing, pay any of Franchisee's trade creditors out of the purchase price, and set off against the purchase price any unpaid debts of Franchisee to Franchisor. If Franchisor does not exercise its right of first refusal, Franchisee (or other vendor) may complete the sale to such purchaser pursuant to and on the terms of such offer, subject to compliance with the consent and approval requirements of this Article 19; provided, however, that if the sale to such purchaser does not complete within 90 days after delivery of such offer to Franchisor, or if there is a material change in the terms of the sale, then Franchisor shall again have a new right of first refusal as herein provided.

19.8 **Assignment by Franchisor.** This Agreement may be assigned in whole or in part by Franchisor and, if Franchisor makes a full assignment to a third party and the third party agrees in writing to assume all of the obligations and liabilities of Franchisor hereunder, then Franchisor shall automatically be released from all obligations and liabilities hereunder. A partial assignment by Franchisor may include an assignment of the Royalties payable by Franchisee.

19.9 **Legend on Share Certificates.** If Franchisee is an entity, Franchisee shall cause all shares of its capital stock, unit certificates or similar agreements or indications of ownership, to include the following legend, with necessary changes:

“The Corporation and the securities evidenced by this certificate are subject to, and the disposition and transfer of such securities are restricted by, a franchise agreement dated as of [Effective Date] between the Corporation and You Move Me LLC, a Washington limited liability company, a copy of which may, at the request of any shareholder of the corporation, be examined at the principal business office of the Corporation during normal business hours.”

## 20. NON-COMPETITION

Except as expressly permitted by this Agreement or by any other written agreement between Franchisor and Franchisee, during the currency of this Agreement and for a period of 24 months after expiration of the Term or any exercised Renewal Term or earlier termination of this Agreement, Franchisee and its principals shall not:

- (a) directly or indirectly,
- (b) in any capacity whatsoever,
- (c) either alone or in any relationship with any other person, firm, corporation or other business organization,
- (d) as an employee, consultant, principal, agent, member, partner, shareholder, investor, lender, director, officer, guarantor, indemnitor, creditor, supplier, landlord or sublandlord,
- (e) within the Territory,

- (f) within the territory of any franchised business of the System (including one owned by Franchisor or one of its Affiliates) which is in existence at the date of expiration or sooner termination of this Agreement, or
- (g) within the metropolitan area in which the Territory is situated, more particularly described in Schedule B,

compete with the System (or any similar system owned by Franchisor or its Affiliates) or (i) carry on, engage or be financially concerned or interested in, or (ii) advise, supervise, manage, supply, loan money to or guarantee or indemnify the duties or obligations of any other person, firm, corporation or other entity engaged in or concerned with or interested in any business engaging in any enterprise similar in nature to the System, or offering for sale any products or services similar to the Services. This Article 20 shall also continue to apply to Franchisee in the case of any assignment of this Agreement or any sale of the Franchised Business or transfer or allotment of shares of Franchisee. This Article 20 shall survive the expiration or sooner termination of this Agreement and any assignment, transfer or sale hereunder. Franchisee acknowledges that by reason of the unique nature and considerable value of the Marks and the business reputation associated with Franchisor and the System, including methods of operating, format and related proprietary rights and by reason of Franchisee's knowledge of and association and experience with the System, the provisions of this Article 20 are reasonable and commensurate for the protection of the legitimate business interests of Franchisor, its Affiliates and franchisees. Franchisor may, by written notice to Franchisee, reduce one or more of the temporal, territorial or scope of restricted activities aspects of non-competition provided in this Article 20.

## 21. MISCELLANEOUS

21.1 **Indemnity by Franchisee.** Except as otherwise provided in this Agreement, Franchisee agrees to indemnify and save harmless Franchisor, its subsidiaries, Affiliates, shareholders, directors, officers, employees, agents, assignees and other franchisees from and against, and to reimburse them for, all liabilities, obligations, and consequential damages, taxes, costs, losses and actual legal expenses incurred by them in connection with any claim, litigation or other action or proceeding arising out of the operation of the Franchised Business by Franchisee including any action or other proceeding related to a breach of this Agreement or any other agreement between Franchisee and Franchisor or its Affiliate(s). Franchisee shall be responsible for and shall pay and satisfy any judgment or settlement that may arise out of any such claim, litigation, action or proceeding. Without limiting the generality of the foregoing, Franchisee agrees that if Franchisor is made a party to any lawsuit or any other action or proceeding in connection with the Franchised Business or the activities of Franchisee or any of its affiliates, Franchisor may, at its sole option, either (a) permit Franchisee to conduct the defense or prosecution of the matter at the cost of Franchisee; or (b) take conduct of the defense or prosecution, in which case all expenses thereof shall be borne or reimbursed by Franchisee. This indemnity shall continue in full force after termination or expiration of this Agreement.

21.2 **Interest on Overdue Amounts.** All payments required to be made by Franchisee to Franchisor under or pursuant to this Agreement shall bear simple interest from and after their respective due dates until paid in full at the rate of 24% per annum or such other rate as Franchisor may specify in writing or the maximum rate permitted by law if lower.

21.3 **Application of Payments.** Franchisor shall have sole discretion to apply any payments made by Franchisee to any past due indebtedness of Franchisee, including but not necessarily limited to Royalties, Marketing Royalties, Sales Center Fees, purchases from Franchisor, or any of its Affiliates, interest or other indebtedness. Payments towards any particular account shall first be applied towards interest on arrears, if any, then towards principal.

21.4 **Parties are Independent Contractors.** The parties intend by this Agreement to establish the relationship of franchisor and franchisee, each as an independent contractor, and it is not the intention of either party to establish a fiduciary relationship, to undertake a joint venture, to make Franchisee in any sense an agent, employee, affiliate, associate or partner of Franchisor or to confer on Franchisee any authority to act in the name of or on behalf of Franchisor.

21.5 **Conformity with Laws.** If any statute, law, by-law, ordinance or regulation promulgated by any competent authority with jurisdiction over any part of this Agreement or the Franchised Business or any court order pertaining to this Agreement requires a longer or different notice period than that specified herein, the notice period shall automatically be deemed to be amended so as to conform with the minimum requirements of such statute, law, by-law, ordinance, regulation or court order.

21.6 **Additional Franchises.** Franchisee acknowledges that Franchisor may grant franchises for additional Franchised Businesses under terms that may differ materially from the terms of this Agreement and that consequently Franchisor's obligations and rights with respect to its various franchises may differ materially from those provided in this Agreement.

21.7 **Waiver.** Franchisor reserves the right to waive observance or performance of any obligation imposed on Franchisee by this Agreement. No waiver of any default of any term, proviso, covenant or condition of this Agreement by Franchisor shall constitute a waiver by Franchisor of any prior, concurrent or subsequent default of the same or any other term, proviso, covenant or condition hereof. No waiver shall be effective unless executed by Franchisor in writing.

21.8 **Entire Agreement.** Unless acknowledged and agreed in writing by both parties, this Agreement, all Security Agreements, and all Guarantees set forth the entire agreement between Franchisor and Franchisee and contain all of the representations, warranties, terms, conditions, provisos, covenants, undertakings and conditions agreed upon by them with reference to the subject matter hereof. All other representations, warranties, terms, conditions, provisos, covenants, understandings and agreements, whether oral or written (including without limitation any letter of intent between the parties and other pre-contractual representations), are waived and are superseded by this Agreement. However, nothing in this Agreement or related agreements is intended to disclaim any representation made by the Franchisor in the franchise disclosure document furnished to the Franchisee as required prior to entering into this Franchise Agreement.

21.9 **Amendments.** This Agreement can be amended or added to only by a writing executed by both Franchisor and Franchisee.

21.10 **Further Assurances.** Franchisor and Franchisee shall each acknowledge, execute and deliver all such further documents, instruments or assurances and shall each perform such further acts or deeds as may be necessary or advisable to give full effect to this Agreement.

21.11 **Severability.** If any article, section or subsection of this Agreement or any portion thereof is determined to be indefinite, invalid, illegal or otherwise void, voidable or unenforceable, then it shall automatically be severed from this Agreement and the balance of this Agreement shall continue in full force and effect.

21.12 **Governing Law.** This Agreement shall be construed and interpreted according to the laws of the state of Washington, except that no Washington statute or regulation shall apply or shall give rise to any right or claim unless the Territory is in the State of Washington and such statute or regulation would apply to this Agreement by its own terms in the absence of any choice of law provision. The King County Superior

Court in Seattle or the U.S. District Court in Seattle, as appropriate, shall have exclusive jurisdiction to entertain any proceeding relating to or arising out of this Agreement, and Franchisee and Franchisor each consent to the jurisdiction of such Courts in all matters related to this Agreement; provided that Franchisor may obtain relief in such other jurisdictions as may be necessary or desirable to obtain injunctive or other relief to enforce the provisions of this Agreement.

#### 21.13 *Resolution of Disputes.*

- (a) Except for matters described in clauses (i) through (iii), inclusive, in Section 21.13(c) below, upon which Franchisor may take immediate action, Franchisor and Franchisee agree to use their best efforts to settle all disputes between them quickly, amicably and in the most cost effective and discreet fashion. To that end, each party agrees that before filing suit or pursuing similar legal action, it shall notify the other party in writing of any dispute or claim arising out of or relating to this Agreement that the notifying party wishes to resolve. Such notice shall include a statement of the dispute, describing to the fullest extent possible the notifying party's version of the facts surrounding the dispute or claim together with an explanation of its position and all elements of any claim (the "**Statement of Dispute**"). The parties shall then use their best efforts to communicate with each other to try to resolve the dispute. If the dispute or claim has not been resolved within 30 days after receipt of the written notification of dispute, the parties may then turn to other dispute resolution alternatives.
- (b) At any time during the 30-day period following receipt by the recipient party of the Statement of Dispute, either party may demand non-binding mediation before an independent mediator on the basis of the Statement of Dispute and, if such demand is made by a party, the other party agrees to participate. Such mediation shall be held at the offices of Franchisor or such other site designated by Franchisor within 30 days of receipt of the notifying party's mediation demand. The parties shall meet face-to-face for a minimum of four (4) hours before a representative of a mediation organization approved by all such parties and/or entities or a court-appointed mediator if the parties cannot agree on a mediation organization. At least one principal of each party, with authority to settle the dispute, shall attend the mediation meeting. The Franchisor and Franchisee shall share equally the cost of the mediator, regardless of the outcome of the mediation, or the ultimate resolution of any dispute. The parties agree not to take any further steps in any lawsuit between them during mediation, unless necessary to avoid irreparable harm or required by law.
- (c) To the extent (i) Franchisor seeks injunctive or other equitable relief pursuant to this Agreement, or (ii) Franchisor is a party to litigation brought by third parties as a direct or indirect result of or in connection with the operation of the Franchised Business, or (iii) this Agreement is terminated pursuant to the provisions of Article 16 of this Agreement, the dispute resolution requirements under Subsections 21.13(a) and (b) above do not apply. In addition, the application of the dispute resolution provisions set forth above in Subsections 21.13(a) and (b) shall not preclude Franchisor from terminating this Agreement for any Material Default pursuant to Article 16 after any applicable cure period has expired and Franchisee has failed to cure such Material Default.

21.14 ***Survival of Covenants.*** The terms, provisions, covenants, conditions and obligations contained in or imposed by this Agreement which, by their terms, require performance by Franchisee after the expiration or other termination of this Agreement, shall be and remain enforceable after such termination.

21.15 ***Inurement.*** This Agreement inures to the benefit of and is binding upon Franchisor and Franchisee and their respective heirs, executors, administrators, legal personal representatives, permitted successors and permitted assigns.

21.16 ***Potential Earnings.*** Franchisee fully understands and acknowledges that the success of the Franchised Business to be established hereunder shall, to a great extent, be dependent upon the personal time and efforts contributed by Franchisee and Franchisee's employees (as well as Franchisee's partners or directors if Franchisee is a partnership or a corporation). Franchisee acknowledges that neither Franchisor nor anyone else has represented, warranted or guaranteed to Franchisee that Franchisee shall enjoy financial success in owning and operating the Franchised Business. Franchisee also acknowledges that all sales, income and profit projections (whether verbal, in writing or a combination of the two) which have been made by the Franchisee are based on the Franchisee's own expectations and assumptions about future economic conditions (excluding, however, potential competition by third parties which the Franchisee cannot predict) which Franchisee believes to be reasonable, but neither Franchisor nor anyone else has made any representation, warranty or guarantee regarding the level of Gross Revenue, net income or profit margins which may be achieved at the Franchised Business and that, in the final analysis, the results achieved at the Franchised Business will be particular to it, in the same way that financial results individually achieved by existing franchised businesses are particular to them. Franchisee accepts the risk of the Franchised Business not achieving the levels of Gross Revenue and net income during the Term which Franchisee hopes to achieve.

21.17 ***Acknowledgements by Franchisee.*** Franchisee acknowledges that he, she or it has received, has had ample time to read and study, and has read and studied this Agreement and fully understands its provisions. Franchisee further acknowledges that it has had an adequate opportunity to be advised by legal counsel and accounting professionals of its own choosing regarding all aspects of this Agreement and the relationship created thereby.

Franchisee acknowledges that all restrictions in this Agreement are necessary and fundamental to the protection of the legitimate business interests of Franchisor and all of its franchisees and, having regard to the interests of Franchisor and Franchisee, are reasonable, and all defenses to the strict enforcement thereof by Franchisor are hereby waived by Franchisee.

Franchisee acknowledges that it is solely responsible for investigation of all regulations applicable to the Franchised Business and for obtaining all necessary permits to operate the Franchised Business, and Franchisor makes no representation as to such regulations, if any, or that such licenses or permits are available, nor has Franchisor undertaken any such investigation on its own.

Franchisee acknowledges that Franchisor may conduct investigations and make inquiries of any persons as Franchisor, in its reasonable judgment, deems appropriate concerning the credit standing, character and personal qualifications of Franchisee and the partners, shareholders, directors and officers of Franchisee, and Franchisee, by its execution hereof, hereby on its own behalf and on behalf of its partners, shareholders, directors and officers (whose authorization to do so Franchisee expressly represents that it has) consents and agrees to Franchisor conducting any investigations and making any inquiries that Franchisor considers appropriate.



21.18 ***Time of Essence.*** Time shall be of the essence for all purposes of this Agreement.

21.19 ***Notices.*** Any notice required or permitted to be given by this Agreement shall be in writing and shall be deemed to have been duly given if delivered by hand, sent by confirmed facsimile (with concurrent mailing of the original thereof), nationally-recognized overnight courier, or mailed by certified or registered mail, postage prepaid, addressed to Franchisor and to Franchisee at their respective addresses set out on page 1 hereof or to such other address as the respective parties may give notice of in the same manner. Any such notice shall be deemed to have been given and received, if delivered when delivered, or, when sent if sent by confirmed facsimile (and mailing of the original thereof) if mailed, on the third Business Day following the mailing thereof; provided, however, that no notice which is mailed shall be deemed to be received if between the time of mailing and the third Business Day thereafter there is any labor dispute, strike or lockout affecting mail in the geographic areas in which the notice is mailed or intended to be received.

21.20 ***Schedules.*** Schedules and other documents attached or referred to in this Agreement are incorporated into and form an integral part of this Agreement.

21.21 ***Submission of Agreement.*** The submission of this Agreement to Franchisee does not constitute an offer by Franchisor. This Agreement shall only become effective when it has been executed by both Franchisor and Franchisee.

21.22 ***Signatures.*** A digital or fax copy of any signature to this Agreement and any related agreement or amendment thereto shall be deemed to be an original signature and shall be effective as such.

*[signature page follows]*

IN WITNESS WHEREOF Franchisor and Franchisee have executed this Agreement on the date or dates set forth below, with effect from the Effective Date shown in Schedule B.

FRANCHISOR:

FRANCHISEE:

You Move Me LLC, a Washington limited liability company

[2], [3]

By: \_\_\_\_\_  
(authorized signature)

By: \_\_\_\_\_  
[6]

Dated: \_\_\_\_\_

ACKNOWLEDGEMENT AND EXECUTION BY FRANCHISEE

FRANCHISEE ACKNOWLEDGES THAT PRIOR TO THE DATE OF EXECUTING THIS AGREEMENT OR PAYING ANY NON-REFUNDABLE CONSIDERATION FOR IT, FRANCHISEE HAS RECEIVED, READ AND UNDERSTOOD A COMPLETE COPY OF THIS AGREEMENT (WITH ALL BLANKS COMPLETED) AND A FRANCHISE DISCLOSURE DOCUMENT IN CONSULTATION WITH PROFESSIONAL ADVISORS OF FRANCHISEE'S OWN CHOOSING AND, ACCORDINGLY, THAT FRANCHISEE IS AWARE OF ALL PROVISIONS OF THIS AGREEMENT AND IS AWARE OF THE BUSINESS RISKS INVOLVED IN ENTERING INTO THIS AGREEMENT AND ESTABLISHING AND OPERATING THE FRANCHISED BUSINESS CONTEMPLATED HEREBY.

Dated: \_\_\_\_\_

FRANCHISEE:

[2], [3]

By: \_\_\_\_\_

[6]

Signature Page to Acknowledgement and Execution by Franchisee

SCHEDULE A

This is Schedule A to a Franchise Agreement  
between  
YOU MOVE ME LLC, a Washington limited liability company and  
[2], [3]

**MARKS**

**You Move Me**

**Serial No:** 85694149

**Application Date:** August 2, 2012

**Registration Status:** Not Registered

**You Move Me (logo)**

**Serial No:** 85694140

**Application Date:** August 2, 2012

**Registration Status:** Not Registered

## SCHEDULE B

This is Schedule B to a Franchise Agreement  
between  
YOU MOVE ME LLC, a Washington limited liability company and  
[2], [3]

### FRANCHISED BUSINESS - PARTICULARS

Effective Date: [4]

Franchised Location (Subsection 2.1(a)): [5]

Territory (Section 2.2): [7]

All of which are more particularly described on the following pages. Where zip codes are used to describe a Territory or Subterritory, the area represented shall be determined having reference to the zip codes in effect as of 2007.

Scheduled Opening Date of Franchised Business (Section 2.4): [8], which Franchisor may extend by up to 60 days under Section 2.4.

Term (Section 2.5): 5 years from the Scheduled Opening Date.

Renewal Term (Article 18): Three renewal terms of 5 years.

Initial Fee (Article 3): Total: \$[9], due as follows

Subterritory	Territory Active Date	Subterritory Initial Fee	Date Due
1A		\$18,000	
1B		\$9,000	
1C		\$9,000	
1D		\$9,000	

Management Personnel (Sections 7.1(a) and 12.1) [10], **or such other person(s) as may be approved in writing by Franchisor.**

#### **Restrictive Covenant:**

For the purposes of Section 20(g), the metropolitan area is more particularly described as follows:

[11]

**SUBTERRITORY 1A**

[12]

**SUBTERRITORY 1B**

[13]

**SUBTERRITORY 1C**

[14]



**SUBTERRITORY 1D**

[15]

**SCHEDULE C**

This is Schedule C to a Franchise Agreement  
between  
YOU MOVE ME LLC, a Washington limited liability company  
[2], [3]

**VEHICLE SPECIFICATIONS:**

Isuzu NPR GVW 14,500 lbs.  
Wheel Base 176 inches  
Body/Box length 16-20 feet

OR

Isuzu NQR GVW 17,795 lbs.  
Wheel Base 176 or 200  
Body Box length 20-22 feet

OR

Isuzu NRR GVW 19,500 lbs.  
Body Box length 20-24 feet

OR

An industry standard moving truck with body box length of 26 feet as approved in advance by Franchisor in writing, in its sole discretion.

**EXHIBIT C**

**Operations Manual Table of Contents**

You Move Me  
Operations Manual – Table of Contents  
197 pp

**Vision and Mission (Page 1-15)**

- Founder's Message
- Management Team
- YMM Vision
- YMM Mission Statement
- YMM Corporate Values
- Rules of the Road

**Standards & Quality Focus Areas (Page 16-25)**

- Quality Focus Areas (QFA's)
- Onsite Behavior
- Branding and Appearance
- NPS Program & Compliance

**Marketing and Sales (Page 26-35)**

- Brand - Importance
- Brand - Integrity Manual- Uses and Compliance
- Our Target Customers
- Support -Our Team and the Role of Marketing Dept
- Ad Fund - The Percentage and Why
- Focused Area Marketing Systems (FAMS)
- FAMS - Creating your Budget
- FAMS- Analyzing your Territory (Where)
- FAMS- Recommended Tactics (What, How, When)
- Centrally Managed Tactics-On-line & NPS
- Collateral - What and How To Order (Order Form)
- Call Back Program
- Additional Marketing Tactics

**MoveNet and Communications (Page 36-60)**

- Telecom - What to Order
- Computer Software - MoveNet
- Setting Up Your Routes and Territories
- Setting Up your Price List and Rules
- Setting Up your Employees
- Booking a Job
- Route Management
- Dispatching
- Performance Reports
- Intranet Communication-Home Page
- Library - Docs Storage

- Support - Help Desk - Help Button
- MoveNet Licenses

#### **Sales Center - Incoming Calls (Page 61-70)**

- Initial Contact with Sales Center
- Information Gathering
- Explanation of Moving Services and Rates (Matrix)
- Explanation of Packing Services and Rates (Matrix)
- Scheduling Moves and Estimates
- Sending the Contract and Checklist
- Leads and Call Back Program
- Sales Center FAQ

#### **Customer Experience: Hourly Full Service Local Move (Page 71-83)**

- Welcome Call - Ops Mgr
- Job Setup
- Pre-Arrival - Crew
- Arrival at Origin
- Walk-Through
- Service & Contracts Review plus Upsell Ops - Crew Leader
- Task Assignment: 2-man crew and 3-man crew
- Systematic Approach: Usage of Tools
- Systematic Approach: Removal Routes
- Systematic Approach: Moving Safety
- Loading the Truck
- Moving Special Items
- Leaving the origin site & Travel to Destination
- Unloading the Truck
- Taking Payments
- Completion Checklist
- Positive Ending Tactics-The Gift

#### **Customer Experience - Hourly Local Packing Service (Page 84-90)**

- Welcome Call - Ops Mgr
- Job Setup
- Pre-Arrival Call from Crew
- Arrival and Walk-Through
- Explanation of Service, Rates , Upsell and Contract
- Systematic Approach: Usage of Supplies and Tools
- Kitchen, Living, Dining, Bedroom, Bathroom, Elec.
- Packing of Hazardous Items
- Taking Payments
- Completion Checklist
- Transition into "Move" job

### **Customer Experience - Local On-Site Estimate (Page 91-99)**

- Welcome Call - Ops Mgr
- Pre-Arrival Call- Crew
- Arrival and Introduction
- Walk-Through
- Service Explanation
- Pricing and Upselling (Pricing/Quoting Matrix)
- Advanced Sales Tips
- Objection Handling
- Explanation of YMM Contract and Service Agreement
- Estimate Delivery and Next Steps
- Scheduling the Move &/or Pack
- Follow-Up Procedures (if job not booked)

### **Customer Experience: Fixed Rate Local "Inventoried" Move (Page 100-107)**

- Welcome Call - Ops Mgr
- Job Set up - Review Estimate Notes/Details
- Pre-Arrival - Crew
- Arrival at Origin
- Walk-Through - Confirm accuracy of estimate
- Service/Contracts Review plus Upsell Ops - Crew Leader
- Task Assignment: 2-man crew and 3-man crew
- Systematic Approach: Usage of Tools
- Systematic Approach: Removal Routes
- Systematic Approach: Moving Safety
- Loading the Truck
- Moving Special Items
- Leaving the origin site & Travel to Destination
- Unloading the Truck
- Taking Payments
- Completion Checklist
- Positive Ending Tactics-The Gift

### **Additional Products and Services (Page 107-120)**

- Selling Boxes and Packing Supplies
- Storage Solutions
- Renting Storage Pads
- Selling Insurance

### **Move Day FAQ's (Page 121-125)**

- Commercial vs. Residential Moves
- Two-Man vs. Three-Man Crews
- Multi-Truck Moves
- Dangerous Removals
- Refusals

- Moving Valuable Items
- Damage Prevention
- Storage Solutions
- Customer Unprepared

### **Complaints (Page 126-133)**

- Complaint Resolution System
- Types of Complaints: Specifics
- Types of Complaints: How to Avoid
- Handling Damage
- Spot Checks

### **People (Page 134-143)**

- Role/Responsibilities: GM/Ops Manager
- Role/Responsibilities: Crew Leader
- Role/Responsibilities: Mover
- How To Hire Employees: Crew Leader
- How To Hire Employees: Mover
- Sample Job Postings
- Hiring: Interview Process
- Hiring Plan
- On-Call and Temporary Employees
- Truck Team Training: Crew Leaders
- Truck Team Training: Movers
- Certification
- Safety Training
- Wage Structure, Profit Share, Incentive Programs
- Team Building
- Truck Team Coaching and Mentorships
- Discipline and Termination

### **Insurance (Page 144-149)**

- Insurance Requirements
- General Insurance Coverage
- Vehicle
- Fidelity
- Worker's Compensation
- Bonding / Theft Prevention
- Content Insurance

### **Tools and Equipment (Page 150-170)**

- Approved Vendors
- Moving Equipment / What to Order
- Safety Equipment / What to Order

- Office Equipment / What to Order
- Apparel

### **Trucks (Page 171-178)**

- Truck Requirements and Specifications
- Ordering Trucks-Process, Vendors, Financing
- Truck Maintenance
- Rental Trucks-Guidelines and Vendors

### **Accounting (Page 179-183)**

- Accounting Software
- Setting Up Accounts
- Bookkeeping Administrative Processes
- Payroll

### **Policies and Procedures (Page 184-193)**

- Standards of Operation
- Territory Rules - ANS, Long Distance Moves
- Pricing
- Vehicle Requirements
- Royalty
- Voice Mail
- Copyrights
- Trademark Terms of Usage
- Confidential Information
- Compliance with Ops Manual
- Reporting Requirements

### **Franchise Start-Up (Page 194-197)**

- Start-Up Costs
- Budget and Metrics
- Start-Up Pre-Launch Checklist
- Year 1: Time/Task Schedule

### **Glossary**

- Glossary
- Appendix
- Contracts
- Estimate Forms
- Boxes and Packing Supplies Price List
- Vehicle Lease Approval Form



**EXHIBIT D**

**Franchisor's Agents for Service of Process  
And State Regulatory Authorities**

**EXHIBIT D**  
**NAMES AND ADDRESSES OF STATE REGULATORY AUTHORITIES**  
**AND AGENTS FOR SERVICE OF PROCESS IN CERTAIN STATES**

STATE	STATE REGULATORY AUTHORITY	AGENT FOR SERVICE OF PROCESS
California	Department of Corporations 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 (866) 275-2677  One Sansome Street, Suite 600 San Francisco, CA 94104 (415) 972-8559	Corporations Commissioner 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 (866) 275-2677  One Sansome Street, Suite 600 San Francisco, CA 94104 (415) 972-8559
Connecticut	Banking Commissioner 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	[Not Applicable]
Florida	Dept of Agriculture & Consumer Services Division of Consumer Services 2005 Apalachee Pkwy. Tallahassee, FL 32399-6500 (850) 410-3800	[Not Applicable]
Hawaii	Business Registration Division Department of Commerce & Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii, Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street Room 203 Honolulu, HI 96813 (808) 586-2722
Illinois	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465
Indiana	Indiana Secretary of State Securities Division, E-111 302 West Washington Street, Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204 (317) 232-6531
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2021 (410) 576-6360	Maryland Securities Commissioner at the Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2021 (410) 576-6360

STATE	STATE REGULATORY AUTHORITY	AGENT FOR SERVICE OF PROCESS
Michigan	Consumer Protection Division, Antitrust and Franchising Unit Michigan Department of Attorney General 670 G. Mennen Williams Building 525 West Ottawa Lansing, MI 48933 (517) 373-7177	Michigan Department of Consumer and Industry Services Corporations and Securities Bureau P.O. Box 30054 6546 Mercantile Way Lansing, MI 48909 (517) 241-6470
Minnesota	Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101-2198 (651) 296-4026	Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101-2198 (651) 296-4026
Nebraska	Staff Attorney Department of Banking and Finance Commerce Court 1230 "O" Street, Suite 400 Lincoln, NE 68508-1402 (402) 471-3445	[Not Applicable]
New York	New York State Department of Law Bureau of Investor Protection and Securities 120 Broadway, 23rd Floor New York, NY 10271-0332 (212) 416-8000	Secretary of the State of New York 41 State Street Albany, NY 12231 (518) 474-4750
North Dakota	North Dakota Securities Department Fifth Floor 600 East Boulevard Avenue State Capitol, Fifth Floor, Department 414 Bismarck, ND 58505 (701) 328-4712	North Dakota Securities Commissioner Fifth Floor 600 East Boulevard, Department 414 Bismarck, ND 58505 (701) 328-4712
Oregon	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387	[Not Applicable]
Rhode Island	Department of Business Regulation in the Service of Process, Disclosure Document and State Administrators Sections Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, RI 02920 (401) 222-3048	Director Department of Business Regulation State of Rhode Island Securities Division 1511 Pontiac Avenue John O. Pastore Center Cranston, RI 02920 (401) 462-9588
South Dakota	Department of Labor and Regulation Division of Securities 445 E Capitol Avenue Pierre SD 57501 (605) 773-4013	Director, Department of Labor and Regulation Division of Securities 445 E. Capitol Avenue Pierre, SD 57501 (605) 773-4013

STATE	STATE REGULATORY AUTHORITY	AGENT FOR SERVICE OF PROCESS
Texas	Secretary of State Statutory Document Section 1019 Brazos Austin, Texas 78701 (512) 475-0775	[Not Applicable]
Utah	Division of Consumer Protection Utah Department of Commerce 160 East 300 South Salt Lake City, UT 84111 (801) 530-6601	[Not Applicable]
Virginia	State Corporation Commission Division of Securities and Retail Franchising Ninth Floor 1300 East Main Street Richmond, VA 23219 (804) 371-9733	Clerk, State Corporation Commission 1300 East Main Street, First Floor Richmond, VA 23219 (804) 371-9733
Washington	Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, WA 98501 (360) 902-8760	Director, Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, WA 98501 (360) 902-8760
Wisconsin	Securities and Franchise Registration Wisconsin Securities Commission 345 West Washington Street, 4th Floor Madison, WI 53703 (608) 261-9555	Securities and Franchise Registration Wisconsin Securities Commission 345 West Washington Street, 4th Floor Madison, WI 53703 (608) 261-9555
Federal Trade Commission	Bureau of Consumer Protection 600 Pennsylvania Avenue, NW Washington, D.C. 20580 (877)-382-4357	[Not Applicable]

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process.

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

**EXHIBIT E**  
**Financial Statements**



Financial statements

(Expressed in U.S. dollars)

YOU MOVE ME LLC

October 15, 2012

# Contents

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Statement of cash flows	3
Notes to the financial statements	4-5



## Auditor's report

**Grant Thornton LLP**  
Suite 1600, Grant Thornton Place  
333 Seymour Street  
Vancouver, BC  
V6B 0A4  
T (604) 687-2711  
F (604) 685-6569  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

To the member

YOU MOVE ME LLC

We have audited the accompanying balance sheet of YOU MOVE ME LLC (the “company”) as at October 15, 2012, and the related statement of cash flows for the period from the date of incorporation (September 12, 2012) to October 15, 2012. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YOU MOVE ME LLC as at October 15, 2012, and the result of its cash flows for the period from the date of incorporation (September 12, 2012) to October 15, 2012, in conformity with accounting principles generally accepted in the United States of America.

*Grant Thornton LLP*

Vancouver, Canada

October 18, 2012

Chartered accountants



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# YOU MOVE ME LLC

## Balance sheet

(Expressed in U.S. dollars)			
October 15, 2012			
<b>Assets</b>			
Current			
Cash			\$ 120,000
			\$ 120,000
<b>Liabilities</b>			
Loan from related party (Note 4)			\$ 119,999
			119,999
<b>Member's equity</b>			
Member's equity (Note 5)			1
			\$ 120,000
Economic dependence (Note 1)			

On behalf of the board

\_\_\_\_\_ Director

See accompanying notes to the financial statements.

# YOU MOVE ME LLC

## Statement of cash flows

(Expressed in U.S. dollars)			
For the period from date of incorporation (September 12, 2012) to October 15, 2012			
Cash provided by (used in)			
<b>Operating</b>			
Net income		\$	-
Changes in non-cash operating working capital			-
			-
<b>Financing</b>			
Increase in loan from related party			119,999
Capital contribution by sole member			1
			120,000
Net increase in cash			120,000
Cash, beginning of period			-
Cash, end of period		\$	120,000

See accompanying notes to the financial statements.

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# **YOU MOVE ME LLC**

## **Notes to the financial statement**

Expressed in U.S. dollars  
October 15, 2012

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### **1. Operations and economic dependence**

YOU MOVE ME LLC (the “company”) was incorporated under the laws of the State of Washington on September 12, 2012, as a limited liability company. The company was created to sell franchise rights throughout the United States for the operation of businesses that provide residential and commercial moving services. The company is dependent upon 0949634 B.C. Inc. (“Holdco”), a company incorporated under the laws of British Columbia, Canada, for financial and administrative support. Holdco and the company are under common control.

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### **2. Summary of significant accounting policies**

#### **Basis of presentation**

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

#### **Use of estimates**

The presentation of financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported revenues and expenses for the reporting periods. Actual results may differ significantly from those estimates.

#### **Cash**

Cash consists of cash on hand and balances with banks.

#### **Related party transactions**

Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

#### **Income taxes**

The company has elected to be a taxable entity. The company follows the liability method of accounting for income taxes. Under this method, current taxes are recognized for the estimated income taxes payable for the current period. Deferred income taxes are provided based on the estimated future tax effects of temporary differences between financial statement carrying amounts of assets and liabilities and their respective tax bases as well as the benefit of losses available to be carried forward to future years for tax purposes.

Deferred tax assets and liabilities are measured using enacted tax rates that are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the enactment date. A valuation allowance is recorded for deferred tax assets when it is more likely than not that such deferred tax assets will be realized.

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# YOU MOVE ME LLC

## Notes to the financial statement

Expressed in U.S. dollars  
October 15, 2012

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### 2. Summary of significant accounting policies (continued)

#### Income taxes (continued)

The company also recognizes the impact of uncertain income tax positions in the financial statements, if these positions are more likely than not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained.

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### 3. Financial instruments

The carrying value of cash approximates the fair value due to the short-term maturities of these instruments.

The fair value of the loan from related party is impractical to determine due to its related party nature and the absence of a secondary market.

Management does not believe that the company's financial instruments are exposed to any interest rate risk, foreign exchange risk, or credit risk.

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### 4. Loan from related party

The loan is from a related party with a common controlling shareholder. The loan is unsecured, non-interest bearing, and with no fixed terms of repayment.

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### 5. Member's equity

Since incorporation, the company has had a single membership unit with nominal value of \$1.00. The membership unit is owned by 0949634 B.C. Ltd., a company incorporated under the laws of British Columbia, Canada.

**EXHIBIT F**

**Guarantee**

**GUARANTEE**

THIS AGREEMENT is made effective **[date]**

BETWEEN:

**[NAME],**  
**[address]**

(the "**Guarantor**")

AND:

**YOU MOVE ME LLC**, a Washington limited liability company having its office at 887 Great Northern Way, Suite 301, Vancouver, BC, V5T 4T5

(the "**Franchisor**")

RE: **[ ]**(the "**Franchisee**")  
**[ ]**(the "**Location**")

WHEREAS:

A. By one or more franchise agreements and related agreements (the "**Franchise Agreement**"), the Franchisor granted a license to operate a "YOU MOVE ME" franchise at the Location, to the Franchisee.

B. The Guarantor is a shareholder, member, director or officer of the Franchisee. In order to induce the Franchisor to enter into the Franchise Agreement and any Assignment with the Franchisee, the Guarantor has agreed to guarantee personally all obligations of the Franchisee from time to time under the Franchise Agreement and any other obligations of Franchisee to Franchisor from time to time (the "**Obligations**") and also to give the postponements and personal covenants set out in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the sum of \$1.00 and of the Franchisor entering into the Franchise Agreement (the receipt and sufficiency of which are hereby acknowledged by the Guarantor), the Guarantor covenants and agrees as follows:

**PART 1 - GUARANTEE**

1. The Guarantor warrants that the facts contained in recital B are correct. The Guarantor unconditionally guarantees all of the Obligations and accordingly covenants and agrees with the Franchisor that all Obligations of the Franchisee shall be fully observed and performed, such guarantee being upon the following terms:

a. the liability of the Guarantor to the Franchisor shall be for all purposes as if the Guarantor was primary obligor under the Franchise Agreement, and not merely a surety for the Obligations of the Franchisee; and the Franchisor shall not be obliged to resort to or exhaust any recourse which it may have against the Franchisee or any third party before being entitled to claim against the Guarantor;

b. no dealings between the Franchisor and the Franchisee of any kind, including without limitation any amendment of the Franchise Agreement or any waiver or release of any of the

Obligations therein or performance thereof by the Franchisee, whether with or without notice to the Guarantor, shall affect the liability of the Guarantor hereunder;

c. any account settled or stated or any other settlement made between the Franchisor and the Franchisee, and any determination made pursuant to any of the Obligations which is expressed to be binding upon the Franchisee shall be binding upon the Guarantor;

d. the Guarantor shall make payment of any amount properly payable by the Franchisee to the Franchisor in respect of the Obligations upon demand by the Franchisor, and shall, upon demand by the Franchisor, perform every part of the Obligations which the Franchisee has failed to perform;

e. no complete or partial assignment of the Franchise Agreement, or any other dealings therewith by the Franchisee, whether with or without the consent of the Franchisor, shall affect this Guarantee;

f. this Part 1 constitutes a continuing guarantee of performance of the Obligations by the Franchisee and the obligations of the Guarantor contained in this Part 1 are not limited to any particular period of time but shall continue until all of the terms, covenants and conditions of the Franchise Agreement, have been fully and completely performed by the Franchisee or otherwise discharged by the Franchisor, and the Guarantor shall not be released from any liability under this Part 1 so long as there is any claim of the Franchisor against the Franchisee arising out of the Obligations that has not been fully performed, settled or discharged, nor shall this guarantee be affected by the death, disability or reorganization (whether by way of amalgamation, transfer, sale, lease or otherwise) of the Franchisee or any of its directors, officers or shareholders, or any change in the Guarantor's financial condition or in the business or financial condition of the Franchisee or any of its directors, officers or shareholders (including by way of insolvency, bankruptcy or receivership); and

g. in the event of any payment by or recovery from the Guarantor under the provisions of this Part 1, the rights of the Guarantor shall in respect of such payment rank subsequent to the rights of the Franchisor and in the event of any recovery from the Franchisee or realization of any assets of the Franchisee, the Guarantor shall not be entitled to rank for payment in competition with the Franchisor. Until the Franchisor shall have received payment in full of all monies due and owing by the Franchisee in respect of the Obligations, the Guarantor shall not have any right, claim or demand against the Franchisee ranking equally with or in priority to the rights of the Franchisor against the Franchisee.

2. Until all Obligations of the Franchisee have been satisfied in full, the Guarantor unconditionally waives any benefit of, and any right to participate in, any security which is now held or may hereafter be held by the Franchisor. The Guarantor unconditionally waives any right to receive from the Franchisor any communication whatsoever with respect to performance of the Obligations by the Franchisee (including any subsequently created obligation or liability of the Guarantor to the Franchisor). The Guarantor assumes the entire responsibility for remaining informed as to the business, financial condition and liabilities of the Franchisee, and of all other circumstances bearing upon the risk of non-satisfaction of any of the Obligations by the Franchisee.

## **PART 2 - POSTPONEMENT**

3. The Guarantor defers, postpones and subordinates in the manner hereinafter set forth all debts and liabilities, whether direct or indirect, absolute or contingent, which are now or at any time hereafter owing by the Franchisee to the Guarantor, including without limitation all loans, interest, security interests dividends of all kinds, salaries, bonuses, fees, gifts, advances, benefits or otherwise

(collectively the "**Guarantor's Claims**") to the obligations guaranteed hereby and the Guarantor hereby assigns and transfers to the Franchisor every right and power of the Guarantor relating to the Guarantor's Claims.

4. So long as the provisions of this Guarantee continue in effect, any right of the Guarantor to receive at any time any payment of or on account of any of the Guarantor's Claims will be subordinated to every right of the Franchisor to receive payment of or on account of any of the Obligations and the Guarantor shall not commence any action, take any proceeding, collect or receive any payment upon, by set-off or counterclaim or in any other manner, any of the Guarantor's Claims, or assign, charge, mortgage, pledge, sell, transfer or otherwise encumber or give a security interest in or to any of the Guarantor's Claims.

### **PART 3 - PERSONAL COVENANTS**

5. As additional personal covenants (and without limiting the generality of the other provisions of this Agreement), the Guarantor as primary obligor unconditionally covenants and agrees to be bound personally to comply with the following provisions of the Franchise Agreement, as if the Guarantor personally was the Franchisee: Section 13.3 (use of name and Marks); Section 13.4 (use of copyrights); Section 13.8 (use of Know-How); Section 13.9 (Confidential Information); Section 14.5 (compliance with laws); Section 14.9 (no solicitation of employees); Section 17.2 (discontinuance); Article 20 (non-competition); and Section 21.1 (indemnity by Franchisee). If the Guarantor breaches any of his or her covenants in this paragraph 5, then the Franchise Agreement shall be deemed to be in default and the Franchisor may exercise its remedies for default under the Franchise Agreement.

### **PART 4 - GENERAL**

6. This Agreement is binding upon the Guarantor and his or her respective heirs, personal representatives and assigns, and inures to the benefit of the Franchisor and its successors and assigns. The Franchisor may assign this Guarantee in whole or in part with written notice to the Guarantor, and in such event the assignee and any subsequent assignees shall have the same rights and remedies as if originally named herein as the Franchisor, free of any and all intervening equities. The Guarantor will pay all amounts due to accountants, lawyers and other professional advisors which are incurred by the Franchisor in connection with the creation, execution, administration and enforcement of this Agreement.

7. The Guarantor further waives presentment, demand, notice of dishonor, protest, nonpayment and all other notices whatsoever, including without limitation: notice of acceptance hereof; notice of all contracts and commitments; notice of the existence or creation of any liabilities under the Franchise Agreement and of the amount and terms thereof; and notice of all defaults, disputes or controversies between the Franchisee and the Franchisor resulting from the Franchise Agreement or otherwise, and the settlement, compromise or adjustment thereof.

8. This Guarantee shall be enforceable by and against the respective administrators, executors, successors and assigns of the Guarantor and the death of the Guarantor shall not terminate the liability of the Guarantor or limit the liability of any other Guarantors.

9. The Guarantor acknowledges that he or she has obtained independent legal advice before signing this Agreement, and will provide a certificate of independent legal advice upon request in a form acceptable to Franchisor.

10. This Guarantee shall be interpreted in accordance with the laws of the state of Washington. The King County Superior Court in Seattle or the U.S. District Court in Seattle, as appropriate, shall have,



except in respect of the granting of equitable relief, exclusive jurisdiction to entertain any proceeding in respect of this Agreement, and Franchisee and Franchisor each consent to such exclusive jurisdiction of such courts in all matters related to this Agreement.

IN WITNESS WHEREOF the Guarantor has signed this Agreement under seal with effect from the date first above written.

SIGNED, SEALED and DELIVERED by the Guarantor)  
in the presence of: )

\_\_\_\_\_)  
Signature of Witness )

\_\_\_\_\_)  
**[NAME]**

\_\_\_\_\_)  
Address )

\_\_\_\_\_)  
Occupation )

**EXHIBIT G**

**General Security Agreement**

## GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT is made effective [date].

BY:

[ ] having an office at [address]

(the "Debtor")

IN FAVOUR OF:

**YOU MOVE ME LLC**, a Washington limited liability company with an office at 887 Great Northern Way, Suite 301, Vancouver, BC, V5T 4T5 CANADA

(the "Secured Party")

### ARTICLE I - OBLIGATIONS SECURED

**1.1** This Security Agreement and the assignments, mortgages, pledges, charges and security interests hereby created are in addition to and not in substitution for any other assignment, mortgage, pledge, charge or security interest now or hereafter held by the Secured Party from the Debtor or from any other Person whomsoever and shall be general and continuing security for the due performance of all debts, liabilities, and obligations of the Debtor to the Secured Party, including the obligations contained in one or more franchise agreements (the "**Franchise Agreement**") made between the Secured Party (as Franchisor) and the Debtor (as Franchisee) and this Security Agreement (all of said debts, liabilities and obligations are hereinafter collectively called the "**Obligations**").

### ARTICLE II - SECURITY INTEREST

**2.1** As general and continuing security for the payment and performance of the Obligations, the Debtor hereby grants to the Secured Party a security interest in, and assigns, charges, mortgages and pledges to and in favour of the Secured Party, all of the Debtor's present and after acquired goods, securities, instruments, documents of title, chattel paper, licenses, intangibles and money located on, relating to or arising in connection with a Franchised Business (as defined in the Franchise Agreement) including, without limitation, all vehicles, equipment and accessories and all proceeds from the foregoing wheresoever situate (collectively, the "**Collateral**").

**2.2** The security interest created hereby shall be a purchase money security interest to the extent that any of the Obligations are monies advanced by the Secured Party to enable the Debtor to purchase or otherwise acquire any of the Collateral and were so used and, without limitation, a certificate of an officer of the Secured Party as to the extent that the Obligations are monies so advanced shall be prima facie proof of the purchase money security interest created hereby.

**2.3** The security interest created hereby shall be a general and continuing security interest notwithstanding any dealing by the Secured Party with the Debtor or any other person claiming under or with respect to the Debtor or the Collateral, notwithstanding any other title retention agreement, commercial pledge, right of re-sale, security interest or other encumbrance whatsoever, and notwithstanding that the indebtedness of the Debtor to the Secured Party may be reduced to a nil balance or be repaid and further advances made from time to time.

### ARTICLE III - SALES IN ORDINARY COURSE OF BUSINESS

**3.1** The Debtor shall have no right to sell, lease or dispose of any of the Collateral except for a sale in the ordinary course of business upon customary sales terms for value received and then only upon the express condition that on or before delivery to a third party the Debtor shall secure full settlement of the entire purchase price for the Collateral so sold in cash, notes, chattel paper or other property in form satisfactory to the Secured Party. Until the Debtor shall have made settlement with the Secured Party of the full amount due to the Secured Party with respect to all such Collateral sold or disposed of by the Debtor, the Debtor shall aggregate such cash, notes, chattel paper or other property and hold the same in trust for the Secured Party and the Secured Party shall have a security interest therein. The Debtor shall be entitled to transfer such notes or chattel paper free of such trust if at or prior to the time of such transfer the payment due from the Debtor to the Secured Party shall be assured to the satisfaction of the Secured Party.

### ARTICLE IV - WARRANTIES OF DEBTOR

**4.1** The Debtor hereby warrants to the Secured Party that:

(a) if it is a corporation then it is duly organized and validly existing under the laws of the jurisdiction indicated in Schedule A of this Agreement, and it is duly qualified to conduct its business in the states indicated in Schedule A, and the execution, delivery and performance hereto are within its corporate powers, have been duly authorized and do not contravene, violate or conflict with any law or the terms of its organizational documents or any indenture or agreement to which it is a party, and the Secured Party may require a certificate from an officer or a director of the Debtor certifying the foregoing facts;

(b) if an individual, then he or she has fully and accurately disclosed in Schedule A attached hereto his or her full legal name, date of birth, trade name, if any, and, place of business or place of principal residence, all as of the date of this Agreement;

(c) except for the security interest granted hereby and the encumbrances listed in Schedule B, or such other encumbrances as may be expressly permitted in writing signed by the Chief Executive Officer of the Secured Party from time to time (the "**Permitted Encumbrances**"), the Debtor is or will be the sole owner of, or have an interest in, the Collateral free from any adverse liens, security interest or encumbrances, and agrees that it will defend the Collateral against all claims and demands of all persons, firms or bodies corporate at any time claiming the same or any interest therein;

(d) the security interests herein are given and taken as additional security for the payment of the monies payable under other security instruments between the Debtor and the Secured Party, and not in substitution therefor;

(e) the Collateral has not been used or acquired for use primarily for personal, family or household purposes or otherwise as Consumer Goods; and

(f) the goods listed as Serial Numbered Goods in Schedule B are all the Serial Numbered Goods held by Debtor as of the Effective Date, and the serial number, make, model and other information with respect to such Serial Numbered Goods is complete and accurate.

## ARTICLE V - UNDERTAKINGS OF DEBTOR

**5.1** The Debtor hereby undertakes to:

(a) promptly pay all obligations, indebtedness and liabilities owing to the Secured Party as they become due or are demanded;

(b) maintain the Collateral in good condition and repair and provide adequate storage facilities to protect the Collateral and not permit the value of the Collateral to be impaired, reasonable wear and tear excepted;

(c) except for the Permitted Encumbrances, not, create any security interest, mortgage, hypothecate, charge, lien or other encumbrance upon the Collateral or any part thereof ranking or purporting to rank in priority to or pari passu with the security interest created by this Agreement;

(d) provide written notification to the Secured Party within 10 days of its making of any security interest, mortgage, hypothecate, charge, lien or other encumbrance upon the Collateral or any part thereof ranking or purporting to rank in priority to or pari passu with the security interest created by this Agreement;

(e) defend the title to the Collateral against all persons, firms or bodies corporate claiming any interest in the Collateral or any part thereof;

(f) not, without the prior written consent of the Secured Party remove the Collateral or any part thereof from the location where the Debtor carries on its business, except for rentals, machinery demonstrations, repairs and maintenance, or as otherwise may be necessary in the ordinary course of business;

(g) pay all taxes, assessments, and levies or charges from any source which may be assessed against the Collateral or any part thereof or which may result in a lien against the Collateral or any part thereof and insure the Collateral for loss, damage or destruction by fire, explosion, flooding, wind storm and such other perils stipulated by the Secured Party in an amount not less than the full insurable value of the Collateral or the amount from time to time hereby secured, whichever is less, with appropriate endorsement to secure the Secured Party as its interest shall appear. In the event the Debtor shall fail to provide adequate insurance when required to do so or to pay any of the said taxes, assessments, levies or charges the Secured Party may, without notice, at its option, but without any obligation or liability to do so, procure insurance and pay taxes or other charges, and add said sums to the balance of the debt hereby secured and claim from the Debtor immediate reimbursement of such sums;

(h) keep, at the principal place of business of the Debtor, accurate books and records of the Collateral and furnish at the request of the Secured Party from time to time, in writing, all information requested relating to the Collateral or any part thereof and the Secured Party shall be entitled from time to time to inspect the aforesaid Collateral and to take temporary custody of and make copies of all documents relating to Accounts Receivable and for such purposes the Secured Party shall have access to all premises occupied by the Debtor or where the Collateral or any of it may be found;

(i) duly observe and conform to all valid requirements of a governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;

(j) do, make and execute, from time to time at the Secured Party's request, all such financing statements, further assignments, documents, acts, matters and things as may be reasonably required by the Secured Party with respect to the Collateral or any part thereof or as may be required to give effect to these presents, and the Debtor hereby constitutes and appoints the Secured Party or any receiver, manager or receiver-manager appointed by the Court or the Secured Party as hereafter set out (all of whom are hereinafter referred to as the "**Receiver**"), the true and lawful attorney and agent of the Debtor irrevocably with full power of substitution to do, make and execute all such assignments, documents, acts, matters or things with the right to use the name of the Debtor whenever and wherever it may be deemed necessary or expedient. The Receiver shall, from the date of the appointment, be an agent and officer of the Debtor. The Debtor shall be solely responsible for the acts, costs, defaults and remuneration of the Receiver and the Secured Party shall bear no liability therefor;

(k) give immediate notice to the Secured Party in the event of a change of the individual, corporate or trade name or of a change of the residential or business address of the Debtor;

(l) give immediate notice to the Secured Party of any sale of any of the Collateral and of the serial number, year, make and model of all Serial Numbered Goods at any time included in the Collateral or such other information as may be necessary from time to time for Secured Party to properly perfect its security interest in the Collateral;

(m) pay, on demand of the Secured Party, all reasonable expenses, including legal fees and disbursements on a solicitor and own client basis, filing and discharge costs, site investigation costs, appraisal costs, inspection costs, and all the remuneration of any receiver appointed hereunder or by court order, or incurred by the Secured Party in the preparation, attachment, perfection, enforcement or discharge of this Agreement or the security interest created thereby;

(n) not use the Collateral or any part thereof or acquire any after acquired property primarily for personal, family or household purposes or otherwise as Consumer Goods; and

(o) not permit any of the Collateral to be removed from the jurisdiction in which it is situate, or permit the Collateral to become an accession or a fixture to any other property other than other Collateral.

## **ARTICLE VI - MAINTAINING THE SECURITY INTEREST**

**6.1** The Debtor shall pay all expenses and, upon request, take any action reasonably deemed advisable by the Secured Party to preserve the Collateral or to establish, determine the priority of, perfect, continue perfected, terminate or enforce the Secured Party's interest or rights in it under this Agreement. If the Debtor fails to act as required by this Agreement, the Secured Party is authorized, in the Debtor's name, to take any such action, including without limitation, signing the Debtor's name or paying any amounts so required, and the cost thereof shall be a debt owing to the Secured Party and form part of the Obligations.

## **ARTICLE VII - DEFAULT**

**7.1** The Secured Party may, at its option, in writing, declare the Debtor to be in default under this Agreement and, or alternatively, may declare the whole or any part of the unpaid balance of any of the Obligations secured by this Agreement immediately due and payable if any of the following events occurs:

(a) the Debtor fails to pay when due any of the Obligations;

(b) the Debtor fails to perform any term, condition, provision, covenant or undertaking of this Agreement or any other agreement between the Debtor and the Secured Party;

(c) the Debtor ceases or threatens to cease to carry on its business, commits an act of bankruptcy, becomes insolvent, makes an assignment or bulk sale of all or substantially all of its assets, or proposes a compromise or arrangement to its creditors;

(d) any proceeding is taken with respect to a compromise or arrangement or to have the Debtor declared bankrupt or wound up or to have a receiver appointed over any part of the Collateral or if any other secured party takes possession of any part thereof;

(e) any execution, sequestration or extent or any other process of any Court becomes enforceable against the Debtor or if any distress or analogous process is levied upon the Collateral or any part thereof;

(f) the occurrence of loss, theft, damage or destruction of the Collateral not covered by contracts of insurance in amounts adequate to cover the said loss, theft, damage or destruction or where the contracts of insurance covering the Collateral or any part thereof do not contain a loss payable clause for the protection of the Secured Party as its interest may appear; and

(g) if the Secured Party in good faith believes upon commercially reasonable grounds that the prospect of payment or performance on the part of the Debtor of any of its obligations is, or is about to be, impaired or that the Collateral, or any part thereof, is, or is about to be, in jeopardy including danger of being lost, damaged or confiscated or removed from the jurisdiction in which it is situate.

## **ARTICLE VIII - ENFORCEMENT AND REMEDIES**

**8.1** Upon default the security interests granted hereby shall become enforceable and the Secured Party shall have all the rights and remedies available to it under the applicable laws, including, but without restricting the generality of the foregoing, the following rights and remedies:

(a) the Secured Party may appoint by instrument in writing a Receiver of all or any part of the Collateral and remove or replace such Receiver from time to time or may institute proceedings in any Court of competent jurisdiction for the appointment of such a Receiver. Any such Receiver or Receivers so appointed shall have power to take possession of the Collateral hereby charged or to carry on the business of the Debtor and to concur in selling any of such Collateral or any part thereof, and for such purposes to occupy and use any real or personal property of the Debtor without charge therefor for so long as may be necessary;

(b) the Secured Party may demand that the Debtor assemble the Collateral or any part thereof, in any convenient place designated by the Secured Party and deliver possession of all of the Collateral or any part thereof to the Secured Party;

(c) the Secured Party may take such steps as it considers necessary or desirable to obtain possession of all or any part of the Collateral, and to that end the Debtor agrees that the Secured Party may by its servants, agents or Receiver at any time during the day or night enter upon lands and premises, and if necessary break into houses, buildings and other enclosures where the Collateral may be found for the purpose of taking possession of and removing the Collateral or any part thereof;

(d) the Secured Party may seize, collect, realize, borrow money on the security of, release to third parties or otherwise deal with the Collateral or any part thereof in such manner, upon such terms and conditions and at such time or times as may seem to it advisable and without notice to the Debtor (except as otherwise required by any applicable law);

(e) the Secured Party may charge the Debtor for any expense incurred by the Secured Party (including taxes, insurance, legal fees and disbursements on a solicitor and own client basis, site inspection costs, and appraisal, accounting and receiver fees) in protecting, seizing, collecting, realizing, borrowing on the security of, selling or obtaining payment of the Collateral or any part thereof and may add the amount of such sums to the indebtedness of the Debtor;

(f) the Secured Party may elect to retain all or any part of the Collateral in satisfaction of the obligations, indebtedness and liabilities of the Debtor to the Secured Party;

(g) the Secured Party may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other securities as the Secured Party may see fit without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize the Collateral;

(h) in the event of the Secured Party taking possession of the Collateral, or any part thereof in accordance with the provisions of this Agreement, the Secured Party shall have the right to maintain the same upon the premises on which the Collateral may then be situate and for the purpose of such maintaining shall be entitled to the free use and enjoyment of all necessary buildings, premises, housing, stabling, shelter and accommodation for the proper maintaining, housing and protection of the Collateral so taken possession of by the Secured Party as aforesaid, and for its servant or servants, assistant or assistants and the Debtor covenants and agrees to provide the same without cost or expense to the Secured Party until such time as the Secured Party shall determine in its discretion to remove, sell or otherwise dispose of the Collateral so taken possession of by it as aforesaid;

(i) to facilitate the realization of the Collateral, the Secured Party may carry on or concur in the carrying on of all or part of the business of the Debtor and may, to the exclusion of all others, including the Debtor, enter upon, occupy and use all or any of the premises, buildings, plant and undertaking of the Debtor or occupied or used by the Debtor, and use all or any of the tools, machinery and equipment of the Debtor for such time as the Secured Party sees fit, free of charge, to manufacture or complete the manufacture of any inventory and to pack and ship the finished product, and the Secured Party shall not be liable to the Debtor for any neglect in so doing or in respect of any rent, rent charges, depreciation or damages in connection with such actions;

(j) the Secured Party may, if it deems it necessary for the proper realization of all or any part of the Collateral, pay any encumbrance, lien, claim or charge that may exist or be threatened against the Collateral and in every such case the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the Obligations at the date of payment thereof by the Secured Party;

(k) the Secured Party may sell, lease or otherwise dispose of all or any part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained therefore and on such terms as to credit, including deferring payment for the Collateral so disposed of, and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Secured Party may seem reasonable, provided that if any sale is on credit the Debtor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies therefor are actually received; and



(l) all monies collected or received by the Secured Party in respect of the Collateral may be applied on account of such parts of the indebtedness and liability of the Debtor as to the Secured Party seems best or may be held inappropriate in a Collateral account or in the discretion of the Secured Party may be released to the Debtor, all without prejudice to the Secured Party's claims upon the Debtor.

**8.2** Notwithstanding anything contained in Article 8.1 herein, the Secured Party shall have the right to collect any payment arising from any Account Receivables or Intangibles both before and after default.

**8.3** The rights and remedies herein conferred upon the Secured Party shall be cumulative and not alternative and shall be in addition to and not in substitution for or in derogation of rights and remedies conferred by applicable laws.

## **ARTICLE IX - WAIVER**

**9.1** The Secured Party may permit the Debtor to remedy any default without waiving the default so remedied, and the Secured Party may waive any default without having waived any other subsequent or prior default by the Debtor. A waiver shall only be binding on the Secured Party if it has been given in writing.

**9.2** The Debtor shall not be discharged by any extension of time, additional advances, renewals and extensions, the taking of further security, releasing of security, extinguishment of the security interest created herein as to all or any part of the Collateral, the failure to perfect the security interest or any other act except a release or discharge of the said security interest upon the full payment of the obligations, indebtedness and liabilities secured by this Agreement, including charges, expenses, fees, costs and interest.

**9.3** The Debtor waives the right to receive any Verification Statements or Financing Statements related to this Agreement.

## **ARTICLE X - NON-LIABILITY OF THE SECURED PARTY**

**10.1** The Secured Party shall not be liable or accountable for any failure to seize, collect, realize, sell or obtain payment of the Collateral or any part thereof and shall not be bound to institute proceedings for the purpose of seizing, collecting, realizing or obtaining possession or payments of the same or for the purpose of preserving any rights of the Secured Party, the Debtor, or any other person, firm or body corporate in respect of same. The Secured Party shall use reasonable care in the custody and preservation of Collateral it has taken into its possession and the Debtor hereby agrees that the Secured Party shall not be obliged to preserve any rights against other persons or take any steps to preserve any rights of the Debtor in the Collateral.

**10.2** The Secured Party shall not be liable or accountable to the Debtor in any manner whatsoever on account of the Secured Party releasing information relating to this or any other agreement between the parties to another person pursuant to a legal requirement to do so.

## **ARTICLE XI - ADDITIONAL SECURITY**

**11.1** This Agreement is in addition to and not in substitution for any other agreement between the parties creating a security interest in all or part of the Collateral, and whether heretofore or hereafter

made, and the terms of such other agreement or agreements shall be deemed to be continued unless expressly provided to the contrary in writing and signed by the parties.

## **ARTICLE XII - ATTACHMENT**

**12.1** Subject to Section 12.2, the Debtor warrants and acknowledges that value has been given, the Debtor has rights in the Collateral and the Debtor and the Secured Party intend the security interests created by this Agreement to attach upon the execution of this Agreement.

**12.2** With respect to any part of the Collateral to be acquired by the Debtor after the date hereof, the Debtor warrants and acknowledges that the Debtor and the Secured Party intend the security interests created by this Agreement to attach as soon as the Debtor has rights therein.

## **ARTICLE XIII - FUTURE ADVANCES**

**13.1** Nothing herein contained including the execution of this Agreement nor the perfection of any of the security interests contained herein shall obligate the Secured Party to make any advance or future advance or loan or renewal or extension of any indebtedness or liability of the Debtor whatsoever.

## **ARTICLE XIV - NOTICES**

**14.1** Notwithstanding anything herein contained and whether or not expressly stipulated herein, every notice or other communication contemplated hereby or otherwise relating hereto shall be in writing. Every notice required or permitted to be communicated herein, may be:

- (a) served personally by leaving it with the party to whom it is to be communicated;
- (b) communicated by facsimile to the party to whom it is to be communicated; or
- (c) sent by reputable overnight courier.

If a notice is served personally, it shall be deemed to have been validly communicated to and received by the party to whom it was addressed on the date on which it was delivered. If a notice is communicated by facsimile, it shall be deemed to have been validly communicated to and received by the party to whom it was addressed on the expiry of eight hours after it was transmitted or 9:00 o'clock a.m. (according to the time zone of the party to whom it was addressed) on the day following its transmission, whichever is later. If a notice is sent by courier as aforesaid, it shall be deemed to have been validly communicated to and to have been received by the addressee thereof on the third day following the sending thereof. Any address as provided for in this Section may be changed by written notice as contemplated by this Section, and the respective addresses of the parties hereto for the communication of notice shall be to the addresses on page 1 of this Agreement, and to the individuals listed in Schedule C as contact persons.

## **ARTICLE XV - INTERPRETATION**

**15.1** All headings used in this Agreement have been inserted for convenience of reference only and are not intended to assist in the interpretation of any of the provisions of this Agreement unless expressly referred to in the provisions of this Agreement.

**15.2** Unless otherwise defined in this Agreement, all capitalized terms shall have the meaning ascribed to them in the applicable Uniform Commercial Code.

**ARTICLE XVI - AMENDMENT**

**16.1** Any amendment or modification of this Agreement shall be effective only if in writing and signed by the Secured Party and the Debtor.

**ARTICLE XVII - GENERAL**

**17.1** The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision.

**17.3** This Agreement shall be interpreted in accordance with the laws of the state where the Collateral is located.

**ARTICLE XVIII - RECEIPT OF COPY**

**18.1** The Debtor hereby acknowledges receipt of a copy of this Agreement.

**ARTICLE XIX - SUCCESSORS**

**19.1** This Agreement benefits the Secured Party, its successors and assigns and binds the Debtor and its heirs, executors, personal representatives, successors and assigns.

IN WITNESS WHEREOF the Debtor has executed this Security Agreement this \_\_\_\_ day of \_\_\_\_\_, 2012.

**[DEBTOR]**

\_\_\_\_\_  
Per: **[name]**  
Authorized Signatory

**SCHEDULE A**

This is Schedule A to a General Security Agreement  
Between  
YOU MOVE ME LLC, a Washington limited liability company and  
**DEBTOR**

**Debtor Information:**

**Where Debtor is an Individual:**

1. Name on your birth certificate or, if adopted, your name by adoption:

Full First Name                      Full Second Name                      Surname

2. DBA Name(s), Trade Name(s) or Alias(es):

3. Date and place of birth:

Date of Birth                      Place of Birth

4. Principal Residence:

**Where Debtor in an Entity**

Type of Entity                      Jurisdiction of Formation                      States Where Authorized to Carry on Business

**SCHEDULE B**

This is Schedule B to a General Security Agreement  
Between  
YOU MOVE ME LLC, a Washington limited liability company and  
**[DEBTOR]**

**Permitted Encumbrances:**

Purchase Money Security Interests held by the lessors or creditors pursuant to Vehicle Leases (as that term is defined in the Franchise Agreement): (i) encumbering no more than the minimum number of Vehicles required under the Franchise Agreement, and (ii) only encumbering the particular Vehicle, and no other property of Debtor.

**Serial Numbered Goods:**

Description	Serial Number	Make	Model	Year
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**SCHEDULE C**

This is Schedule C to a General Security Agreement  
Between  
YOU MOVE ME LLC, a Washington limited liability company and  
**[DEBTOR]**

**Contact Persons:**

For the Debtor: **[name]**

For the Secured Party: **[name]**

**EXHIBIT H**  
**State Specific Addenda**

## STATE SPECIFIC ADDENDA

The following modifications are made to the YOU MOVE ME LLC Franchise Disclosure Document and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement dated \_\_\_\_\_, 20\_\_.

**The following are state specific changes for certain franchise registration states and are applicable to you only if you are covered by the franchise law of the referenced state:**



## CALIFORNIA

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Disclosure Document.

You must sign a general release of claims if you renew or transfer your franchise rights. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000-31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 - 20043).

Neither we, nor any person or franchise broker disclosed in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in this association or exchange.

The Franchise Agreement requires application of the laws of the State of Washington. This provision may not be enforceable under California law.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec 101 et seq.).

The Franchise Agreement contains a covenant not to compete that extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The Franchise Agreement contains a liquidated damages clause, which, under Civil Code Sec. 1671, may not be enforceable

If the Franchise Agreement contains any provision that allows us to recover liquidated damages or termination payments, and if that provision is held unenforceable by an arbitrator or court of competent jurisdiction or if we waive that provision, then we are permitted instead to recover contractual damages caused by any breach of contract or default by you.

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

Section 31125 of the California Corporation Code requires us to give you a Disclosure Document, in the form and containing the information as the Commissioner of Corporations may by rule or order require, before we ask you to consider a proposed material modification of your franchise agreement.

The URL of our website is [www.youmoveme.com](http://www.youmoveme.com). OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS AT [www.corp.ca.gov](http://www.corp.ca.gov).

## HAWAII

The following is added to the Cover Page:

THESE FRANCHISES WILL BE OR HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU, AT LEAST SEVEN DAYS BEFORE THE EXECUTION BY YOU, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS BEFORE THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU.

## ILLINOIS

Any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside the State of Illinois may not be enforceable, and is amended to the minimum extent required by Illinois law.

Any provision described in the Disclosure Document and contained in the Franchise Agreement that imposes the law of any other state may not be enforceable, and is amended to the minimum extent required by Illinois law.

Any provision in the Franchise Agreement that limits the continuing effectiveness of representations made by us in the Disclosure Document is amended to the minimum extent necessary to allow for the continued reliance by you on the accuracy of the statements and representations made by us in the Disclosure Document.

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

The Items 5 and 7 of the Disclosure Document and Section 3 and Schedule B of the Franchise Agreement are amended to provide that initial franchise fees are paid when our pre-opening obligations to you are complete and you are ready to commence business. The Illinois Attorney General's Office has imposed the deferral requirement because of our financial condition.

## KANSAS

Section 21.1 of the Franchise Agreement states that you will indemnify and hold us, and our subsidiaries, affiliates, shareholders, directors, officers, employees, agents, assignees and other franchisees; harmless against all liabilities, obligations, and consequential damages, taxes, costs, losses and actual legal expenses; any claim, litigation or other action or proceeding arising out of the operation of the franchised business. However, you are not required to indemnify us for claims resulting solely from our breach of this Agreement or other wrongs we commit. This provision may not be enforceable in Kansas unless separately negotiated and reasonable. By signing this Addendum, you hereby agree that you separately considered and had an opportunity to consult legal counsel concerning this indemnity, and that you consider it reasonable.

Section 14.5 of the Franchise Agreement requires that you name us as an additional named insured on certain insurance policies. This provision may not be enforceable in Kansas unless separately negotiated and reasonable. By signing this Addendum, you hereby agree that you separately considered and had an opportunity to consult legal counsel concerning this insurance clause, and that you consider it reasonable.

## MARYLAND

Item 17 of the Disclosure Document and any provision in the Franchise Agreement providing for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

Item 17 of the Disclosure Document and sections of the Franchise Agreement requiring that you sign a general release as a condition of renewal, sale and assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law

The Franchise Agreement is amended to state that all representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

The Franchise Agreement is revised to state that any claims under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

Item 17v of the Disclosure Document and Section 21.12 of the Franchise Agreement are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

## MICHIGAN

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

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

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

(iv) You or your proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

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

(i) A provision that permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you unless provision has been made for providing the required contractual services.

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

Any questions regarding this notice should be directed to:

State of Michigan  
Consumer Protection Division  
Antitrust and Franchise Unit  
670 Law Building  
Lansing, Michigan 48913  
Telephone Number: (517) 373-7117

Any provision in the Franchise Agreement specifying that litigation between us and you is to take place outside of Michigan is amended to provide instead that litigation will be brought either in the forum designated in the Franchise Agreement or in the state or federal courts located in Detroit, Michigan, and the parties consent to the jurisdiction of those courts; provided, however, that we reserve the right to seek relief in any other jurisdiction as may be necessary or desirable to obtain declaratory, injunctive, or other relief to enforce the provisions and restrictions of the Franchise Agreement. This amendment will have no effect on the forum or venue of any arbitration proceeding between us and you.

## MINNESOTA

Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, may prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

We will comply with Minnesota Statute 80C.14 subdivisions 3, 4, and 5, which require (except in certain specified cases), that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement; and that consent to the transfer will not be unreasonably withheld.

We will protect your right to use the primary trademark, service mark, trade name, logotype or other commercial symbol or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of our primary trade name.

Minnesota Rule 2860.4400D may prohibit us from requiring you to assent to a general release.

In accordance with Minnesota Rule 2860.4400J, to the minimum extent required by law, the Disclosure Document and the Franchise Agreement are modified so that we can not require you to waive your rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes; provided that this part shall not bar an exclusive arbitration clause.

Any statements in the Disclosure Document and Franchise Agreement stating that we are entitled to injunctive relief are amended to read "we may seek injunctive relief". A court will determine if a bond is required.

Provisions in the Disclosure Document and Franchise Agreement limiting your right to file claims, that are inconsistent with Minnesota Statute Sec. 80C.17, Subd. 5, are amended to the minimum extent required by Minnesota law.



## NEW YORK

The following language is added to the Disclosure Document at the end of Item 3:

“Except as described above, neither we, our predecessors, a person identified in Item 2, nor an affiliate offering franchises under our principal trademark has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations; or any pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

Except as described above, neither we, our predecessors, a person identified in Item 2, nor an affiliate offering franchises 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 application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

Except as described above, neither we, our predecessor, a person identified in Item 2, nor an affiliate offering franchises under our principal trademark is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling the person from membership in the 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 actions affecting a license as a real estate broker or sales agent.”

The following language is added to the Disclosure Document as the last paragraph in Item 4:

“Except as described above, neither we, our affiliates, predecessors, officers, nor general partner during the ten-year period immediately before the date of the disclosure document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner held this position in the company or partnership.”

The following language is added to the Disclosure Document at the end of Item 5:

“The purpose of the initial fee is to pay for our training, sales, legal compliance, salary, and general administrative expenses, and profit.”

The following language is added to the Disclosure Document in Item 17d:

“You may terminate the Franchise Agreement on any grounds available by law.”

## NORTH DAKOTA

Sections of the Disclosure Document and Franchise Agreement requiring you to consent to the jurisdiction of courts outside of North Dakota or providing for resolution of disputes to be outside North Dakota may not be enforceable under North Dakota law, and are amended accordingly to the minimum extent required by law.

Sections of the Franchise Agreement requiring you to arbitrate or mediate disputes may require you to consent to a waiver of trial by jury. A waiver of trial by jury may not be enforceable under North Dakota law and any such provisions are amended accordingly to the minimum extent required by law.

Sections of the Disclosure Document and Franchise Agreement relating to choice of law, may not be enforceable under North Dakota law, and are amended accordingly to the minimum extent required by law.

Sections of the Disclosure Document and Franchise Agreement requiring you to sign a general release upon renewal of the Franchise Agreement may not be enforceable North Dakota law, and are amended accordingly to the minimum extent required by law.

Sections of the Disclosure Document and Franchise Agreement requiring you to consent to termination or liquidated damages may not be enforceable under North Dakota law. The Disclosure Document and Franchise Agreement are revised to state that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

If the Franchise Agreement contains any provision that allows us to recover liquidated damages or termination payments, and if that provision is held unenforceable by an arbitrator or court of competent jurisdiction or if we waive that provision, then we are permitted instead to recover contractual damages caused by any breach of contract or default by you.

Sections of the Franchise Agreement requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under North Dakota law, and any such provisions are amended accordingly to the minimum extent required by law.

Covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that those covenants may be subject to the statute, have been determined to be unfair, unjust, or inequitable in North Dakota. Sections of the Disclosure Document and Franchise Agreement containing covenants restricting competition to which you must agree may not be enforceable under North Dakota law, and are amended accordingly to the minimum extent required by law.

The Items 5 and 7 of the Disclosure Document and Section 3 and Schedule B of the Franchise Agreement are amended to provide that initial franchise fees are paid when our pre-opening obligations to you are complete and you are ready to commence business.

RHODE ISLAND

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." The Disclosure Document and Franchise Agreement are amended accordingly to the minimum extent required by law.

SOUTH DAKOTA

The Items 5 and 7 of the Disclosure Document and Section 3 and Schedule B of the Franchise Agreement are amended to provide that initial franchise fees are paid when our pre-opening obligations to you are complete and you are ready to commence business.

VIRGINIA

The following statements are added to Item 17.h. of the Disclosure Document:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for us to cancel your 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.

The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by you to us until we have completed our pre-opening obligations under the Franchise Agreement.

## WASHINGTON

A release or waiver of rights executed by you shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the Franchise Agreement is in effect and where the parties are represented by independent counsel. Provisions such as those that unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable and are amended to the extent required by law.

Transfer fees are collectible to the extent that they reflect our reasonable estimated or actual costs in effecting a transfer.

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

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

The Items 5 and 7 of the Disclosure Document and Section 3 and Schedule B of the Franchise Agreement are amended to provide that initial franchise fees are paid when our pre-opening obligations to you are complete and you are ready to commence business.

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

## WISCONSIN

With respect to Franchise Agreements governed by Wisconsin law, the following shall supersede any inconsistent provision:

The Wisconsin Fair Dealership Law applies to most franchise agreements in the state and prohibits termination, cancellation, nonrenewal or substantial change in the competitive circumstances of a dealership agreement without good cause. The Law further provides that 90 days' prior written notice of the proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is so cured the notice is void. The Disclosure Document and Franchise Agreement are hereby modified to state that the Wisconsin Fair Dealership Law, to the extent applicable, supersedes any provisions in the Franchise Agreement that are inconsistent with that Law. Wis. Stats. Ch. 135, The Wisconsin Fair Dealership Law, SEC 32.06(3), Wis. Adm. Code.

ACKNOWLEDGMENT:

You acknowledge that you have received and reviewed the foregoing State Law Addenda. All parties agree that, to the extent applicable and required under state law, the foregoing provisions are added to supersede or modify the existing provisions of the Franchise Agreement, but only to the extent and for so long as they embody valid, enforceable, and obligatory state law then in effect.

ACKNOWLEDGED AND AGREED as of \_\_\_\_\_, 20\_\_.

**FRANCHISOR:**

**YOU MOVE ME LLC**

**By:** \_\_\_\_\_  
**Title:** \_\_\_\_\_  
**Date Signed:** \_\_\_\_\_

**FRANCHISEE**

\_\_\_\_\_

**By:** \_\_\_\_\_  
**Title:** \_\_\_\_\_  
**Date Signed:** \_\_\_\_\_

**By:** \_\_\_\_\_  
**Title:** \_\_\_\_\_  
**Date Signed:** \_\_\_\_\_

**By:** \_\_\_\_\_  
**Title:** \_\_\_\_\_  
**Date Signed:** \_\_\_\_\_

**By:** \_\_\_\_\_  
**Title:** \_\_\_\_\_  
**Date Signed:** \_\_\_\_\_



**EXHIBIT I**

**Form of General Release**

(may be signed in connection with a transfer or renewal – actual language may vary)

RELEASE

KNOW THAT \_\_\_\_\_ and its successors, assigns, agents, affiliates, successors, parents, subsidiaries and assigns, together with their past, present and future principals, owners, shareholders, controlling persons, officers, directors, successors and assigns (collectively, "RELEASOR"), in consideration of the right to renew, assign or transfer its Franchise Agreement with YOU MOVE ME LLC ("Franchisor") and other good and valuable consideration, receipt and sufficiency whereof is hereby acknowledged, releases and discharges Franchisor and its officers, directors, employees, stockholders, agents and servants, affiliates and their respective officers, directors, employees, agents and servants and their respective successors and assigns (collectively, "RELEASEE") from any and all actions, causes of actions, suits, debts, liens, agreements, accounts, promises, liabilities, judgments, demands, losses, cost or expense, of any nature whatsoever, in law or equity, whether known or unknown, suspected or unsuspected, claimed or concealed, fixed or contingent, relating to any events or circumstances existing from the beginning of time through the date this Release is executed, which the RELEASOR, its heirs, executors, administrators, successors and assigns does have or hereafter can, shall or may have against the RELEASEE for, upon, or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this RELEASE, except for any claims that may arise under the Maryland Franchise Registration and Disclosure Law.

This RELEASE may not be changed orally.

IN WITNESS WHEREOF, the RELEASOR has executed this RELEASEE on \_\_\_\_\_, 20\_\_.

Executed and delivered in the presence of:

[Franchisee]

\_\_\_\_\_  
Witness

\_\_\_\_\_  
By:

**EXHIBIT J**

**Receipt Pages**

## RECEIPT

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully. If YOU MOVE ME LLC offers you a franchise, YOU MOVE ME LLC must provide this disclosure document to you at least 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale (or sooner if required by applicable state law).

The laws of New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If YOU MOVE ME 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and your State Administrator as set forth in Exhibit D. See Exhibit D for YOU MOVE ME's agent for service of process.

The following franchise seller(s) has/have offered this franchise on behalf of Franchisor:

<u>Name</u>	<u>Principal Business Address</u>	<u>Telephone Number</u>
Brian Scudamore	301 - 887 Great Northern Way Vancouver , BC Canada V5T 4T5	604-659-4053
Erik Church	301 - 887 Great Northern Way Vancouver , BC Canada V5T 4T5	604-637-3249
David Garrett	301 - 887 Great Northern Way Vancouver , BC Canada V5T 4T5	647-907-7735
Paul Guy	9 Dibble Street Toronto, ON Canada M4M 2E7	416-467-7251
Laurie Baggio	#375 – 19567 Fraser Hwy Surrey, BC Canada V3S 9A4	604 805-7498
Tom Rypma	3060 Kerner Blvd. Ste F San Rafael, CA 94901	415-453-2016

I have received the YOU MOVE ME LLC disclosure document with an issuance date of March 6, 2013 (see the State Cover Page specific state effective dates), which includes the following Exhibits:

- |    |  |    |                            |
|----|--|----|----------------------------|
| A. | Lists of Franchisees and Certain Former Franchisees                              | F. | Guarantee Agreement        |
| B. | Franchise Agreement with attached schedules                                      | G. | General Security Agreement |
| C. | Operations Manual Table of Contents  | H. | State Specific Addenda     |
| D. | State Regulatory Authorities and Agents for Service of Process in Certain States | I. | Form of General Release    |
| E. | Audited Opening Balance Sheet as of October 15, 2012                             | J. | Receipts                   |

**PROSPECTIVE FRANCHISEE:**

**DATE DISCLOSURE DOCUMENT  
RECEIVED: \_\_\_\_\_**

If individual:

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

\_\_\_\_\_  
(print name)

If entity:

\_\_\_\_\_  
(print name of entity)

\_\_\_\_\_  
(print state where formed)

By \_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Its \_\_\_\_\_  
(print title)

\_\_\_\_\_

**KEEP THIS COPY FOR YOUR RECORDS**

## RECEIPT

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully. If YOU MOVE ME LLC offers you a franchise, YOU MOVE ME LLC must provide this disclosure document to you at least 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale (or sooner if required by applicable state law).

The laws of New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If YOU MOVE ME 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and your State Administrator as set forth in Exhibit D. See Exhibit D for YOU MOVE ME's agent for service of process.

The following franchise seller(s) has/have offered this franchise on behalf of Franchisor:

<u>Name</u>	<u>Principal Business Address</u>	<u>Telephone Number</u>
Brian Scudamore	301 - 887 Great Northern Way Vancouver , BC Canada V5T 4T5	604-659-4053
Erik Church	301 - 887 Great Northern Way Vancouver , BC Canada V5T 4T5	604-637-3249
David Garrett	301 - 887 Great Northern Way Vancouver , BC Canada V5T 4T5	647-907-7735
Paul Guy	9 Dibble Street Toronto, ON Canada M4M 2E7	416-467-7251
Laurie Baggio	#375 – 19567 Fraser Hwy Surrey, BC Canada V3S 9A4	604 805-7498
Tom Rypma	3060 Kerner Blvd. Ste F San Rafael, CA 94901	415-453-2016

I have received the YOU MOVE ME LLC disclosure document with an issuance date of March 6, 2013 (see the State Cover Page specific state effective dates), which includes the following Exhibits:

- |    |  |    |                            |
|----|--|----|----------------------------|
| A. | Lists of Franchisees and Certain Former Franchisees                              | F. | Guarantee Agreement        |
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**PROSPECTIVE FRANCHISEE:**

**DATE DISCLOSURE DOCUMENT  
RECEIVED: \_\_\_\_\_**

If individual:

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

\_\_\_\_\_  
(print name)

If entity:

\_\_\_\_\_  
(print name of entity)

\_\_\_\_\_  
(print state where formed)

By \_\_\_\_\_  
(signature)

\_\_\_\_\_

\_\_\_\_\_  
(print name)

Its \_\_\_\_\_  
(print title)

**RETURN THIS COPY TO US**