SHACK SHINE

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FRANCHISE DISCLOSURE DOCUMENT

SHACK SHINE HOME SERVICES LLC
a Washington limited liability company
887 Great Northern Way, Suite 301,
Vancouver, B C , Canada V5T 4T5
1-888-808-7751
info@shackshine com
www shackshine com

We offer franchises for the operation of professional residential house detailing businesses under the name "SHACK SHINE "

The total investment necessary to begin operation of a SHACK SHINE franchised business consisting of one to two subterritories is $70,350 to $104,130 This includes $26,500 to $37,000 that must be paid to us or our affiliate If we grant you additional subterritories, these costs will increase by $10,500 per subterritory

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, or by phone at 1-604-909-0651 or email at info@shackshine 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 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 20, 2017

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 OUR FINANCIAL STATEMENT SHOWS THAT WE HAVE BORROWED A SUBSTANTIAL AMOUNT OF MONEY FROM AN AFFILIATE OR PARENT COMPANY IF THE PARENT OR THE AFFILIATE CANNOT CONTINUE TO PROVIDE THIS FINANCIAL SUPPORT, WE MAY NOT HAVE THE FINANCIAL RESOURCES TO PROVIDE SERVICES OR SUPPORT TO YOU

4 YOU WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM $70,350 TO $104,130 THIS AMOUNT EXCEEDS OUR MEMBER'S EQUITY AS OF DECEMBER 31, 2016, WHICH IS REPORTED TO BE A DEFICIT OF ($2,781)

5 AS PER THE AUDITED BALANCE SHEET DATED DECEMBER 31, 2016 WE HAD A NET WORTH DEFICIENCY OF ($2,781)

6 AS PER THE AUDITED BALANCE SHEET DATED DECEMBER 31, 2016 WE HAD A WORKING CAPITAL DEFICIENCY OF ($2,781)

7 YOU MUST PAY SET MINIMUM ROYALTY PAYMENTS ANNUALLY FOR EACH SUBTERRITORY YOU PURCHASE, EVEN IF YOU HAVE NO EARNINGS FAILURE TO PAY MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT

8 WE DO NOT OWN OR HAVE THE RIGHT TO USE A FEDERALLY REGISTERED TRADEMARK THAT YOU WILL USE IN YOUR BUSINESS IF OUR RIGHT TO USE OUR NAME OR TRADEMARK IN YOUR AREA IS CHALLENGED, YOU MAY HAVE TO IDENTIFY YOUR FRANCHISE, PRODUCTS, OR SERVICES WITH A NAME OR MARKS THAT DIFFER FROM THOSE USED BY OTHER FRANCHISEES OR US THESE CHANGES CAN BE EXPENSIVE, AND MAY REDUCE CUSTOMER RECOGNITION OF THE PRODUCTS OR SERVICES YOU OFFER

9 WE HAVE A LIMITED OPERATING HISTORY, SINCE JULY 8, 2015, AND HAVE BEEN OFFERING FRANCHISES FOR A SHORT PERIOD OF TIME THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT, WHICH COULD BE A HIGHER RISK INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY

10 IF YOU ARE AN ENTITY ALL OF YOUR DIRECTORS, OFFICERS, SHAREHOLDERS, PARTNERS OR MEMBERS MUST PERSONALLY GUARANTEE ALL YOUR OBLIGATIONS TO US UNDER THE FRANCHISE AGREEMENT THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNER(S) AT RISK

11 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	Pending	New York	Pending
Hawaii	Pending	North Dakota	Pending
Illinois	Pending	Rhode Island	Pending
Indiana	Pending	South Dakota	Pending
Maryland	Pending	Virginia	Pending
Michigan	February 23, 2017	Washington	Pending
Minnesota	Pending	Wisconsin	Pending

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EXHIBITS

ITEM 1 The Franchisor and any Parents, Predecessors, and Affiliates

To simplify the language in this disclosure document "Company," "us," "our" and "we" means SHACK SHINE HOME SERVICES LLC, a Washington limited liability company, the Franchisor "Shack Shine Corporate" means Shack Shine Home Services Inc , a British Columbia, Canada corporation, our parent 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

Company was formed on July 8, 2015 as Shack Shine Home Services LLC Our principal business address is 301 – 887 Great Northern Way, Vancouver, BC, V5T 4T5 We grant franchises to qualified candidates in the United States for the operation of franchises (the "Franchised Business") using the System and identified by the name SHACK SHINE and have offered these franchises since February 2016 We have no other business activities and have not operated businesses of the type being franchised We are a wholly-owned subsidiary of Shack Shine Corporate whose principal business address is also 301 – 887 Great Northern Way, Vancouver, BC, V5T 4T5 0766143 B C Ltd , a British Columbia, Canada company, holds the controlling interest in Shack Shine Corporate Our CEO, Brian Scudamore, holds the controlling interest in 0766143 B C Ltd The address for both Brian Scudamore and 0766143 B C Ltd is also 301 – 887 Great Northern Way, Vancouver, BC, V5T 4T5

Shack Shine Corporate was formed in 2013 and in April 2015 sold 85% of its shares to members of the O2E Brands group Shack Shine Corporate owns the System and related marks, including the trademark "SHACK SHINE," and its related design, and licenses them to us for our exclusive use and sublicensing in the United States Shack Shine Corporate does not offer franchises in any line of business in the United States nor do they provide products or services to our franchisees

Our affiliate, O2E Brands Inc ("O2E Brands") is a British Columbia, Canada company incorporated on April 15, 2014 with a principal place of business at 887 Great Northern Way, Suite 301, Vancouver, BC, Canada, V5T 4T5 O2E Brands provides shared franchise services, such as marketing, human resources, business technology, legal and finance to all franchised brands founded by one of our co-founders, Brian Scudamore, including to the Shack Shine System O2E Brands does not offer franchises in any line of business in the United States

Our agents for service of process are disclosed in Exhibit D to this disclosure document

The System

The Shack Shine system is a unique method for operating and franchising professional residential house detailing services, including pressure washing, gutter cleaning, exterior window washing, and Christmas light installation (the "System") "Residential" is defined as where services are requested by an individual for his or her own single detached residence or the single detached residence of an individual with whom he or she has a personal relationship and not a professional relationship as it relates to the request for services Our main competitive advantage over other house detailing companies is the way we deliver our service Shack Shine projects are completed by means of combining a strategic operating plan and a sufficient number of trained staff to carry out the plan The System includes customized software, brand development, training, business processes, marketing programs, and access to the exclusive service of the "Sales Center," as well as the mark "SHACK SHINE" and related marks (collectively, the "Marks") Shack Shine Corporate manages the Sales Center in Vancouver, BC on our behalf, 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 You must also purchase or lease a vehicle that meets our requirements for use in your Franchised Business Your vehicle must be outfitted, wrapped or decaled to our specifications

You will operate your Shack Shine Franchised Business in an assigned territory Your Territory will generally consist of two subterritories, but in some circumstances we may sell a franchise consisting of one subterritory or more than two subterritories Each Franchised Business shall not exceed a maximum of three subterritories, unless determined by the Company in its sole discretion A subterritory is a geographic area we determine that has approximately 150,000 to 200,000 people based on recently published census data

Market and Regulatory Matters

The market for your services is competitive and developed You will be competing with other residential house detailing businesses, including local window and pressure washing companies, individuals performing window and pressure washing services, and other franchised house detailing operations In particular, your main competitors include Men in Kilts, Fish Window Cleaning, and Window Genie All of these companies are franchised operations with a range of approximately 12-150 franchises each

Each municipality has divisions that monitor business and trades to ensure they follow all applicable laws Each jurisdiction will issue a business license 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, 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

You will be required to research and to follow all pertinent local, state and federal laws and regulations specific to your business You will also be required to comply with all general business and commercial vehicle licensure laws and regulations The Franchised Business will perform professional residential house detailing services We urge you to make inquiries about laws that may be applicable to your Franchised Business Because 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

Chief Executive Officer/ Director, Member of Board of Directors **Brian C Scudamore**

Brian Scudamore has served as the Company's Chief Executive Officer ("CEO") since formation and as the CEO and a director of Shack Shine Corporate since April 2015 Mr Scudamore has also served as CEO of O2E Brands since April 2014 He has served as the CEO of 1-800-GOT-JUNK? LLC since October 1998, of You Move Me LLC since September 2012 and of WOW 1 DAY Painting LLC since December 2010, all located in Vancouver, B C

Chief Operating Officer/Director, Member of the Board of Directors **Erik Church**

Erik Church has served as the Company's Chief Operating Officer ("COO") since formation, and as the COO and a director of Shack Shine Corporate since April 2015 Mr Church has also served as COO of O2E Brands since April 2014 Mr Church has also served as the COO of 1-800-GOT-JUNK? LLC and of WOW 1 DAY Painting LLC since November 2011, and of You Move Me LLC since September 2012

Managing Director, Corporate Operations/Director, Member of the Board of Directors **David Notte**

Dave Notte has served as the Company's Managing Director since formation and has been the owner of Shack Shine's North Shore, British Columbia, Canada Franchise since January 2014 Mr Notte has also served as the CEO of Wolfgang Commercial Painters in Vancouver, B C , Canada since January 1, 2004

Vice President, Marketing of O2E Brands **Geoff Henshaw**

Geoff Henshaw joined O2E Brands in February 2017 as Vice President, Marketing Prior to joining O2E Brands, Mr Henshaw held positions at Shoes com in Vancouver, B C , Canada as Vice President of Marketing from May 2016 to January 2017, and as Vice President of Brand & Retail from May 2015 to May 2016 Mr Henshaw also held positions at Coastal Contacts Inc in the Sydney Area of Australia as Managing Director from June 2013 to May 2015, and as Senior Regional Manager from December 2012 to May 2013

Vice President, Partner Development of O2E Brands **Barb Agostini**

Barb Agostini joined O2E Brands in September 2016 as Vice President, Partner Development Prior to joining O2E Brands, Ms Agostini held the position of Managing Partner with Recruiting Social from January 2015 to August 2016, and held positions with Mindfield Group as Vice President, Sales and Marketing from September 2014 to January 2015 and as Vice President, Customer Operations from June 2011 to August 2014 All positions were in Vancouver, B C

General Counsel **Amy Peck**

Amy Peck joined Company as General Counsel in August 2012 Prior to joining Company, Ms Peck was a partner at the law firm of Borden Ladner Gervais LLP in Vancouver, B C , Canada, having worked at that firm since 2002

Franchise Development Manager **Jeremy Ennis**

Jeremy Ennis currently serves as the Franchise Development Manger for Shack Shine, which position he has held since October 2015 Prior to joining Shack Shine Mr Ennis was a recruitment consultant for

Experis in Vancouver, B C, Canada from March 2015 to October 2015, a recruitment consultant for The Employment Office from March 2014 to March 2015, and was the Recruitment Manager for Appco Group Canada in Toronto from September 2011 to September 2013 From February 2011 through September 2011, Mr Ennis was travelling in Australia.

Launch Operations Manager **Casey Renkema**

Casey Renkema currently serves as the Launch Operations Manager for Shack Shine, which position he has held since September 2015 Before joining Shack Shine, Mr Renkema worked for Best Service Pros in Vancouver, B C, Canada and was Operatings Manager from February 2014 to August 2015, Branch Manager from April 2013 to February 2014, and Management Trainee from March 2012 to April 2013

ITEM 3 Litigation

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

ITEM 4 Bankruptcy

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

ITEM 5 Initial Fees

The Initial Fee for most franchises is $26,500, which includes $16,000 for the first subterritory, plus $10,500 for one additional subterritory The minimum Initial Fee is for a territory consisting of one subterritory, in which case the Initial Fee is $16,000 The Initial Fee is payable to us in a lump sum when you sign the Franchise Agreement The Initial Fee is non-refundable and is fully earned upon receipt

If we grant you additional subterritories within which to operate the Franchised Business, you must pay us a subterritory Initial Fee of $10,500 for each additional subterritory We may (in our sole discretion) allow you to pay the subterritory Initial Fees with respect to some of the additional subterritories in equal monthly installments for a period not to exceed one year We may not allow you to operate or service customers in any such subterritories until you pay the subterritory Initial Fees in full The subterritory Initial Fee shall be deemed to be earned in full by us upon our granting to you the rights to operate the Franchised Business within the additional subterritory The subterritory Initial Fee is non-refundable

You must also pay to us $10,000 for Initial Marketing Expenses We will spend this amount in your area to market and promote your Franchised Business before you open and during the first 6 months after you begin business The Initial Marketing Expense monies are non-refundable You must also pay us a non-refundable vehile lease administration fee of $500 for each lease or sublease of the vehicles used in the Franchised Business

ITEM 6 Other Fees

OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalty	8% of Gross Revenue See Note 1	Semi-monthly on the third business day after the 15th and last day of each month	Paid by electronic fund transfer
Minimum Royalty	Depending upon your year of operation, the Minimum Royalty will range from $4,000 to $15,000 per subterritory In the first year of operation, if Scheduled Opening Date is after October 1st, then Minimum Royalty will be waived See Note 2	On or before January 15th each year	Balance of Minimum Royalty is only payable if the Royalties actually paid by you in a year of operations are less than the Minimum Royalty
Sales Center Fee	6% 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 Shack Shine Corporate manages the Sales Center on behalf of our Franchisees Paid by electronic fund transfer
Customer Relationship Management (CRM) Fee	Dispatch License $65 per user, per month Standard Licenses $20 per user, per month Google Licenses $5 per month for additional See Note 3	Within 30 business days of billing by us	This money is used to purchase licenses from third-party CRM software providers The amounts shown here are what our vendors currently charge and are subject to change at any time We do not add a charge to this fee and only pass through what our vendors charge us

Name of Fee	Amount	Due Date	Remarks
Marketing Fund	2% of Gross Revenue	Same as Royalty	This money goes into an Advertising/Promotions (Marketing) Fund which we use for regional and national advertising Paid by electronic transfer
Branding Cooperative	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 the Franchisor These amounts are not 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
Initial Marketing Expense	$10,000	At signing of the Franchise Agreement	The Initial Marketing Expense will be used by us in our discretion to market and promote the Franchised Business prior to and during the first 6 months of operation

Name of Fee	Amount	Due Date	Remarks
Advertising Materials	\$200 to \$500	As incurred	Occasionally Franchisor will purchase advertising materials in-bulk on behalf of the franchisees When this happens, franchisee will be required to purchase these advertising materials directly from us, usually at our cost You may have additional local marketing obligations over an above the purchase of such materials
Additional Training	Payment for additional training or retraining at up to \$500 per person per day for up to possibly 8 days	Within 30 business days of billing by Franchisor	There is no separate charge for initial training for two people The costs of transportation, accommodations, meals and living expenses associated with additional training, for which you are responsible, are not disclosed since they will vary greatly depending upon the timing of the training and your location in relation to Vancouver, BC, the site of training
Approval of New Products or Suppliers	Our reasonable expenses incurred	Upon demand	You must reimburse us for reasonable expenses we incur in approving new items or suppliers you request
Vehicle Lease Administration Fee	\$500 per Vehicle Lease	Upon signing lease for vehicle	You must pay this fee for each vehicle you lease
Transfer	\$15,000	You are required to pay \$2,500 upon announcing your intention to sell, and the balance upon transfer	No charge if transferred to an entity controlled by you

Name of Fee	Amount	Due Date	Remarks
Renewal Fee	$10,000	At least 30 days 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
Audit Expenses	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 on your part, whether monetary or otherwise
Interest on late payments	Lower of 24% per annum or highest amount allowed under applicable law	Upon demand	Payable on all overdue amounts accruing from the date payment is due until payment is received by us
Annual Conference	$900 plus costs associated with attendance	As incurred	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
Management Assistance	$450 per day plus out of pocket expenses	Within 7 days of invoice	Payable if we exercise our right to run your Franchised Business
Liquidated Damages	$25 -$2,500, depending upon the breach	Upon demand	Payable if we determine that you have breached a standard set out in the Franchise Agreement or Operations Manual Amount of damages depends upon the nature of the violation
Indemnity	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

Notes

(1) Gross Revenue is defined in the Franchise Agreement to mean "the entire amount of the sale price, whether for cash, credit, payment in kind (valued at fair market value), or otherwise, of all sales, including but not limited to the sale of any Services or products from or in connection with the operation of the Franchised Business No deductions shall be allowed for uncollected or uncollectible credit accounts or in respect of any other matter except for sums collected by or on behalf of Franchisee for any governmental authority on account of sales taxes, services taxes, or other taxes imposed directly upon the sale of goods or services (or both) from the Franchised Business, provided that the amount of any such tax has in fact been paid or otherwise accounted for by Franchisee to the appropriate governmental authority, the amount of any refund or credit given in respect of any services or products 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 as long as such refund or credit is given in accordance with Franchisor's policies and procedures in relation to refunds set out in the Operations Manual, and amounts uncollected from a customer of the Franchised Business due to discount coupons that were approved for use in advance by Franchisor Where the operation of the Franchised Business has been interrupted, all sales assumed to have been lost by Franchisee by virtue of such interruption, being the basis upon which an insurer has paid business interruption insurance, shall also be included in the calculation of Gross Revenue "

(2) Minimum Royalty per subterritory is $4,000 in the first year of operations, $8,000 in the second year of operations, and $15,000 in the third and each subsequent year of operations In the first year of operations, if the Scheduled Opening Date is after October 1, then the Minimum Royalty will be waived

(3) The Franchisor will provide one (1) free Dispatch License for each Franchise Business The Dispatch License is required by anyone at the Franchised Business who needs to add, delete, move and dispatch jobs, adjust routes or change pricing The Franchisor will provide one (1) free Standard license for each Franchise Business A standard license is used by anyone who needs to create accounts and opportunities, build estimates and generate docs This type of license may not be a fit for your Franchised Business at this time The Franchisor will provide three (3) free Google Licenses to each Franchise Business Each additional Google Licenses will be $5 per month

Unless otherwise noted, all fees are imposed by and payable to Company, are uniformly imposed, and are non-refundable

ITEM 7 Estimated Initial Investment

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is to Be Made
	Low	High			
Initial Franchise Fee (Note 1)	$16,000	$26,500	Lump sum	At signing of Franchise Agreement	Company
Initial Marketing Expense (Note 2)	$10,000	$10,000	Lump sum	At signing of Franchise Agreement	Company
Computer Hardware and Software (Note 3)	$1,200	$2,000	As arranged	As incurred	3rd Party Vendors
Miscellaneous Opening Costs (Note 4)	$1,000	$2,000	As arranged	As arranged	3rd Party Vendors
Vehicles & Graphics Lease/Purchase Deposit (Note 5)	$1,900	$5,500	Monthly Lease	Monthly	Company/Dealer/Seller/Lessor/ Finance Company
Real Estate/Rent (Note 6)	$0	Cannot estimate	As arranged	As arranged	Landlord/Lessor
Training Expenses (Note 7)	$1,800	$4,650	As required by vendors	Before Opening	3rd Party Vendors
Insurance (Note 8)	$250	$300	As arranged	As arranged	3rd Party Vendors
Cell Phone & Accessories (Note 9)	$150	$500	As arranged	Before opening	3rd Party Vendors
Equipment and Supplies (Note 10)	$16,000	$19,000	As arranged	Before opening	3rd Party Vendors
Customer Relationship Management (CRM) Fee	$0	$1,080	Monthly Fee	Monthly	Company
Licenses and Permits (Note 11)	$150	$200	As arranged	As incurred	Governmental authorities
Professional Fees (Note 12)	$1,900	$2,400	As arranged	As incurred	Lawyers, accountants, other professionals, etc
Additional Funds – 6 Months (Note 13)	$20,000	$30,000	As required by vendors and employees	As incurred	Employees, Suppliers, Utilities
TOTAL (Notes 14 and 15)	$70,350	$104,130			

Notes

(1) This figure includes $16,000 for the first subterritory, plus $10,500 for one additional subterritory While the majority of franchises will be two territories, we may sell one territory or more than two

subterritory franchises in certain appropriate markets or circumstances Each Franchised Business shall not exceed a maximum of three subterritories, unless determined otherwise by Company in Company's sole discretion The subterritory Initial Fee is $10,500 per each additional subterritory

(2) The Initial Marketing Expense will be used by us in our discretion to market and promote the Franchised Business prior to and during the first 6 months of operation 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 or unexpected start-up expenses, including items such as hands-free cell phone devices, attendance at networking events, etc

(5) The above figures assume you lease one vehicle and represent the initial lease deposit for that vehicle Costs may vary substantially, especially if you elect to purchase a vehicle rather than lease one You must purchase or lease vehicles which meet our standards and specifications, and you are required to use only those vehicles in the operation of any part of the Franchised Business You are permitted to use those vehicles only 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 or decaled to our specifications, the cost of which is included in the above estimated figures Please see Section 5 and Schedule C of the Franchise Agreement for further details

(6) We do not require you to lease office or storage space You may operate your Franchised Business from a home-based office, in which case, there would be no cost to you for rent If you choose to rent office space, we cannot estimate the amount of rent as it will vary depending on a number of factors, including size, condition and location of the facility If you do not have sufficient storage space at your designated office then we recommend that you rent a 20' by 10' storage garage, which we estimate would cost $250 per month, although such prices may vary greatly

(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 shared accommodations from $100-200 per night, one meal per day at $20 per person (we provide breakfast and lunch during training), air transportation at $500-1,000 per person, and shared local transportation at $10-25 per day

(8) You must purchase insurance in accordance with our specifications

Type	Coverage
Comprehensive Liability	not less than $5,000,000 per occurrence
Business Interruption	As required by Franchisor
Vehicle Liability	Not less than $2,000,000 or as required by Franchisor
Worker's Compensation	As required by state law
Other	As required by 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 a desk, stationary, etc) This item also includes all equipment that will be in the vehicles, such as pressure washers, water poles, safety equipment, etc

(11) Government 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 likely 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) This estimates your initial operating expenses, including working capital and marketing expenses, during the initial start-up months Your costs will depend on factors such as following our methods and procedures, your management skill, whether you elect to hire a General Manager, experience and business knowledge, 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 local 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 use taxes on goods and service, and a variety of other amounts not expressly described and included in the notes above

(14) We relied on our experience in Canada to compile these estimates You should review these figures carefully with a business advisor 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

(15) Unless otherwise noted, all fees payable to us are nonrefundable under any circumstances Refundability of fees paid to third parties, however, will depend on your negotiation with each party Neither Company nor its affiliates generally offer financing of all or part of the initial investment

ITEM 8 Restrictions on Sources of Products and Services

You must purchase or lease all items approved for sale in connection with for your Franchised Business, and certain items you use in connection with your Franchised Business, from us or our approved supplier(s) or satisfying our specifications You must pay us directly for the Customer Relationship Management software license that we require you to use You must use the services of the Sales Center and our parent, Shack Shine Corporate, is the only approved supplier for Sales Center services We and our affiliates are not currently, but may in the future be, a supplier of other items Items you must purchase or lease from our approved suppliers include pressure washing and gutter cleaning equipment, vehicles, signage, uniforms, credit card processor, and marketing materials You must purchase or lease at least one vehicle initially, and at least two vehicles within 18 months from your Scheduled Opening Date, for each group of up to three subterritories Sometimes we will provide only specifications, and it will be up to you to find suppliers that meet our specifications for items such as tools, equipment, computer hardware and software, telephone equipment, credit card processing software, and insurance We require you to obtain insurance coverage of the types and in the amount that we specify, including Comprehensive Liability in an amount not less than $5,000,000 per occurrence, Vehicle Liability in an amount not less than $2,000,000, Business Interruption, Worker's Compensation as required by state law, and other insurance as determine Sometimes we may recommend a supplier, but we will not require you to use that supplier, while other supplier relationships are mandatory 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 The criteria we apply to designate or approve a supplier include the ability meet our standards, specifications and supply commitments, the integrity of ownership (to ensure that the supplier's association with us will not be inconsistent with our image or damage our goodwill), financial stability, and 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 or suppliers

In our fiscal year ended December 31, 2016, we received no revenue from fees paid by our franchisees for required purchases or leases In the fiscal year ended December 31, 2016, our parent, Shack Shine Corporate, received approximately $12,928 in revenue from fees paid by our franchisees for required purchases or leases

We currently negotiate purchase arrangements with some suppliers for the benefit of our franchisees We anticipate receiving a rebate of CAD$313 50 per van package ordered from one of our equipment suppliers 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 and, except for Shack Shine Corporate, which manages the Sales Center, neither are any of our affiliates Our CEO, Brian Scudamore, owns an interest in Shack Shine Corporate, but otherwise, 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 70% to 85% of your total expenses in connection with the establishment of the

Franchised Business, and approximately 10% to 15% of your total expenses in connection with the ongoing operation of the Franchised Business

There are no purchasing or distribution cooperatives

We do not provide material benefits to you based solely on your use of designated or approved sources

ITEM 9 Franchisee's Obligations

This table lists your principal obligations under the franchise and other agreements It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document

	Obligation	Section in Agreement	Disclosure Document Item
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 8
c	Site development and other pre-opening requirements	N/A	N/A
d	Initial and ongoing training	12 1, 12 3, 12 4, 15 1, 15 2, 15 3	Item 11
e	Opening	2 4	Item 11
f	Fees	2 2, 3, 6, 7 1(t), 10 5(c), 11 3, 11 4, 15, 18(b), 20 3(b) and (c)	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, 7 1, 7 5, 13, Schedule A	Items 13 and 14
i	Restrictions on products/services offered	2, 7, 13, 21	Items 8 and 16
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	22	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

	Obligation	Section in Agreement	Disclosure Document Item
t	Transfer	20	Item 17
u	Renewal	18	Item 17
v	Post-termination obligations	17, 21	Item 17
w	Non-competition covenants	21	Item 17
x	Dispute resolution	23 12	Item 17
y	Other (guarantee)	2 6	Item 15

Notes

(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 We do not guarantee any debts, leases or other obligations for you

To secure performance of your debts, liabilities and obligations to us under the Franchise Agreement, you must sign a General Security Agreement granting us a security interest in your business assets A copy of our current form of General Security Agreement is attached as Exhibit G

ITEM 11 Franchisor's Assistance, Advertising, Computer Systems, Training

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

A Before you open your business, we will

1 designate a 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 (Franchise Agreement, Section 15 4) We do not deliver or install decals or signage,

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(b)) 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 our permission,

4 provide an initial training program for 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 as follows (Franchise Agreement, Section 15 1), and

5 deliver to you our current list of suggested prices for your services (Franchise Agreement, Section 7 4) You are under no obligation to adhere to the suggest prices, but promotional and marketing materials and campaigns we prepare may include such prices

Site Selection

You may take administrative office space or storage space if you choose This is not required We do not provide you with any assistance in selecting the commercial site from which to operate your Franchised Business and we do not approve your site We do not provide assistance in constructing, remodeling or decorating your premises, conforming the premises to local ordinances or building codes, or obtaining permits We do not provide you with signs, fixtures or supplies for your premises If you need to relocate your administrative office during the Term, you must give us prior written notice, including the reason for your move We will not give you any assistance in locating new administrative 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 8 to 12 weeks Factors affecting this length of time usually include your availability for attending the training session in Vancouver, BC and obtaining the required storage and administrative space if you elect to use commercial space

B During the operation of the Franchised Business, we will

1 Maintain or obtain and provide to you the services of the Sales Center (Franchise Agreement, Section 10 1),

2 provide access to PIPEline, our System intranet for two users (additional users will be subject to additional fees) (Franchise Agreement, Section 10 2),

3 expend funds advanced by you on account for the Initial Marketing Expense 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 Expense (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 5),

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 franchisee's 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 and14 2),

10 deliver to you written notice of changes to our suggested prices for your services (Franchise Agreement, Section 7 4), and

11 take initiatives and steps to protect the integrity of the brand (Franchise Agreement, Section 13 6)

Advertising and Marketing

Initial Marketing Expense

You must expend a minimum Initial Marketing Expense of $10,000 The Initial Marketing Expense will be paid to us and spent by us in your area (which may be inside or outside your territory) 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 the Marketing Fund for regional and national advertising programs with monies collected from franchisees (Franchise Agreement, Section 11 3(a)) We select 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, and 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 Company or outsourced to O2E Brands or a professional advertising or public relations firm You may always use your own advertisements beyond those produced by this 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 2% of Gross Revenue to the Marketing Fund All franchisees and franchisor-owned operations will contribute on the same basis The fund is not audited We will prepare and make available to you an annual unaudited financial statement of the Marketing Fund We administer the fund, but 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 We do not use the Marketing Fund principally to solicit new franchisees, but our advertising and marketing material does contain contact numbers for obtaining information about Shack Shine franchises

During the fiscal year ended December 31, 2016, the Marketing Fund monies were used as follows 0% on media placement, 0% on production/design, 0% on administrative expenses, including in-house media personnel, and 0% on other expenses ("other" includes programs and program management)

Advertising Council

There is no advertising council 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, in your first 12 months of operation you must spend a minimum of 13% of Gross Revenue, including the Initial Marketing Expense, on local advertising and promotions In your second and third years of operations, you must spend a minimum of 10% of Gross Revenue quarterly on local (in the vicinity of the Territory) advertising and promotions In your fourth and subsequent years of operation you must spend a minimum of 8% of Gross Revenue quarterly on local advertising and promotions

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 earned 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 either a laptop or tablet computer with the ability to run current versions of Windows, Microsoft Office, QuickBooks Pro, and anti-virus software You must subscribe for cable or DSL broadband internet service, your internet connection must *not* be AOL, Prodigy, or any similar service that requires end user to use proprietary browser and email software You must also purchase a printer and a digital camera We estimate the cost to purchase a computer system and related equipment to our specifications will cost approximately $1,200-$2,000

We will provide you with secure passwords to our customized cloud-based software, PIPEline, through the internet We will train you on how to use PIPEline O2E Brands will maintain PIPEline and will provide updates as needed There is no cost to you for the PIPEline software for the first two users

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, but we estimate it will cost approximately $500 per year We are not responsible for providing on-going maintenance, repairs, upgrades or updates to your computer system 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 PIPEline but not to information entered or stored elsewhere on your computer system PIPEline 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 PIPEline includes financial information and is the information you collect from your customers 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

General Outline of Training

One of your directors or officers (or you, if you are an individual) and your general manager must complete training to our satisfaction before the projected launch date of your business Eight business days of training takes place at the head office of Company in Vancouver, BC There are eight phases of training, as outlined in the table below

The initial training program is conducted by Casey Renkema, our Launch Operations Manager, in conjunction with David Notte, the Managing Director of Shack Shine Casey has conducted training for us since September 2015, and has worked continually in this field of experience since September 2015 Dave is the founder of the Shack Shine concept and has worked continually in this field of experience since January 2014 The training tools used include the Shack Shine Operations Manual, on-site/hands on training, and class room lectures by department heads

If required, additional training may be scheduled at a later date All expenses incurred by Company to conduct this additional training are borne by the franchisee This may include airfare, hotel and meals

The franchisee is required to do additional studying of the Operations Manual and associated documentation in order to be well prepared for launch House detailing often involves many one-off situations and cannot be learned entirely in initial training Utilization of your Field Operations Manager can also assist

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
SHACK SHINE - CULTURE/ HISTORY/ BRAND	4 HOURS	N/A	VANCOUVER BC
EXCEPTIONAL FOCUS AREAS	1 HOUR	8 HOURS	VANCOUVER BC
MARKETING	3 HOURS	N/A	VANCOUVER BC
JOB PRODUCTION	N/A	8 HOURS	VANCOUVER BC
FINANCE	6 HOURS	N/A	VANCOUVER BC
ESTIMATING	6 HOURS	4 HOURS	VANCOUVER BC
SALES	5 HOURS	N/A	VANCOUVER BC
OPERATIONAL EXCELLENCE	1 HOUR	8 HOURS	VANCOUVER BC
COMMERCIAL MARKETING, SALES AND ESTIMATING	3 HOURS	4 HOURS	VANCOUVER BC
PEOPLE	4 HOURS	N/A	VANCOUVER BC
LEADERSHIP	3 HOURS	N/A	VANCOUVER BC

We've put together a comprehensive start-up program that combines structured training with business best practises to ensure the success of your franchise

Franchise Start-up is defined by eight key phases

Phase 1 - Integration
Prior to attending classroom training in our Vancouver office you will start working through initial business start-up administration requirements with the support of your Field Operations Manager

Phase 2 - Training Session 1
During this 4 day training session you will receive an overview of Shack Shine and O2E Brands, understand our Marketing and Estimating processes, be oriented to our technology systems, and learn our financial language

You will also spend a day in the field practicing our production techniques with experienced Technicians

Note Training runs on 4 consecutive business days, and each day of training will begin at approximately 8 30AM and finish at 5 00PM A celebration function will occur on the evening of Day 4

Phase 3 - Planning
Back in your territory you will begin establishing standard business processes and planning key financial and marketing milestones

Note There will be no job production during Phase 3

Phase 4 - Training Session 2
Your second, 4 day in class training session in Vancouver will give you an understanding of our Sales process and how things change in the commercial market You will focus on your operational excellence executing live production jobs and gain confidence in building and leading your team

Note Training runs on 4 consecutive business days, and each day of training will begin at approximately 8 30AM and finish at 5 00PM A celebration function will occur on the evening of Day 4

Phase 5 - Marketing Launch
During this phase you will get to know your neighborhood and make sure they know you Utilizing our marketing expertise you will focus on making your franchise as visible as possible

Note There will be no production during Phase 5

Phase 6 - Operations Ready
You will take the final steps to make sure you are equipped, prepared and ready to start production

Note There will be no production during Phase 6

Phase 7 - Operations
You are now producing jobs on your own and building a pipeline of work to come

Phase 8 - People
During this phase you will have the opportunity to focus on your People We will provide you with some additional training to assist you with building and training your team for operational excellence

Manuals, methods and tools used in training will be
One-on-one meetings
Conference calls
Field training
Self-study
Peer learning
Role playing
Demonstrations
Guided practice
Online training (eLearning)
Operations Manual and Playbooks

Training is conducted as often as the number of new Franchisees requires The cost for attendance at initial training for you (or your owner) and one of your employees is included in the Initial Fee Additional attendees must pay our training fee, currently $500 per person per day At least one refresher training course is required each year The cost of attendance at refresher training for you and your General Manager is included in the Royalty Additional attendees may attend but must pay our training fee You must pay for all travel and living expenses for you and all your attendees at all training, except that lunches will be provided on training days at Initial Training We reserve the right to offer 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 158 pages not including the attached forms and documents

ITEM 12 Territory

Exclusive Territory

You will receive an exclusive Territory in which to operate the Franchised Business Before signing the Franchise Agreement, we will determine your Territory by developing geographic areas with approximately 150,000 to 200,000 people based on published data from the U S Census Bureau (or such other source as we may indicate to you) Your Territory will generally consist of two of these geographic areas, each of which will be considered a "subterritory " The minimum population in a subterritory will be 150,000 people However, we reserve the rights with respect to commercial business and national accounts as described below

We will protect your territory to the extent that we will not operate a company location within your Territory servicing residential customers, establish another franchisee in your Territory servicing residential customers, or solicit or accept orders from residential non-national account 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, company-owned outlets, or other channels of distribution, including the internet, selling or leasing similar services under names and trademarks other than the Marks, or establish other franchises or company-owned outlets or other channels of distribution, including the internet, offering commercial house detailing services under the Marks or other names and trademarks within or without your Territory, provided they are not in direct competition with you We are not required to compensate you if we solicit or accept orders from inside your Territory You are prohibited from soliciting or providing services to customers outside of your 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

You may elect to operate your Franchised Business from a commercial site We do not assist you to locate a site and we do not approve your site or any relocation of your site However, if you need to relocate your administrative office, you must give us prior written notice

Commercial House Detailing Services

We reserve the right (for ourselves and our affiliates), at any time to grant other franchised businesses within your Territory to provide commercial exterior home detailing services "Commercial" services are defined in the Franchise Agreement as including where services are requested by

(i) a corporate entity,
(ii) a person on behalf of another person or persons with whom he or she has professional relationship as it relates to the request for services, and
(iii) a person for performance at a multi-unit residential building, a commercial building, or a mixed residential and commercial use building

We may grant you the right to offer commercial home detailing services by way of amendment to your Franchise Agreement at the time of signing or at some later point However, whether you are ever granted the right to perform commercial home detailing services is entirely within our discretion

Strategic, Regional and National Accounts

We reserve the right (for ourselves and our affiliates), at any time to directly enter into service national account contracts or strategic alliances, which are businesses that have locations in two or more territories or multiple locations within your Territory, or to indirectly establish national accounts with third party subcontractors who have customers in your Territory We sometimes refer to national accounts as "Commercial Accounts," "Key Accounts" or "Strategic Accounts " 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 and our National Account Service Agreement If you decline to participate or are unable 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 or providing services to any national account unless you agree to abide by the terms of our National Account Service Agreement See Exhibit H to this disclosure document

Additional Franchised Businesses/Subterritories

If you wish to acquire additional Franchised Businesses or subterritories, you must meet the following minimum criteria to apply

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

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 reserve the right to grant or refuse to grant a Franchised Business or subterritory 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 license by Shack Shine Corporate to use and license others to use the System and Marks in the United States The license term expires in 2066 and will only terminate if we fail to pay royalties to Shack Shine Corporate, become bankrupt or otherwise insolvent, 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 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

Shack Shine Corporate has registered the following Marks on the U S Patent and Trademark Office ("USPTO") Principal Register

Mark	Registration Date	Registration Number	Status
SHACK SHINE	September 6, 2016	5,037,660	Registered
SHACK SHINE	September 6, 2016	5,037,659	Registered

No affidavits are required to be filed with the USPTO at this time

Shack Shine Corporate and the Franchisor also 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 entity 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, and we will not indemnify you against claims of infringement or unfair competition arising out of your use of the Marks

We have the unlimited right to change or discontinue use of any Mark, or adopt additional or substitute Marks If we change, discontinue, add or substitute any of the Marks, then you must comply with our instructions in this regard, at your expense 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 Shack Shine Corporate does claim proprietary rights and copyright-protection to the confidential information contained in the Operations Manual Shack Shine Corporate 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 Shack Shine Corporate 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 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

Your Operating Partner must (i) actively and substantially participate personally in the management of the Franchised Business, (ii) own no less than 20% of the issued and outstanding voting shares or ownership units of Franchisee, and (iii) not be engaged in any other business or employment activity that requires their full time efforts other than the Franchised Business, without our prior written consent Your Operating Partner must successfully complete our training program

You, or if you are an entity all your directors, officers, shareholders, partners or members, must guarantee personally all your obligations to us under the Franchise Agreement, including confidentiality and non-competition covenants A copy of our current form of Guarantee is attached as Exhibit F

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, and must sell all goods and services we authorize You may only perform jobs properly processed through the Sales Center or PIPEline You must operate your business during hours set by us, 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

	Provision	**Section in Franchise Agreement**	**Summary**
a	Length of the Franchise term	2 5, Schedule B	5 years, though we retain the right, but not the obligation, to extend the term up to 12 months
b	Renewal or extension of the term	18, Schedule B	Three additional 5 year terms
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	None	Subject to state law

	Provision	Section in Franchise Agreement	Summary
e	Termination by Franchisor - without cause	2 5	If you don't 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 Default
g	"Cause" defined – curable defaults	16 1	Default is defined as a breach of the Franchise Agreement, including violation of or non-compliance with any provision of the Operations Manual We may termate if you do not cure monetary defaults within five days after notice or cure other defaults within 30 days after notice
h	"Cause" defined – non-curable defaults	16 3	We may terminate upon written notice without opportunity to cure for misrepresentation, failure to complete initial training, bankruptcy or insolvency, abandonment, criminal conviction of your owners, officers or directors, illegal or misleading business acts, unsatisfied judgment, misuse of trademarks or other intellectual property, attempted assignment or transfer without consent, failure to pay, comply with Franchise Agreement or commence operations after time to cure, cross default of another franchise agreement, uncured default in Lease or Vehicle Lease, failure to comply with obligations under Security Agreement, failing to offer approved services, false reports, failure to cure order given by governmental authority, 3 or more notices of default in any 12 month period
i	Franchisee's obligations on termination/non-renewal	16 7, 17, 21	Pay all amounts due, de-identify and discontinue use of System, return Operations Manual, advertising and training materials and other confidential information and property belonging to us, change color scheme of your location and vehicles
j	Assignment of contract by Franchisor	20 8	We may assign at any time all or part of our rights

	Provision	Section in Franchise Agreement	Summary
k	"Transfer" by franchisee – defined	20 1, 20 2, 20 4	Material change in ownership triggers a transfer if more than 5%, in the aggregate, of voting units in franchisee are issued or transferred
l	Franchisor approval of transfer by franchisee	20 1	You must obtain our written approval before any transfer
m	Conditions for Franchisor approval of transfer	20 3, 20 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, 20 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	20 7	We have the right to buy your business if you decide to sell
p	Death or disability of franchisee	20 6	Estate has 6 months to assign to qualified person
q	Non-competition covenants during the term of the franchise	21	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	21	Direct or indirect, within Territory for 18 months, within the metropolitan area where the Territory is situate, within any territory within the System or any Affiliates'
s	Modification of the agreement	23 8	In writing signed by you and us
t	Integration/merger clause	23 7	Only the terms of the franchise agreement are binding (subject to state law) Any representations or promises outside the disclosure document and franchise agreement may not be enforceable 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

	Provision	Section in Franchise Agreement	Summary
u	Dispute resolution by arbitration or mediation	23 12	Subject to potential limitations of your state's law (see Exhibit I), 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	23 11	Subject to potential limitations of your state's law (see Exhibit I), 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	23 11	Subject to potential limitations of your state's law (see Exhibit I), 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

We do not use any public figure to promote our 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 or under particular circumstances

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets We also do not authorize our employees or representatives to make any such representations either orally or in writing If you are purchasing an existing outlet, however, we may provide you with actual records of that outlet If you receive any other financial performance information or projections of your future income, you should report it to us by contacting Jeremy Ennis (301 – 887 Great Northern Way, Vancouver, BC, Canada, V5T 4T5, 604-909-0651), the Federal Trade Commission, and the appropriate state regulatory agencies

ITEM 20 List of Outlets and Franchisee Information

We were formed in July 2015, so were not in business during the year 2014 References to the year 2015 below represent the period from our formation through December 31 References to the year 2016 represent the full calendar year from January 1 through December 31

Table No 1
System wide Outlet Summary
For years 2014-2016

Outlet Type	Year	Franchised Businesses at the Start of the Year	Franchised Businesses at the End of the Year	Net Change
Franchised	2014	0	0	0
	2015	0	0	0
	2016	0	3	+3
Company-Owned	2014	0	0	0
	2015	0	0	0
	2016	0	0	0
Total Outlets	**2014**	**0**	**0**	**0**
	2015	**0**	**0**	**0**
	2016	**0**	**3**	**+3**

Table No 2
Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor)
For years 2014-2016

State	Year	Number of Transfers
All States	2014	0
	2015	0
	2016	0
Total	**2014**	**0**
	2015	**0**
	2016	**0**

Table No 3
Status of Franchised Outlets
For years 2014-2016

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Minnesota	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
New Jersey	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
Washington	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
Other States	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
Total	**2014**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2015	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2016	**0**	**3**	**0**	**0**	**0**	**0**	**3**

Table No 4
Status of Company-Owned Outlets
For years 2014-2016

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
Total	**2014**	**0**	**0**	**0**	**0**	**0**	**0**
	2015	**0**	**0**	**0**	**0**	**0**	**0**
	2016	**0**	**0**	**0**	**0**	**0**	**0**

Table No 5
Projected Openings as of December 31, 2016

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	1	0
Michigan	1	0	0
Missouri	0	1	0
New Jersey	0	1	0
New York	0	1	0
Texas	0	1	0
Virginia	0	1	0
Washington	0	1	0
Totals	**1**	**7**	**0**

The name of each of our franchisees and the address and telephone number of each of their outlets as of the end of our last fiscal year (unless another date is stated on the list) is in Exhibit A The name and last known city, state and telephone number or email address of each franchisee whose Franchised Business has been terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business during the last fiscal year are also included in Exhibit A There are no franchisees 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

Audited financial statements for the eleven month period from February 1, 2016 to December 31, 2016, and for the period from July 8, 2015 (the date of our inception) to January 31, 2016, are included in Exhibit E to this disclosure document We have not been in business for three years so cannot include financial statements for the last three fiscal years as 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 National Account Service Agreement
Exhibit I State-Specific Addenda
Exhibit J Form of General Release

ITEM 23 Receipt

The last Exhibit to this disclosure document contains duplicate Receipts that 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

SHACK SHINE HOME SERVICES LLC

Franchisees Operating as of December 31, 2016

Business Name	Address	City	Zip	State	Phone
vow Home Detailing LLC	1209 Tyle St NE, Suite 160	Minneapolis	55413	MN	612-237-4681
ng's Services LLC	66-64 N Doughty Avenue	Somerville	08876	NJ	908-295-9285
ds Creek Holdings, LLC	22215 132nd Street SE	Monroe	98272	WA	360-863-3175

Franchisees Not Operating as of December 31, 2016

Business Name	Address	City	Zip	State	Phone
ks Ventures LLC	10860 Circle B Lane	Clinton	49236	MI	734-436-9056

Certain Former Franchisees as of December 31, 2016

isees had a Franchised Business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily Franchise Agreement during the 2016 fiscal year

Business Name	City	Zip	State	Phone

NONE

EXHIBIT B

Franchise Agreement

Franchise Agreement
SHACK SHINE HOME SERVICES LLC,
a Washington Limited Liability Company

and

____

a, ______________________________

____

FRANCHISE AGREEMENT

____

Effective Date ______________________, 20__

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

BETWEEN

> **SHACK SHINE HOME SERVICES LLC,** a Washington limited liability company having its head office at 301 – 887 Great Northern Way, Vancouver, BC, V5T 4T5, CANADA
>
> ("**Franchisor**")

AND

> ______________________________, **a** ________________________,
> having an office at ____
>
> ("**Franchisee**")

WHEREAS

A Shack Shine Home Services Inc ("Shack Shine Canada"), a British Columbia company and Affiliate of Franchisor, has developed a System providing for the operation of a businesses that offer exterior home detailing and related services and products using confidential methods, procedures, and business techniques and known to the public under the name "**SHACK SHINE** "

B The distinguishing characteristics of the System currently include, but are not limited to, the registered US trademarks 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 Shack Shine Canada, 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 exterior home detailing and related services (the "**System**")

D Franchisee wishes to establish and operate a SHACK SHINE franchise (the "**Franchised Business**") utilizing the System in the Territory described in this Agreement, 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 Shack Shine Canada (a "**Control Group**") 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 US 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) "**Operations Manual**" means copyright protected System manual, including online materials, developed and owned by Franchisor, as revised by Franchisor

(d) The words "**Franchisor,**" "**Affiliate,**" and "**Franchisee**" shall be applicable to one or more persons, firms, corporations, limited liability companies, or other entities

(e) The singular number shall include the plural, and the masculine gender shall include the feminine and neuter genders, and vice versa

(f) All references to currency are expressed in U S Dollars

(g) 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

(h) All grammatical variations of defined terms in this Agreement shall have the meaning corresponding to the grammatical variation

1 2 *Cross-Reference Definitions*

The following terms have been defined in the recital, section or subsection noted opposite each

Term	Defined In
Assets	16 4(a)
Branding Cooperative	11 5
Commercial	2 3(a)
Confidential Information	13 9
Copyright-Protected Materials	13 4
Coverages	14 5
Default	16 1
Franchised Business	Recital D
Franchised Location	2 1(a)
General Manager	12 3
Gross Revenue	9 2
Guarantee	2 6
Initial Fee	3
Initial Marketing Expense	11 4
Initial Year	2 8
Know-How	13 8
Marketing Fund	11 3(a)
Marketing Royalty	11 3(b)
Marks	Recital B
Management Personnel	7 1(a)
Minimum Royalty	6 3
Operating Partner	12 2(b)
Operations Manual	1 1(c)
Password	10 2
PIPEline	10 1
Products	2 1(a)
Receiver	16 4
Renewal Term	18
Residential	2 1(a)
Royalty	6 1
Sales Center	10 1
Sales Center Cooperative Fund	10 5(a)
Sales Center Fee	10 5(c)
Scheduled Opening Date	2 4
Security Agreement	2 7
Semi-Monthly Report	9 4(a)
Services	2 1(a)
Shack Shine Canada	Recital A
Standards	16 8
Statement of Dispute	21 13(a)
Subterritories	2 2
Subterritory Initial Fees	2 2
Supplies	15 3(a)
System	Recital A
Territory	2 2
Term	2 5

Term	Defined In
Unsolicited Order	10 4
Vehicle	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 location named in Schedule B (the "**Franchised Location**") offering Residential exterior home detailing services, including power or pressure washing, gutter cleaning, exterior window cleaning, installation of seasonal lights and other services specified by Franchisor in writing from time to time (the "Services") and to sell related products and accessories (the "Products") all within the Territory only and pursuant to the System "**Residential**" means where services are requested by an individual for his or her own single detached residence or the single detached residence of an individual with whom he or she has a personal relationship and not a professional relationship as it relates to the request for services, and

(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

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 shall extend only to the borders of the geographical area specified in Schedule B, or such further area as may be agreed by Franchisor and Franchisee in writing from time to time (the "**Territory**") The Territory may include multiple sub-areas ("**Subterritories**") depending upon its size, for which Franchisee shall pay additional initial franchise fees, as set forth in Schedule B, or such additional initial franchise fees for additional Subterritories as may be agreed by Franchisor and Franchisee in writing from time to time (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 any Services or related Products in that Subterritory In the event Franchisor and Franchisee desire to add one or more additional Subterritories to the Territory, Franchisor may require, as a condition of consent to granting such additional Subterritory, that Franchisee enter into 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 within the Territory so long as this Agreement is in force and Franchisee is not in Default Franchisor, for itself and its Affiliates, expressly reserves the right to

(a) offer Commercial exterior home detailing services and related products, including power or pressure washing, gutter cleaning, exterior window cleaning, installation of seasonal lights and other services under the Marks through other franchised businesses, company-owned outlets, or third-parties within or without the Territory "**Commercial**" includes where services or related products are requested by

(i) a corporate entity,

(ii) a person on behalf of another person or persons with whom he or she has professional relationship as it relates to the request for services or related products, and

(iii) a person for performance at a multi-unit residential building, a commercial building, or a mixed residential and commercial use building

(b) offer the Services or the Products under the Marks through other franchised businesses or company-owned outlets outside of the Territory regardless of proximity to the boundaries of any Territory and through channels of distribution other than other franchised businesses,

(c) offer or establish other franchises, 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, provided they are not in direct competition with Franchisee, and

(d) enter into and service strategic, regional, or national account contracts or strategic alliance contracts with businesses that have locations within the Territory Franchisee may be required by Franchisor to service the strategic, regional, or national account locations in the Territory by agreeing to participate in Franchisor's National Account Program and signing Franchisor's then-current National Account Service Agreement, as well as performing under the terms and conditions of the applicable agreement between Franchisor or its Affiliate(s) and the account customers, which agreements shall be negotiated and entered into by Franchisor in its sole discretion If Franchisee declines to participate or is unable to service such accounts, Franchisor may engage other franchisees or third-parties to service such accounts in the Territory without liability to Franchisee

2.4 *Scheduled Opening Date and Subterritory Activation Dates*

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, Franchisee may not offer the Services or the Products 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 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 Franchisee has provided written notice to 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. Franchisor reserves the right, but not the obligation, to extend the term by up to 12 months.

2.6 *Guarantee*

In the event that Franchisee is a corporation or other business entity, all such directors, officers, shareholders, partners or members of Franchisee entity as shall be required by Franchisor shall sign Franchisor's current form of guarantee (each, a "**Guarantee**") at the same time as 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 Franchisor, securing all present and future obligations of Franchisee to Franchisor under this Agreement, and any other agreement between Franchisor and Franchisee.

3 FEES

3 1 *Inıtıal Fee*

In consıderatıon of Franchısor enterıng ınto thıs Agreement, Franchısee shall pay to Franchısor the ınıtıal fee shown ın Schedule B (the "**Inıtıal Fee**") upon Franchısee's executıon of thıs Agreement The Inıtıal Fee shall be deemed to be earned ın full by Franchısor upon ıt executıng thıs Agreement and ıs non-refundable, eıther ın whole or ın part

3 2 *Subterrıtory Inıtıal Fees*

If Franchısee purchases addıtıonal Subterrıtorıes, Franchısee shall pay to Franchısor the Subterrıtory Inıtıal Fees shown ın Schedule B (the "**Subterrıtory Inıtıal Fee**") prıor to operatıng the Franchısed Busıness ın the new subterrıtory The Subterrıtory Inıtıal Fee shall be deemed to be earned ın full by Franchısor upon grantıng Franchısee the rıghts to operate the Franchısed Busıness wıthın the addıtıonal subterrıtory and ıs non-refundable, eıther ın whole or ın part

4 FRANCHISED LOCATION

Durıng the Term, Franchısee and all employees and other representatıves of Franchısee shall manage the Franchısed Busıness exclusıvely from the Franchısed Locatıon, whıch shall ınclude admınıstratıve office space and assocıated equıpment, ın full complıance wıth any lease for the Franchısed Locatıon and the oblıgatıons and polıcıes set out ın thıs Agreement and ın the Operatıons Manual as amended from tıme to tıme The Franchısed Locatıon may be a home-based office Franchısee shall maıntaın the Franchısed Locatıon ın a clean and attractıve condıtıon and maıntaın office equıpment as requıred so as to comply wıth the Operatıons Manual and to preserve, maıntaın, and enhance the reputatıon and goodwıll of Franchısor and ıts franchısees and the value of the Marks Franchısee may operate the Franchısed Busıness from a dıfferent or addıtıonal locatıon wıthın the Terrıtory only wıth the prıor wrıtten notıce to Franchısor and at Franchısee's sole expense

5 VEHICLE LEASING REQUIREMENTS

5 1 *Form of Vehıcle Lease*

Franchısee shall purchase or enter ınto leases or subleases (each a "**Vehıcle Lease**") as follows

(a) ınıtıally for at least one vehıcle (each, a "**Vehıcle**") for each group of up to and ıncludıng three Subterrıtorıes ın the Terrıtory,

(b) on or before that date whıch ıs 18 months from the Scheduled Openıng Date, at least two vehıcles for each group of up to and ıncludıng three Subterrıtorıes ın the Terrıtory, and, or alternatıvely

(c) such other number of Vehıcles as Franchısor may requıre ın accordance wıth polıcıes set out ın the Operatıons Manual for use ın the Franchısed Busıness

All Vehicles shall meet Franchisor's current specifications at the time of purchase or lease, which requirements are currently set out in Schedule C Each Vehicle Lease shall only be entered into by Franchisee on the condition that 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 Vehicle

5 3 *Assignment of Vehicle Lease*

Franchisee shall not assign or sublet any Vehicle Lease or otherwise part with possession of the whole or any portion of any Vehicle, including loaning any Vehicle to other franchisees, during the Term without first obtaining the prior written consent of Franchisor, which consent shall not be unreasonably withheld

5 4 *No Other Vehicles to be Used*

Franchisee shall not use any vehicle other than the Vehicles in the operation of any part of the Franchised Business without Franchisor's prior written consent

5 5 *Vehicle Lease Administration Fee*

Franchisee shall pay a non-refundable administration fee of $500 to Franchisor upon execution of each Vehicle Lease, in recognition of the administrative cost to Franchisor of directing, administering and processing the Vehicle Lease

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 owed by Franchisee to Franchisor pursuant to this Agreement

6 2 *Calculation and Method of Payment.*

The Royalty, Marketing Royalty, Sales Center Fee, and any other amount payable to Franchisor by 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 amounts owed by Franchisee to Franchisor, including any Subterritory Initial Fees, shall also be paid by electronic transfer, when due Franchisee shall execute all banking forms and documents and do all other thıngs necessary to facılıtate such payments by way of electronıc transfer (automatıc debıt) The automatıc debıt amount for each month shall be calculated by Franchısor based upon the Semı-Monthly Reports submıtted by Franchısee accordıng to Sectıon 9 4 of thıs Agreement Should Franchısee faıl to update PIPElıne as requıred ın accordance wıth Sectıon 9 4 of thıs Agreement and the Operatıons Manual, Franchısor shall calculate the automatıc debıt amount based upon the most recent Semı-Monthly Report Any necessary reconcılıatıon wıll be made durıng the month followıng receıpt of the Semı-Monthly Report that was not submıtted ın a tımely way

If the electronıc transfer (automatıc debıt) of the Royalty, Marketıng Royalty, or Sales Center Fee transfers are declıned by Franchısee's bank for any reason, Franchısee shall reımburse Franchısor for all costs ıncurred by Franchısor ın connectıon wıth such declınatıon, ıncludıng any reasonable admınıstratıve fee as may be set by Franchısor from tıme to tıme

6 3 *Mınımum Royalty*

If at the end of any calendar year of operatıons the total Royaltıes Franchısor has receıved from Franchısee ın the prevıous year ıs less than the Mınımum Royalty for that year, then Franchısee shall pay to Franchısor the amount that the Mınımum Royalty exceeds the total of all Royaltıes actually paıd Amounts payable ın respect of such dıfference, ıf any, shall be payable on or before January 15th, and shall be paıd by way of electronıc transfer (automatıc debıt)

For the purposes of thıs Agreement, "**Mınımum Royalty**" shall mean

(a) In the calendar year ın whıch the orıgınal Scheduled Openıng Date occurs, $4,000 per Subterrıtory, pro-rated as necessary to account for operatıons for a partıal calendar year only, multıplıed by the number of Subterrıtorıes ın the Terrıtory, ıf the Scheduled Openıng Date occurs after October 1, then the Mınımum Royalty shall be waıved,

(b) In the second calendar year followıng the orıgınal Scheduled Openıng Date, $8,000 per Subterrıtory, and

(c) Except as otherwıse specıfied ın any renewal agreement, ın the thırd and each calendar year thereafter (ıncludıng any calendar year durıng any Renewal Term), $15,000 per Subterrıtory

7 OPERATION OF FRANCHISED BUSINESS

7 1 *Standards of Operatıon*

Franchısee acknowledges that the Marks, the Servıces, the Products, and every other component of the System are ımportant to Franchısor and ıts franchısees, and Franchısee covenants and agrees to comply wıth the System, thıs Agreement, and the Operatıons Manual which may be modified by Franchisor from time to time 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 the Operating Partner or another 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 from time to time, 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, the Products, and other services or products designated or approved in writing by Franchisor from time to time including, without limitation not performing Services higher than 50 feet above the ground,

(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 the lessor under each Vehicle Lease from time to time requires in writing,

(g) store and handle any chemical or 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) require all employees to undergo safety training and submit all employees to a safety test as required by Franchisor from time to time,

(i) not alter, modify, or otherwise change, add to, or delete from any portion of the System, Marks, Copyright-Protected Materials, Services or Products in use or exercised as licensed hereunder,

(j) 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,

(k) hire and supervise efficient, competent, and courteous 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 obligation to any employee of Franchisee,

(l) 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,

(m) 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 from time to time 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,

(n) operate the Franchised Business only under the trade name "**SHACK SHINE**" 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,

(o) secure and maintain 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, ERISA, occupational health and safety, workers' compensation insurance, unemployment insurance, withholding and payment of all federal and state taxes including without limitation, FICA, FUTA, income tax, sales tax, 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,

(p) advise all suppliers, contractors, employees, and others with whom Franchisee deals, that Franchisee is an independently owned and operated business and that all debts, liabilities, and obligations incurred by it are for the account of Franchisee only, and not Franchisor,

(q) 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,

(r) use the Vehicle(s) solely for the Franchised Business,

(s) conduct all advertising and use all media including PIPEline 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,

(t) attend all franchise conferences and meetings as required by Franchisor from time to time at Franchisee's sole cost and expense Franchisee shall pay to Franchisor a non-refundable registration fee prescribed by 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 that meets the criteria prescribed by Franchisor from time to time to all such franchise conferences and meetings for each separate franchise agreement,

(u) participate in such programs as Franchisor may require from time to time, 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 Franchisor or its Affiliate(s) and account customers, as well as the use and honoring of gift certificates and coupons,

(v) replace such items of equipment which have become obsolete or otherwise mechanically impaired, to the extent they require replacement, or as required by Franchisor from time to time,

(w) identify Franchisee by its legal name which shall not contain any of the Marks and as a "**SHACK SHINE**" Franchisee and the owner of the Franchised Business and identify Franchisee as an "independently owned and operated franchisee of Shack Shine Home Services LLC" 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,

(x) use the customer invoicing system provided by Franchisor,

(y) 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

(z) not create or maintain a website, social media account, or other internet presence in connection with the Franchised Business, System, or Marks without Franchisor's express prior written consent, which shall be conditioned upon, among other things, Franchisee providing Franchisor with all account passwords, nonetheless, consent may be withheld in Franchisor's sole discretion

7 2 ***Proposed Services and Products***

If Franchisee proposes to offer for sale through the Franchised Business any services or products not previously designated or approved by Franchisor, then Franchisee must first submit the proposed service or products to Franchisor for consideration and approval Franchisor shall consider the proposed service or product and respond to Franchisee within a reasonable time as to whether or not the service or product is approved for sale through the Franchised Business Franchisor reserves the right to make alterations to the proposed service or product as a condition of approval Franchisor also reserves the right to adopt any such service or product for use as a standard service or product forming part of the Services and the Products 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 or the product to Franchisor, and each such adopted submission shall be deemed to be part of the Know-How

7 3 ***Sale of Services and Products***

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 products and the satisfaction of customers who rely upon the uniformly high quality of services and products that are sold under the System and that such continued uniformity is essential to the goodwill, success, and continued public acceptance of the System Accordingly, Franchisee agrees to sell or otherwise deal in only the Services and the Products and such other services and products 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 and the Products, 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 Franchisor may include such prices

7 5 ***Purchase of Products***

Franchisee shall purchase all Products that are approved to be sold in connection with the Franchised Business from Franchisor, Franchisor's Affiliates or Franchisor's approved suppliers as designated by Franchisor from time to time With respect to the purchase of Products, Franchisee acknowledges and agrees that (i) certain Products to be sold in connection with the Franchised Business shall only be purchased from Franchisor or its Affiliates, (ii) without Franchisor's prior written consent, Franchisee shall not keep in stock, offer for sale or sell any products which have not been purchased from Franchisor, Franchisor's Affiliates or Franchisor's approved suppliers, (iii) Franchisor, Franchisor's Affiliates and Franchisor's approved suppliers have the right to earn a profit on the sale of Products to Franchisee, (iv) Franchisor, Franchisor's Affiliates and Franchisor's approved suppliers may, from time to time, during the Term or the Renewal Term, if any, alter all or vary any of the prices in respect of any of the Products, in their sole and absolute discretion Franchisee will purchase and pay for all Products that it orders from Franchisor or its Affiliates (as applicable) on the terms and conditions set by Franchisor or its Affiliates from time to time

7 6 ***Non-approved Suppliers***

If Franchisee wishes to purchase any Products from anyone other than Franchisor, Franchisor's Affiliates or Franchisor's approved suppliers, Franchisee must obtain prior written consent from Franchisor to use such alternate supplier Franchisor may grant or withhold its consent to the use of such alternate suppliers by Franchisee in Franchisor's sole and absolute discretion Franchisee further acknowledges and agrees that Franchisor may withdraw any previously granted consent to the use of an alternate supplier at any time whatsoever

7 7 ***System Changes***

Franchisor may, from time to time, 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 and products, 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 8 ***Franchisee Programs***

Where Franchisor designates a voluntary program respecting the operation of the Franchised Business or the provision of Services or Products to specified accounts and Franchisee consents to participate in such a program, then 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 from time to time, in order that the Franchised Business may accept customers' credit cards and debit cards Franchisee shall also accept checks and other commercially reasonable 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 Franchisee's sole expense

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 and products provided to all customers and of Gross Revenue, in such form and detail as Franchisor in writing requires from time to time

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, including but not limited to the sale of any Services or products from or in connection with the operation of the Franchised Business No deductions shall be allowed for uncollected or uncollectible credit accounts or in respect of any other matter except for

(a) sums collected by or on behalf of Franchisee for any governmental authority on account of sales taxes, services taxes, or other taxes imposed directly upon the sale of goods or services (or both) from the Franchised Business, provided that the amount of any such tax has in fact been paid or otherwise accounted for by Franchisee to the appropriate governmental authority,

(b) the amount of any refund or credit given in respect of any services or products 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 as long as such refund or credit is given in accordance with Franchisor's policies and procedures in relation to refunds set out in the Operations Manual, and

(c) amounts uncollected from a customer of the Franchised Business due to discount coupons that were approved for use in advance by Franchisor

Where the operation of the Franchised Business has been interrupted, all sales assumed to have been lost by Franchisee by virtue of such interruption, being the basis upon which an insurer has paid business interruption insurance, shall also be included in the calculation of Gross Revenue

9 3 ***Preservation of Records***

Franchisee shall keep and preserve for a period of at least seven (7) years after the end of each fiscal 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

9 4 ***Semi-Monthly and Annual Reporting***

Franchisee shall report to Franchisor as follows

(a) within three (3) Business Days after the 15th and last day of each Month, Franchisee shall update all records and data on PIPEline to allow Franchisor to produce a report (the "**Semi-Monthly Report**") containing

(i) a correct and complete statement of all sales and Gross Revenue for the 1^{st} through the 15^{th} day, or the 16^{th} through the last day, of each month, as the case may be, and

(ii) such other financial information as Franchisor may require from time to time

The Semi-Monthly Report 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 Franchisee's fiscal year, Franchisee shall submit to Franchisor (in electronic form whenever possible) the following information 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 as finally adjusted and reconciled after the close and review of Franchisee's books and records for the year If the statement discloses any underpayment of Royalties for the year, then

Franchisee shall pay to Franchisor, at the time of submitting such statement, the amount of underpayment Any overpayment disclosed by the 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 from time to time

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 Franchisor directly contacting and obtaining information from any creditors or suppliers of Franchisee Upon request by Franchisor, Franchisee shall within the time period prescribed in the Operations Manual from time to time (i) allow Franchisor and its representatives access 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 Franchisee shall pay to Franchisor immediately on demand any amounts found owing by Franchisee to Franchisor by the audit If any such audit reveals a material deficiency, as determined by Franchisor in its sole discretion, in Franchisee's reporting, whether financial or otherwise, then Franchisee shall reimburse 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 from time to time, then Franchisee shall immediately upon receipt of notice from Franchisor specifying the particulars of the noncompliance or failure by Franchisee, do all things necessary to correct the noncompliance or failure, in addition to cooperating with the representatives of Franchisor in respect of any training or retraining determined necessary by Franchisor

9 7 *Corporate Records*

Franchısee shall complete and remıt Franchısor's company ınformatıon form, and provıde such other ınformatıon and certıficates regardıng the company structure of Franchısee as requıred by Franchısor, and Franchısee agrees to update such ınformatıon from tıme to tıme and promptly upon any change ın such ınformatıon

10 SALES CENTER AND INTRANET

10 1 *Order Processıng*

Franchısor shall maıntaın or obtaın the servıces of a centralızed call center and onlıne bookıng system (the "**Sales Center**") to process all orders for Servıces and Products wıthın the System, ıncludıng all orders ın the Terrıtory and otherwıse handle customer ınquırıes Upon receıpt of an order for Servıces and Products wıthın the Terrıtory, Franchısor shall post such order on a System-wıde ıntranet system ("**PIPElıne**") Franchısee shall retrıeve all orders for the Servıces and the Products ın the Terrıtory from PIPElıne Franchısor shall dırect all aspects of plannıng and operatıon of the Sales Center and PIPElıne that ıt belıeves to be ın the best ınterest of the entıre System ın ıts absolute and uncontrolled dıscretıon Franchısee shall fully partıcıpate ın all programs ınvolvıng the Sales Center and PIPElıne, as Franchısor may requıre from tıme to tıme

10 2 *Intranet Access*

Franchısor shall provıde Franchısee wıth access to PIPElıne and a confidentıal password (the "**Password**") for PIPElıne for a lımıted number of users as specıfied by Franchısor from tıme to tıme Franchısee may purchase access for addıtıonal users or enhanced capabılıtıes at rates specıfied by Franchısor from tıme to tıme Franchısee shall keep and shall ensure that ıts users keep the Password confidentıal at all tımes durıng the term of thıs Agreement, any exercısed renewal, and after the expıratıon or earlıer termınatıon of thıs Agreement Franchısee shall not release the Password to any person, ıncludıng employees of the Franchısed Busıness, wıthout the prevıous wrıtten consent of Franchısor, whıch consent may be wıthheld ın Franchısor's sole dıscretıon for any reason

10 3 *No Other Sales*

Franchısee acknowledges and agrees that except as provıded for ın thıs Agreement, ıt ıs not permıtted to solıcıt, receıve, or fill any order for the Servıces or the Products wıthın the Terrıtory other than those orders whıch are placed or processed through the Sales Center and posted on PIPElıne Should Franchısee receıve orders through the use of Franchısee's local telephone number or any other method, Franchısee shall process these orders through PIPElıne

10 4 *Unsolıcıted Orders*

Notwıthstandıng the provısıons of Sectıon 10 3, ıf Franchısee receıves a request to provıde the Servıces or the Products to a new or returnıng customer (the "**Unsolıcıted Order**") while providing services or products 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 Products, and the date on which the Unsolicited Order was made and completed) via PIPEline

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 PIPEline, including costs associated with the creation, staffing, purchase of equipment, and other ongoing operational and development costs of the Sales Center and PIPEline,

(b) the Sales Center, PIPEline, and the Sales Center Cooperative Fund are intended to provide a uniform standard for placement of orders for Services and Products 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, PIPEline or Sales Center Cooperative Fund,

(c) Franchisee shall contribute to the Sales Center Cooperative Fund an amount equal to 6% of 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 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, PIPEline, 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, PIPEline, 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 PIPEline 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 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 Sales Center Cooperative Fund during the surplus time period, or (ii) transferred to the Marketing Fund Where Franchisor elects to return funds from the Sales Center Cooperative Fund, 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, Franchisor shall have the right to contribute the shortage to the Sales Center Cooperative Fund and to deem such contribution a loan to the Sales Center Cooperative Fund, to be repaid in the following year, without interest

11 LOCAL AND COOPERATIVE MARKETING

11 1 *Local Marketing*

(a) During the Term and any exercised Renewal Term, Franchisee shall expend the percentage of Gross Revenue in each quarter on local marketing and promotions in the Territory as prescribed below

(i) During the first year of operation of the Franchised Business, Franchisee shall not expend less than 13% of Gross Revenue in each quarter For greater clarity, the Initial Marketing Expense shall be included in the calculation of marketing spend in the first year of operation of the Franchised Business,

(ii) During the second and third years of operation, Franchisee shall expend at least 10% of Gross Revenue in each quarter, and

(iii) During the fourth and subsequent years of operation, Franchisee shall expend at least 8% of Gross Revenue in each quarter

(b) In the event that Franchisee fails to comply with the marketing contribution and spend requirements in this Agreement, Franchisor may withhold any Franchisor contributions to future marketing campaigns or cooperatives which Franchisee would otherwise be eligible to receive

(c) Franchisee shall provide such details and evidence of expenditures under this Article 11 as may be required by Franchisor from time to time

11 2 ***Particulars of Local Marketing***

Franchisee shall have the right to conduct local marketing and promotions for the Franchised Business as Franchisee shall, in its reasonable discretion choose, provided that

(a) Franchisee must contribute not less than 5% of Gross Revenue in each quarter to those digital marketing programs approved by Franchisor from time to time Franchisee shall also participate in all digital marketing programs established, negotiated, and, or alternatively, managed by Franchisor, as directed by Franchisor, except that Franchisee's shall not be required to spend more than 5% of Gross Revenue in each quarter on such programs For greater clarity, this digital marketing spend obligation is included in the local marketing spend requirements in Section 11 1

(b) Franchisee shall advertise and promote only in a manner that will reflect favorably on Franchisor, Franchisee, the Services, the Products, and the good name, goodwill, and reputation of the System,

(c) Franchisee shall not use any marketing and promotions material without Franchisor's prior written approval, which shall not be unreasonably withheld or unduly delayed, all local marketing and promotions material to be utilized by Franchisee In no event shall Franchisor take more than thirty (30) days either to approve or to reject Franchisee's local marketing or promotions material Franchisor reserves the right to adopt any marketing or promotions submitted by Franchisee for approval for general use in marketing or promoting the Services and the Products in any part of the System Franchisee, in submitting any such marketing or promotions, agrees that Franchisor may take such action, and that each such submission shall constitute an irrevocable and perpetual assignment of the copyright for such marketing or promotions, and each such adopted submission shall be deemed to be part of the Know-How,

(d) 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 from time to time and such signs shall be purchased from Franchisor or from suppliers designated or approved by Franchisor, and

(e) 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

(a) 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 for the benefit of the System 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 2% of 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 marketing 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,

(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, initial, 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) Franchisee shall pay a fee of $10,000 (the "**Initial Marketing Expense**") to Franchisor upon execution of this Agreement, but not upon the execution of any renewal agreement, in recognition of the importance and unique marketing needs of the Franchised Business in the early months of operations

(b) Franchisor shall expend the Initial Marketing Expense prior to and, or alternatively, during the first six months of operation of the Franchised Business on marketing and promoting the Franchised Business in the Territory, in such manner as Franchisor determines is appropriate for the System in its sole discretion Franchisor shall take reasonable steps to target such marketing expenditures towards the market encompassing the Territory, as Franchisor reasonably defines such market

(c) The Initial Marketing Expense shall not be used to defray any of Franchisor's general operating expenses Franchisor shall provide an account of Initial Marketing Expense expenditures upon request

(d) 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 Initial Marketing Expense Franchisee is not a third-party beneficiary and shall have no right to enforce the administration of the Initial Marketing Expense Any obligation of Franchisor with respect to the Initial Marketing Expense shall be contractual in nature, and Franchisee shall have no proprietary right in the Initial Marketing Expense, and it shall not constitute a trust fund

11 5 *Branding Cooperative*

Franchisee agrees that Franchisor may, but is not obliged to, form, and, if so formed, Franchisee agrees to join in, a branding cooperative (a "**Branding Cooperative**") organized in a geographical area, or using such other parameters as 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 Franchisee shall be required to contribute to the Branding Cooperative such amounts and in such manner as determined by Franchisor, provided that Franchisee shall not be required to contribute more than 3% of Gross Revenue in the aggregate for all Branding Cooperatives to which Franchisee belongs, and any amount contributed by Franchisee to any Branding Cooperative may not 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 Franchisor determines in its absolute discretion from time to time and all branding and promotional plans or materials shall be subject to Franchisor's written approval from time to time

12 MANAGEMENT AND EMPLOYEES

12 1 *Management Personnel.*

One of Franchisee's directors or officers (or Franchisee if an individual), 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

Management Personnel must also complete Franchisor's Management Personnel retraining program every two years at a time and location determined by Franchisor from time to time, as further outlined in this Agreement

12 2 *Reliance on Management Personnel.*

(a) The grant of license to Franchisee to operate the Franchised Business is made by Franchisor in reliance on the personal attributes of the Operating Partner and other 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

(b) Franchisee will ensure that the Operating Partner will, throughout the Term and any Renewal Term (i) actively and substantially participate personally in management of the Franchised Business, (ii) own no less than 20% of the issued and outstanding voting shares or units (as the case may be) of Franchisee, and (iii) not be engaged in any other business or employment activity that requires their full time efforts other than the Franchised Business, without the prior written consent of Franchisor

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 from time to time 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 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 Franchisor's training requirements to the satisfaction of Franchisor Franchisor may charge Franchisee its 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 make all decisions related to hiring employees of the Franchised Business, and is solely responsible for payment of wages, benefits, statutory remittances (employment taxes, worker's compensation insurance), compliance with all local, state, and federal employment laws, 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, such as crew leads and technicians, 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 is required to verify that all employees have the legal right to work in the United States and hold all necessary licenses and endorsements as may be required in the performance of their employment

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, including but not limited to customer information and data, established by such use inures to the exclusive benefit of Shack Shine Canada

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 "**SHACK SHINE**" 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 from time to time, and Franchisee's legal 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 company, partnership, 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 Shack Shine Canada and shall in such usage clearly indicate this by using the phrase "Trademark owned and licensed by Shack Shine Home Services Inc , a British Columbia company," or some other phrase designated or approved by Franchisor Franchisee shall not use as part of the legal name of any statutory entity operating 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, service or product 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 from time to time

13 4 *Use of Copyright-Protected Materials*

Franchisee acknowledges that Shack Shine Canada or Franchisor is the owner of the copyright in the Operations Manual, PIPEline, and all other systems, binders, videotapes, software, and printed materials which from time to time 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 the Franchised Business 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 Shack Shine Canada and 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, Shack Shine Canada's or 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 from time to time 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 Shack Shine Canada, Franchisor and their legal counsel in connection with any such infringement, challenge, or claim Shack Shine Canada and 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 Shack Shine Canada, Franchisor or their legal counsel, be necessary or advisable to protect and maintain the interests of Shack Shine Canada and Franchisor in any such litigation or other proceeding or otherwise to protect and maintain the interests of Shack Shine Canada and Franchisor in the Marks and Copyright-Protected Materials

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 Shack Shine Canada or 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 Shack Shine Canada and 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

Shack Shine Canada or Franchisor to evidence, transfer, vest, or confirm Shack Shine Canada, Franchisor or one or more of their 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 Franchisor and its authorized agents as agent and attorney in fact, to transfer, vest, or confirm Shack Shine Canada's and 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, Shack Shine Canada or Franchisor deem 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 and the Products 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 house detailing industry, the Know-How and every part of it comprises a valuable trade secret of Shack Shine Canada and Franchisor

13 9 ***Confidential Information***

Franchisee acknowledges that the designs, materials and other features of the Services, the Products, the information, techniques, procedures, methods, systems, and formats 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, as well as any and all System, customer or prospective customer information or data delivered or provided to Franchisee (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 or agreement ancillary to this Agreement, any amendment to this Agreement or agreement ancillary to this Agreement, PIPEline, and the Operations Manual Franchisor reserves the right at any time and upon written notice to Franchisee to 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 its employees 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 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 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 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 their being revised by 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 it may be amended from time to time In particular, Franchisee shall promptly adopt, apply, and use the specifications, standards, methods, and policies contained in the Operations Manual Franchisee acknowledges that Shack Shine Canada 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 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 Upon the expiration or termination of this Agreement for any reason whatsoever, Franchisee shall immediately return all copies of any portion 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 Vehicle(s), 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 neither 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 Franchisor, 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 Franchisor shall not solicit Franchisee's employees unless the employee in question has ceased to be employed by 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 Vehicle(s), 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 is required to obtain and maintain during the entire Term and any duly exercised Renewal Term the following insurance coverages or in such other amounts as Franchisor may specify in writing

(a) 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 $5,000,000 per occurrence,

(b) business interruption insurance in respect of the Franchised Business,

(c) owned, hired and non-owned vehicle liability insurance with a policy limit of not less than $2,000,000 combined single limit 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 from time to time

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 Franchised Business 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

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 from time to time 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 from time to time, 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 keep 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

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 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 *Maıntaın Mınımum Capıtal*

Franchısee shall maıntaın, throughout the Term and any exercısed Renewal Term, suffıcıent capıtal to operate the Franchısed Busıness and whıch amount may be determıned by Franchısor from tıme to tıme

15 TRAINING AND OTHER OBLIGATIONS OF FRANCHISOR

15 1 *Traınıng*

Franchısor shall provıde one ınıtıal traınıng sessıon of eıght (8) Busıness Days for up to two (2) employees of Franchısee selected by Franchısee (who must ınclude the prospectıve ınıtıal Management Personnel specıfied ın Schedule B) The format and content of the traınıng program shall be determıned solely by Franchısor The cost of such ınıtıal traınıng ıs ıncluded ın the Inıtıal Fee Addıtıonal prospectıve employees of Franchısee may be accommodated for such ınıtıal traınıng or for subsequent equıvalent traınıng at Franchısee's request and cost Franchısee may provıde ınıtıal traınıng to Management Personnel, but Management Personnel must attend Franchısor's traınıng wıthın sıx (6) months of commencıng employment Franchısor may charge ıts current traınıng fee to Franchısee for provıdıng traınıng, other than the cost of traınıng ıncluded ın the Inıtıal Fee All traınıng shall be gıven at tımes and at a locatıon or locatıons desıgnated by Franchısor All expenses ıncurred by Franchısee and other traınees ın connectıon wıth and durıng such traınıng ıncludıng wıthout lımıtatıon those related to transportatıon, accommodatıon, meals, and other lıvıng expenses, wages and other employment benefits shall be at the sole expense of Franchısee Neıther Franchısor nor any owner of an exıstıng busıness at whıch the traınıng ıs gıven shall provıde wages or employee benefits to Franchısee or other traınees durıng the traınıng perıod

15 2 *Retraınıng*

Franchısor shall provıde addıtıonal traınıng sessıons of varyıng lengths for Management Personnel who completed ınıtıal traınıng more than two years prıor The format and content of the traınıng program shall be determıned solely by Franchısor The cost of such traınıng ıs ıncluded ın the Royalty Addıtıonal employees of Franchısee may be accommodated for such traınıng at Franchısee's request and cost Management Personnel must attend such traınıng wıthın sıx (6) months of the second annıversary of theır ınıtıal traınıng date Franchısor may charge ıts current traınıng fee to Franchısee for provıdıng traınıng, other than the cost of traınıng ıncluded ın the Royalty All traınıng shall be gıven at tımes and at a locatıon or locatıons desıgnated by Franchısor All expenses ıncurred by Franchısee and other traınees ın connectıon wıth and durıng such traınıng ıncludıng wıthout lımıtatıon those related to transportatıon, accommodatıon, meals, and other lıvıng expenses, wages, and other employment benefits shall be at the sole expense of Franchısee Neıther Franchısor nor any owner of an exıstıng busıness at whıch the traınıng ıs gıven shall provıde wages or employee benefits to Franchısee or other traınees durıng the traınıng perıod

15 3 *Remedial 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 4 *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 PIPEline,

(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 5 *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 Franchisor shall make a minimum of one field visit a year to the Franchised Business for purposes of performing a review Franchisor shall also coordinate and conduct periodic training programs for franchisees as Franchisor, in its sole discretion, deems necessary

16 DEFAULT AND TERMINATION

16 1 *General.*

Franchisor shall have the right to terminate this agreement only if Franchisee has committed one or more defaults of this agreement "**Default**" is defined as a breach of this Agreement, including violation of or non-compliance with any provision of the Operations Manual Franchisor shall exercise its right to terminate this Agreement upon notice to Franchisee as further described below

16 2 *Termination After Opportunity to Cure*

If Franchisee is in Default of this Agreement, then Franchisor is permitted to terminate this Agreement if Franchisee does not fully cure that default within five (5) days after notice of any default in the timely payment of money due to Franchisor or its designee, and within a reasonable time (not to exceed thirty (30) days) after notice for any other default

16 3 *Termination Upon Notice*

Franchisor may terminate this Agreement effective immediately upon written notice if there is any basis for termination without opportunity to cure under applicable state law, or Franchisee

(a) misrepresented or omitted material facts in its application or other materials provided to Franchisor prior to entering into this Agreement,

(b) fails to complete the Initial Training,

(c) becomes bankrupt or insolvent or otherwise is unable to pay its debts as they become due,

(d) makes an assignment for the benefit of creditors, has a receiver or similar custodian appointed, or makes a disposition of substantially all of its assets, or the Franchised Business, or any of the Assets are seized, taken over or foreclosed, or a condemnation or transfer in lieu of condemnation has occurred,

(e) abandons or ceases operation of the Franchised Business for a period of five (5) consecutive Business Days or any five (5) Business Days in any thirty (30) consecutive day period or ceases to communicate with Franchisor,

(f) itself or through any owner is held liable for, is convicted of, or pleads guilty or no contest to a charge of violating a law relevant to the Franchised Business or a crime of moral turpitude,

(g) commits a violation for the third time of any material provision of this Agreement (whether or not the same material provision each time) within any twelve-month period, for which first two (2) violations Franchisor has given Franchisee written notices of default,

(h) allows a judgment against it in the amount of more than $50,000 to remain unsatisfied for a period of more than 30 days (unless an appeal has been filed and is in process),

(i) fails to comply with Sections 13 9 and 21, including if Franchisee makes an unauthorized use, disclosure, or duplication of the Trade Secrets,

(j) makes or attempts to make any Assignment without the prior written consent of Franchisor, provided, however, that if the Franchised Business continues to be operated in conformity with this Agreement, that upon an Assignment or attempted Assignment resulting from death or legal incapacity of any owner of Franchisee, Franchisor shall allow Franchisee a period of up to 6 months after such death or legal incapacity to seek and obtain Franchisor's consent to the Assignment If Franchisee fails to receive Franchisor's consent within that 6 month period, then this Agreement shall immediately terminate at Franchisor's election, or

(k) allows or permits the Operating Partner for any reason whatsoever to own less than 20% of the issued and outstanding voting shares or units (as the case may be) of Franchisee

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 from time to time 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 Vehicle(s), 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 from time to time 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 or 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 *Cross Default*

If one or more of Franchisee, a member of its Management Personnel, or any partnership, joint venture, or corporation in which one or more of Franchisee and a member of its

Management Personnel has a controllmg mterest, 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 is option, terminate this Agreement

16 6 ***Other Remedies for Default***

In the event of a default of this Agreement and in addition to the other remedies provided in this Agreement, at law or in equity, Franchisor may

(a) bring such action for injunction without the need to post any bond or other security, as may be necessary to compel Franchisee to comply with Franchisee's obligations contained or referred to in this Agreement 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 or products, licenses, rights, payments, orders, access to strategic, regional, or national accounts, any electronic systems or other materials (including without limitation PIPEline 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 7 *Damages Based on Termination for Cause*

In the event of a termination of this Agreement by Franchisor pursuant to this Article 16, 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 8 *Telephone Number(s) and Email Addresses*

Rights to the telephone or facsimile number or numbers and any and all email addresses, social media accounts including, but not limited to, Facebook, Twitter, Instagram or such other forms of social media, whether or not yet invented or created, which are utilized in connection with the Franchised Business from time to time 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 telephone or facsimile numbers, email addresses and social media accounts 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 8

16 9 *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 set forth in the Operations Manual from time to time 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 10 ***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 fifteen (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, PIPEline, the Operations Manual, Copyright-Protected Materials, and other materials provided by Franchisor such as advertising materials and training materials, trade secrets, systems, methods of operation, formats, customer information and data, and goodwill of the System Franchisee shall also promptly change the color scheme of the Franchised Location and any Vehicle 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 any Vehicle 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, immediately upon expiration or earlier termination of this Agreement

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

18 RENEWAL

Franchisee has a right to renew this Agreement upon the following terms and conditions

(a) Franchisee is in full compliance with this Agreement at the time of renewal,

(b) Franchisee has not at any time committed any Default under this Agreement and any other franchise agreement between Franchisee and Franchisor,

(c) Franchisee meets Franchisor's then-current standard requirements for franchisees,

(d) Franchisee gives written notice of its request to renew to Franchisor not more than twelve (12) calendar months nor less than nine (9) calendar months prior to expiration of the Term,

(e) Franchisee shall, not less than six (6) calendar months prior to expiration of the Term, execute Franchisor's then-current form of franchise agreement,

(f) not less than thirty (30) days prior to expiration of the Term Franchisee shall pay to Franchisor a non-refundable renewal fee of $10,000, and

(g) Franchisee shall execute and shall cause all of its then current owners (both legal and beneficial) 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

If Franchisee fails to comply with the provisions of this Section 18 prior to the expiration of the Term, Franchisee shall immediately comply with all post-expiration obligations described in Section 17 above

19 FRANCHISOR BUY-BACK OPTION

Franchisor, in its absolute and sole discretion, may, on providing Franchisee with not less than six (6) months' notice prior to the expiration of the first Term, purchase the Franchised

Busıness from Franchısee at a purchase prıce based on one of the followıng percentages of the combıned Gross Revenue earned by Franchısee ın the 12 full months precedıng the expıratıon date of the Term (the "**Combıned Gross Revenue**")

(a) If Franchısee's Combıned Gross Revenue ıs less than $500,000, a purchase prıce of 15% of Combıned Gross Revenue,

(b) If Franchısee's Combıned Gross Revenue ıs between $500,000 and $999,999, a purchase prıce of 17 5% of Combıned Gross Revenue, or

(c) If Franchısee's Combıned Gross Revenue ıs equal to or greater than $1,000,000, a purchase prıce of 20% of Combıned Gross Revenue

If Franchısor exercıses thıs optıon, Franchısor and Franchısee shall enter ınto a separate agreement for the purchase of the Franchısed Busıness ın a form acceptable to Franchısor Such optıon shall not ınclude the repurchase of any tangıble assets owned by Franchısee related to the operatıon of the Franchısed Busıness at the tıme of purchase For greater clarıty, thıs buy-back optıon shall not apply on any exercısed Renewal Term

20 ASSIGNMENT OR TRANSFER

20 1 *Assıgnment or Transfer by Franchısee*

Franchısee acknowledges that the rıghts and dutıes created by thıs Agreement are personal to Franchısee and that Franchısor has entered ınto thıs Agreement ın relıance upon the ındıvıdual or collectıve character, skıll, aptıtude, attıtude, busıness abılıty, and fınancıal capacıty of Franchısee's prıncıpals (or Franchısee ıf ıt ıs an ındıvıdual) Therefore, except as expressly provıded hereın, neıther thıs Agreement nor any of the rıghts and prıvıleges of Franchısee contaıned hereın, nor the Franchısed Busıness or any part of ıt, nor any share or ınterest ın Franchısee may be voluntarıly, ınvoluntarıly, dırectly or ındırectly (ıncludıng by operatıon of law) assıgned, sold, pledged, hypothecated, subdıvıded, sublıcensed, optıoned, dıluted (such as by stock allotment), or otherwıse transferred or encumbered, at law or at equıty Any assıgnment or transfer not expressly permıtted by thıs Agreement shall constıtute a breach of thıs Agreement and shall not be effectıve to convey any ınterest ın thıs Agreement or the Franchısed Busıness

Wıthout lımıtıng the foregoıng, Franchısee shall not assıgn or transfer, ın whole or ın part, Franchısee's ınterest ın thıs Agreement or the Franchısed Busıness except upon the terms and condıtıons provıded ın thıs Artıcle 20 Any such assıgnment or transfer shall requıre the prıor wrıtten consent of Franchısor, whıch Franchısor wıll not wıthhold unreasonably Franchısor may refuse to consent to an assıgnment or transfer ıf any Default has occurred and has not been remedıed By way of ıllustratıon and not lımıtatıon, Franchısor may wıthhold ıts consent ıf the proposed assıgnee or transferee does not meet Franchısor's then-current requırements for new franchısees, ıs and wıll remaın ınvolved ın any way ın another busıness sımılar to the Franchısed Busıness, ıs not ın Franchısor's opınıon fınancıally or operatıonally capable of performıng the then-current oblıgatıons of System franchısees, or has had prevıous busıness experıence or lack of experıence whıch, ın the sole dıscretıon of Franchısor, suggests that the proposed assıgnee 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

20 2 *Transfer of Interest*

Without limiting Section 20 1, 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 (a) any issuance or series of issuances of voting shares (or comparable voting units) that constitutes, in the aggregate, more than 5% of all outstanding voting shares (or comparable voting units), or (b) any transaction or number or series of transactions (including, without limitation, any sale, assignment, transfer or disposition) resulting in a change in the legal or beneficial ownership of voting shares (or comparable voting units) that constitutes, in the aggregate, more than 5% of all outstanding voting shares (or comparable voting units)

20 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 transfer fee of $15,000 to Franchisor, of which $2,500 shall be payable upon 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 franchise agreement,

(c) Franchisor may charge the assignee a non-refundable administration fee of $10,000, which shall be payable prior to and as a condition of any assignment,

(d) 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 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 20 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) all directors, officers, and owners holding 25% or more of the voting equity of the assignee shall execute Franchisor's then-current forms of security agreement and guarantee agreement

20 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, Franchisee shall execute and become bound by 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

20 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

20 6 ***Death, Incapacity or Permanent Disability***

In the event of the death or permanent disability of the Franchise (if an individual), the sole owner of an entity Franchisee, then the personal or legal representative of Franchisee shall have the right, within six (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 20 3 are fulfilled to the reasonable satisfaction of Franchisor For the purposes of this Section 20 6, permanent disability means the inability of an individual to effectively manage the day-to-day operation of the Franchised Business for a period of thirty (30) days During any period of disability (permanent or otherwise) or pending assignment or in the event of death, in the event 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

20 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 the 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 sixty (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 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 20, provided, however, that if the sale to such purchaser does not complete within ninety (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

20 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

20 9 *Legend on Share Certificates*

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 Shack Shine Home Services 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

21 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 twenty-four (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 or the Products This Article 21 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 21 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 21 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 21

22 INDEMNIFICATION

Except as otherwise provided in this Agreement, Franchisee agrees to indemnify and hold 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 any of its Affiliates 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

23 MISCELLANEOUS

23 1 *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 from time to time or the maximum rate permitted by law, if lower

23 2 *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

23 3 *Parties Are Independent Contractors*

(a) 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

(b) Franchisee is solely responsible for making all decisions

23 4 *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

23 5 *Additional Franchises*

Franchisee acknowledges that Franchisor may from time to time 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

23 6 *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

23 7 *Entire Agreement*

Unless acknowledged and agreed in writing by both parties, this Agreement and all Security Agreements 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 Franchisor in the franchise disclosure document furnished to Franchisee as required prior to entering into this Agreement

23 8 *Amendments*

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

23 9 *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

23 10 *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

23 11 *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 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 Franchisor and Franchisee, on behalf of itself and all owners and governing persons, 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 relief to enforce the provisions of this Agreement

23 12 ***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 or claim If the dispute or claim has not been resolved within thirty (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 thirty (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 thirty (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 the parties 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 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 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 Default pursuant to Article 16 after any applicable cure period has expired and Franchisee has failed to cure such Default

23 13 *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

23 14 *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

23 15 *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 achieve financial success in owning and operating the Franchised Business nor has Franchisor authorized anyone to make such statement 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 Franchisee are based on Franchisee's own expectations and assumptions about future economic conditions (excluding, however, potential competition by third parties which 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

23 16 *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 independent 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

23 17 ***Time of Essence***

Time shall be of the essence for all purposes of this Agreement

23 18 ***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 or by nationally-recognized overnight courier, 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 on the day it is received if delivered by hand and on the second Business Day after delivery to the overnight courier

23 19 ***Schedules***

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

23 20 ***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

23 21 *Sɪgnatures*

A dɪgɪtal or fax copy of any sɪgnature to thɪs Agreement and any related agreement or amendment thereto shall be deemed to be an orɪgɪnal sɪgnature and shall be effectɪve as such

[sɪgnature 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**
SHACK SHINE HOME SERVICES LLC, a Washington limited liability company	_______________________________, a _______________________________
By _______________________________ (authorized signatory)	By _______________________________
Dated _____________________	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

__________________________________, a
____

By ____________________________________
[Print Name]

Dated _________________________________

SCHEDULE A

This is Schedule A to a Franchise Agreement
between
SHACK SHINE HOME SERVICES LLC, a Washington limited liability company and

________________________________, a ________________________

MARKS

SHACK SHINE

Registration No 5,037,660
Registration Date September 6, 2016
Status Registered

SHACK SHINE

Registration No 5,037,659
Registration Date September 6, 2016
Status Registered

SCHEDULE B

This ıs Schedule B to a Franchıse Agreement
between
SHACK SHINE HOME SERVICES LLC, a Washıngton lımıted lıabılıty company and
________________________________, a _________________________

FRANCHISED BUSINESS - PARTICULARS

Effectıve Date ____________________, 20__

Franchısed Locatıon (Subsectıon 2 1(a)) ______________________________________

Terrıtory (Sectıon 2 2) ____

All of whıch are more partıcularly descrıbed on the followıng pages Where postal codes are used to descrıbe a Terrıtory or Subterrıtory, the area represented shall be determıned havıng reference to the zıp codes ın effect as of 2010 In the event of a dıscrepancy between the zıp codes and the map for a partıcular Terrıtory or Subterrıtory, the map shall govern

Scheduled Openıng Date of Franchısed Busıness (Sectıon 2 4) __________, 20__, whıch Franchısor may extend by up to 60 days under Sectıon 2 4

Term (Sectıon 2 5) 5 years from the Scheduled Openıng Date

Operatıng Partner (Sectıon 12 2(b)) __________________________

Renewal Term (Artıcle 18) Three renewal terms of 5 years

Inıtıal Fee (Artıcle 3) Total $____________, due as follows

Subterrıtory	Terrıtory Actıve Date	Subterrıtory Inıtıal Fee	Date Due
1A		**$16,000**	
1B		**$10,500**	

Management Personnel (Sectıons 7 1(a) and 12 1) __________________, or such other person(s) as may be approved ın wrıtıng by Franchısor

Restrıctıve Covenant

For the purposes of Sectıon 20(g), the metropolıtan area ıs more partıcularly descrıbed as follows

The State of _____________

SUBTERRITORY 1A

SUBTERRITORY 1B

SCHEDULE C

This is Schedule C to a Franchise Agreement
between
SHACK SHINE HOME SERVICES LLC, a Washington limited liability company and
_________________________________, a ___________________________

VEHICLE SPECIFICATIONS

Model	Mercedes Sprinter 2500 Cargo 144 S1470262, automatic transmission	
Year	No older than two years	
Basic body color	External	9147 – Arctic White
	Internal	VY2 Black Tunja Fabric
Body Style	Cargo Van	
Signage	As prescribed by Franchisor	
Door Decals	As prescribed by Franchisor	

EXHIBIT C

Manual Table of Contents

SHACK SHINE

EXHIBIT D

Agents for Service of Process and State Regulatory Authorities in Certain States

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	Commissioner of Business Oversight 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	Commissioner of Business Oversight 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 302 West Washington Street, Room E-111 Indianapolis, IN 46204 (317) 232-6681
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 Michigan Department of Attorney General G Mennen Williams Building, 1st Floor 525 W Ottawa Street Lansing, MI 48933 (517) 373-7117	Michigan Department of Consumer and Industry Services Corporations, Securities & Commercial Licensing Bureau P O Box 30018 Lansing, MI 48909 2501 Woodlake Circle Okemos, MI 48864 (517) 241-6470
Minnesota	Minnesota Department of Commerce 85 7th Place East, Suite 500 St Paul, MN 55101-2198 (651) 539-1600	Minnesota Commissioner of Commerce 85 7th Place East, Suite 500 St Paul, MN 55101-2198 (651) 539-1600
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	Office of the New York State Attorney General Investor Protection Bureau Franchise Section 120 Broadway 23rd Floor New York, NY 10271-0332 (212) 416-8236 Phone (212) 416-6042 Fax	Attention New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 (518) 473-2492
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

STATE	STATE REGULATORY AUTHORITY	AGENT FOR SERVICE OF PROCESS
South Dakota	Department of Labor and Regulation Division of Securities 124 S Euclid, Suite 104 Pierre SD 57501 (605) 773-4823	Director, Department of Labor and Regulation Division of Securities 124 S Euclid, Suite 104 Pierre, SD 57501 (605) 773-4823
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) 371-9051	Clerk, State Corporation Commission 1300 East Main Street, First Floor Richmond, VA 23219 (804) 371-9733
Washington	Department of Financial Institutions Securities Division P O Box 9033 Olympia, 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 F

Guarantee

GUARANTEE

THIS AGREEMENT is made effective ________________, 20__

BETWEEN

_____________________________________, a _________________________
company having its office at ____

(the "**Guarantor**")

AND

SHACK SHINE HOME SERVICES LLC, a Washington limited liability company having its office at 301 – 887 Great Northern Way, Vancouver, B C 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 "SHACK SHINE" 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 the 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, subject to Section 1b, above, 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 moneys 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 15 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 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 Parties have has signed this Agreement under seal with effect from the date first above written

SHACK SHINE HOME SERVICES LLC,
a Washington limited liability company

By ________________________________
(authorized signatory)

GUARANTOR

____

EXHIBIT G

General Security Agreement

GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT is made effective ____________, 20__

BY

____________________, a ___________, having an office at __________
______________________________________]

(the "**Debtor**")

IN FAVOUR OF

SHACK SHINE HOME SERVICES LLC, a Washington limited liability company with an office at 301 – 887 Great Northern Way, Vancouver, British Columbia, V5T 4T5

(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 and/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 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 contınued unless expressly provıded to the contrary ın wrıtıng and sıgned by the partıes

ARTICLE XII - ATTACHMENT

12 1 Subject to Sectıon 12 2, the Debtor warrants and acknowledges that value has been gıven, the Debtor has rıghts ın the Collateral and the Debtor and the Secured Party ıntend the securıty ınterests created by thıs Agreement to attach upon the executıon of thıs Agreement

12 2 Wıth respect to any part of the Collateral to be acquıred by the Debtor after the date hereof, the Debtor warrants and acknowledges that the Debtor and the Secured Party ıntend the securıty ınterests created by thıs Agreement to attach as soon as the Debtor has rıghts thereın

ARTICLE XIII - FUTURE ADVANCES

13 1 Nothıng hereın contaıned ıncludıng the executıon of thıs Agreement nor the perfectıon of any of the securıty ınterests contaıned hereın shall oblıgate the Secured Party to make any advance or future advance or loan or renewal or extensıon of any ındebtedness or lıabılıty of the Debtor whatsoever

ARTICLE XIV - NOTICES

14 1 Notwıthstandıng anythıng hereın contaıned and whether or not expressly stıpulated hereın, every notıce or other communıcatıon contemplated hereby or otherwıse relatıng hereto shall be ın wrıtıng Every notıce requıred or permıtted to be communıcated hereın, may be

(a) served personally by leavıng ıt wıth the party to whom ıt ıs to be communıcated,

(b) communıcated by facsımıle to the party to whom ıt ıs to be communıcated, or

(c) sent by reputable overnıght courıer

If a notıce ıs served personally, ıt shall be deemed to have been valıdly communıcated to and receıved by the party to whom ıt was addressed on the date on whıch ıt was delıvered If a notıce ıs communıcated by facsımıle, ıt shall be deemed to have been valıdly communıcated to and receıved by the party to whom ıt was addressed on the expıry of eıght hours after ıt was transmıtted or 9 00 o'clock a m (accordıng to the tıme zone of the party to whom ıt was addressed) on the day followıng ıts transmıssıon, whıchever ıs later If a notıce ıs sent by courıer as aforesaıd, ıt shall be deemed to have been valıdly communıcated to and to have been receıved by the addressee thereof on the thırd day followıng the sendıng thereof Any address as provıded for ın thıs Sectıon may be changed by wrıtten notıce as contemplated by thıs Sectıon, and the respectıve addresses of the partıes hereto for the communıcatıon of notıce shall be to the addresses on page 1 of thıs Agreement, and to the ındıvıduals lısted ın 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 ____________________, 20__

[DEBTOR/FRANCHISEE]

Per ______________________________
Authorized Signatory

SCHEDULE A

This is Schedule A to a General Security Agreement
Between
SHACK SHINE HOME SERVICES LLC, a Washington limited liability company and
______________________________, a _______________________

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
SHACK SHINE HOME SERVICES LLC, a Washington limited liability company and
_______________________________, a _______________________

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

SCHEDULE C

This is Schedule C to a General Security Agreement
Between
SHACK SHINE HOME SERVICES LLC, a Washington limited liability company and
______________________________, a ______________________

Contact Persons

For the Debtor ______________________________

For the Secured Party ______________________________

EXHIBIT H

National Account Service Agreement

SHACK SHINE HOME SERVICES
NATIONAL ACCOUNT SERVICE AGREEMENT

The SHACK SHINE HOME SERVICES National Account Service Agreement is between SHACK SHINE HOME SERVICES LLC (the "Franchisor"), and the undersigned franchisee of the SHACK SHINE HOME SERVICES franchise system (the "Participating Franchisee")

WHEREAS

A The Franchisor and the Participating Franchisee have entered into one or more franchise agreements (the "Franchise Agreement") whereby the Franchisee has been granted the right to carry on a Franchised Business in the SHACK SHINE HOME SERVICES franchise system (the "System")

B The existence of multiple franchisees in the System creates opportunities to enter into accounts with other entities that have multiple locations in more than one territory in the System (each, a "National Account") for the benefit of Participating Franchisees by leveraging the national scope of the System

C The establishment of National Accounts is best facilitated by the establishment of a program, upon the terms set out herein, whereby the Franchisor will have the authority to negotiate National Accounts on behalf of the System as a whole, whether acting as agent or as principal (the "Program")

Now therefore, the Franchisor and the Participating Franchisee agree as follows

1 ***Interpretation*** All capitalized terms not otherwise defined herein shall have the same meaning as under the Franchise Agreement

2 ***Agency or General Contractor*** The Franchisor or an affiliate may enter into National Account agreements as agent or as general contractor as follows

(a) Where the Franchisor enters into a National Account agreement as agent, it shall act as agent on behalf of the Participating Franchisee, and the Participating Franchisee hereby appoints Franchisor as its attorney-in-fact to do so

(b) Where the Franchisor enters into a National Account agreement as general contractor, it shall enter into such agreement as principal, and may subcontract the services to such National Account to the Participating Franchisee, provided that Franchisee services such National Account in accordance with the terms and conditions of the particular National Account agreement

3 ***National Account Terms*** Franchisor may enter into National Accounts upon any terms it determines, in good faith, to be commercially viable for the System, including, without limitation

(a) The provision of discounts the National Account off of regular retail pricing, whether or not based upon volume

(b) The payment of commissions to the National Account or any party referring the National Account whether on a one-time or on an ongoing basis

(c) The establishment of fixed pricing or pricing models unique to the National Account

(d) The provision of service levels or standards unique to the National Account, including the requirement to provide service within required time periods or the provision of regularly scheduled service

(e) The provision of centralized billing for the National Account through the Franchisor or its affiliate

(f) The requirement for the Participating Franchisee to obtain insurance levels required by the National Account, including the addition of the National Account or Franchisor's assignee as a name insured or additional insured on applicable insurance policies

(g) The requirement that the Participating Franchisee comply with additional terms of service required by the National Account, including but not limited to employee training and investigation, reporting, and invoicing procedures

4 ***Acknowledgements*** The Participating Franchisee acknowledges and agrees to the following

(a) The Franchisor may discontinue the Program for any reason, at any time

(b) The Participating Franchisee may elect to withdraw from the Program upon 30 days written notice to the Franchisor, provided that the Participating Franchisee acknowledges that withdrawal from the Program will result in the Participating Franchisee being precluded from servicing any National Account, and will allow the Franchisor to offer other franchisees or other third parties the opportunity to service National Accounts in the Participating Franchisee's Territory

(c) Franchisor may at any time terminate a particular Franchisee from the Program or a particular National Account if the Franchisee commits a default under the Franchise Agreement, whether or not such default amounts to a Material Default under the terms of the Franchise Agreement, or if the Participating Franchisee fails to service a particular National Account strictly in accordance with the applicable terms and conditions

(d) The Franchisor makes no representation to the Participating Franchisee that any particular National Account will be of any direct or indirect benefit to the Participating Franchisee, or that the Participating Franchisee will in fact have the opportunity to service any National Account

(e) Franchisors may withhold applicable Royalties on National Account work or any other amounts owing to the Franchisor from any payments to the Franchisee on account of Services provided to a National Account

(f) Franchisor may assign this Agreement to any of its Affiliates from time to time

(g) Franchisor may include such other terms from time to time as may be set out in the Operations Manual

ACKNOWLEDGED AND AGREED

______________________ elects to participate in the SHACK SHINE HOME SERVICES National Account Service Agreement and agrees to its terms

FRANCHISOR	**PARTICIPATING FRANCHISEE**
SHACK SHINE HOME SERVICES LLC, a Washington limited liability company	______________________________, a ______________________________
By ______________________________ (authorized signatory)	By ______________________________ (authorized signatory)
Dated ____________________	Dated ____________________

EXHIBIT I

State Specific Addenda

STATE SPECIFIC ADDENDA
TO FRANCHISE DISCLOSURE DOCUMENT
AND FRANCHISE AGREEMENT

The following modifications are made to the SHACK SHINE HOME SERVICES 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

4841 0881 4915 1

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

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 may by rule or order require, before we ask you to consider a proposed material modification of your franchise agreement

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 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

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)

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

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

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040 5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California

The URL of our website is www shackshine com OUR WEB SITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEB SITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www dbo ca.gov

HAWAII

The followıng ıs added to the Cover Page

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED 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, OR SUBFRANCHISOR, 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, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE

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

The followıng Rısk Factor ıs added to the State Cover Page

WE HAVE A DEFICIT MEMBER'S EQUITY OF ($2,781) AS OF DECEMBER 31, 2016 AS A RESULT, FOR EACH FRANCHISE SOLD IN HAWAII, THE STATE OF HAWAII HAS REQUIRED US TO DEFER THE RECEIPT OF INITIAL FRANCHISE FEES AND OTHER PAYMENTS TO US AND OUR AFFILIATES UNTIL WE HAVE MET ALL OF OUR PRE-OPENING OBLIGATIONS AND YOU HAVE OPENED YOUR FRANCHISE BUSINESS

Items 5 and 7 of the dısclosure document and Sectıon 3 and Schedule B of the Franchıse Agreement are amended to provıde that all ınıtıal fees and payments shall be deferred untıl such tıme as we complete our pre-openıng oblıgatıons to you under the Franchıse Agreement and you are open for busıness

ILLINOIS

Items 5 and 7 of the disclosure document and Section 3 and Schedule B of the Franchise Agreement are amended to provide that all initial fees shall be deferred until such time as you have commenced doing business pursuant to the Franchise Agreement This deferral requirement has been imposed by the Illinois Attorney General's Office based on our financial condition

Any provision in a franchise agreement that designates jurisdiction or venue in a forum outside the State of Illinois may not be enforceable The disclosure document and Franchise Agreement are amended to designate jurisdiction and venue in Illinois to the extent required by Illinois law

The governing law or choice of law clause described in the disclosure document and contained in the Franchise Agreement may not be enforceable under Illinois law This governing law clause shall not be construed to negate the application of the Illinois Franchise Disclosure Act in all situations to which it is applicable

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

KANSAS

(To be Signed by Kansas Franchisees)

Section 22 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 from and against 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 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

This Addenda is an amendment to the franchise disclosure document and Franchise Agreement The following modifications are made to the franchise disclosure document and the Franchise Agreement

Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance Therefore, all initial fees and payments owed by you shall be deferred until we complete our pre-opening obligations to you under the Franchise Agreement Items 5 and 7 of the disclosure document and Section 3 and Schedule B of the Franchise Agreement are amended accordingly

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

Item 17 and the Franchise Agreement are 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 23 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

The Acknowledgment and execution page attached as the last page of this document is revised 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 "

FRANCHISOR	FRANCHISEE
By ______________________	By ______________________
Title ______________________	Title ______________________
Date ______________	Date ______________

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

Michigan Department of Attorney General
Consumer Protection Division
Attn Franchise Section
525 W Ottawa Street
G Mennen Williams Building, 1st Floor
Lansing, Michigan 48933
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

Items 5 and 7 of the dısclosure document and Sectıon 3 and Schedule B of the Franchıse Agreement are amended to provıde that all ınıtıal fees and payments shall be deferred untıl such tıme as we complete our pre-openıng oblıgatıons to you under the Franchıse Agreement and you are open for busıness

We wıll comply wıth Mınnesota Statute 80C 14 subdıvısıons 3, 4, and 5, whıch requıre except ın certaın specıfic cases, that you be gıven 90 days' notıce of termınatıon (wıth 60 days to cure) and 180 days' notıce for non-renewal of the Franchıse Agreement, and that consent to the transfer wıll not be unreasonably wıthheld

Mınnesota Rule 2860 4400D prohıbıts us from requırıng you to assent to a general release The dısclosure document and Franchıse Agreement are modıfied accordıngly, to the extent requıred by Mınnesota law

Mınn Stat Sec 80C 21 and Mınn Rule Part 2860 4400J, may prohıbıt us from requırıng lıtıgatıon to be conducted outsıde Mınnesota In addıtıon, nothıng ın the dısclosure document or Franchıse Agreement can abrogate or reduce any of your rıghts as provıded for ın Mınnesota Statutes, Chapter 80C, or your rıghts to any procedure, forum, or remedıes provıded for by the laws of the jurısdıctıon

Provısıons ın the dısclosure document and Franchıse Agreement lımıtıng your rıght to file claıms, that are ınconsıstent wıth Mınnesota Statute Sec 80C 17, Subd 5, are amended to the mınımum extent requıred by Mınnesota law

Any statements ın the dısclosure document and Franchıse Agreement statıng that we are entıtled to ınjunctıve relıef are amended to read "we may seek ınjunctıve relıef " A court wıll determıne ıf a bond ıs requıred

In accordance wıth Mınnesota Rule 2860 4400J, to the extent requıred by law, the dısclosure document and the Franchıse Agreement are modıfied so that we can not requıre you to waıve your rıghts to a jury trıal or to waıve rıghts to any procedure, forum, or remedıes provıded for by the laws of the jurısdıctıon, or to consent to lıquıdated damages, termınatıon penaltıes, or judgment notes, provıded that thıs part shall not bar an exclusıve arbıtratıon clause

Pursuant to Mınn Stat Sec 80C 12, Subd 1(g), to the extent requıred by law, the Franchıse Agreement and Item 13 of the dısclosure document are amended to state that we wıll protect your rıght to use the prımary trademark, servıce mark, trade name, logotype or other commercıal symbol or ındemnıfy you from any loss, costs or expenses arısıng out of any claım, suıt or demand regardıng the use of our prımary trade name

NEW YORK

1 The followıng ınformatıon ıs added to the cover page of the Franchıse Dısclosure Document

INFORMATION COMPARING FRANCHISORS IS AVAILABLE CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT D OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION REGISTRATION OF THIS FRANCHISE BY A STATE DOES NOT MEAN THAT A STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINICIAL AUTHORITY

2 ITEM 3, LITIGATION, Except as descrıbed above, neıther the franchısor, ıts predecessor, a person ıdentıfied ın Item 2, or an affilıate offerıng franchıses under the franchısor's prıncıpal trademark

A Has an admınıstratıve, crımınal or cıvıl actıon pendıng agaınst that person allegıng a felony, a vıolatıon of a franchıse, antıtrust, or securıtıes law, fraud, embezzlement, fraudulent conversıon, mısappropriatıon of property, unfair or deceptıve practıces, or comparable cıvıl or mısdemeanor allegatıons, or has any pendıng actıons, other than routıne lıtıgatıon ıncıdental to the busıness, whıch are sıgnıficant ın the context of the number of franchısees and the sıze, nature or financıal condıtıon of the franchıse system or ıts busıness operatıons

B Has been convıcted of a felony or pleaded nolo contendere to a felony charge or, wıthın the ten-year perıod ımmedıately precedıng the applıcatıon for regıstratıon, has been convıcted of a or pleaded nolo contendere to a mısdemeanor charge or has been the subject of a cıvıl actıon allegıng vıolatıon of a franchıse, antıfraud or securıtıes law, fraud, embezzlement, fraudulent conversıon or mısappropriatıon of property, or unfaır or deceptıve practıces or comparable allegatıons

C Is subject to a currently effectıve ınjunctıve or restrıctıve order or decree relatıng to the franchıse, or under a Federal, State or Canadıan franchıse, securıtıes, antıtrust, trade regulatıon or trade practıce law, resultıng from a concluded or pendıng actıon or proceedıng brought by a publıc agency, or ıs subject to any currently effectıve order of any natıonal securıtıes assocıatıon or natıonal securıtıes exchange, as defined ın the Securıtıes and Exchange Act of 1934, suspendıng or expellıng such person from membershıp ın such assocıatıon or exchange, or ıs subject to a currently effectıve ınjunctıve or restrıctıve order relatıng to any other busıness actıvıty as a result of an actıon brought by a publıc agency or department, ıncludıng, wıthout lımıtatıon, actıons affectıng a lıcense as a real estate broker or sales agent

3 ITEM 4, BANKRUPTCY, Except as descrıbed above, neıther the franchısor, ıts affilıate, ıts predecessor, officers, or general partner durıng the 10-year perıod ımmedıately before the date of the dısclosure document

(a) filed as debtor (or had filed agaınst ıt) a petıtıon to start an actıon under the U S Bankruptcy Code,
(b) obtaıned a dıscharge of ıts 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 of the franchisor held this position in the company or partnership

4 ITEM 5, INITIAL FEES, The purpose of the initial fee is to compensate us for the cost of selling franchises

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

Item 17 d, Termination by franchisee The franchisee may terminate the agreement on any grounds available by law

Item 17 j, Assignment of contract by Franchisor However, no assignment will be made except to an assignee who, in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the franchise agreement

Item 17 v, Choice of forum, & Item 17 w, Choice of law The forgoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by article 33 of the General Business law of the state of New York

NORTH DAKOTA

Items 5 and 7 of the disclosure document and Section 3 and Schedule B of the Franchise Agreement are amended to provide that all initial fees and payments shall be deferred until such time as we complete our pre-opening obligations to you under the Franchise Agreement and you are open for business

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

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 extent required by law

SOUTH DAKOTA

Items 5 and 7 of the Disclosure Document and Section 3 and Schedule B of the Franchise Agreement are amended to provide that all initial fees and payments shall be deferred until such time as we complete our pre-opening obligations to you under the Franchise Agreement

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

Items 5 and 7 of the disclosure document and Section 3 and Schedule B of the Franchise Agreement are amended to provide that all initial fees and payments shall be deferred until such time as we complete our pre-opening obligations to you under the Franchise Agreement and you are open for business

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 which 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, to the extent required by Washington law

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

The state of Washington has a statute, RCW 19 100 180, which may supersede the Franchise Agreement in your relationship with us 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 us including the areas of termination and renewal of your franchise

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

The signature lines below apply to the Addenda for each state referenced in the foregoing document, and are applicable to you if you are covered by the franchise law of the referenced state

It is agreed that any applicable part of the foregoing state law addendum supersedes any inconsistent portion of the Franchise Agreement dated the _____ day of __________________, 20__, and of the Franchise disclosure document, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect

DATED this _______ day of ____________________, 20__

FRANCHISOR SHACK SHINE HOME SERVICES LLC

By ______________________________________

Title ____________________________________

FRANCHISEE

By ______________________________________

Title ____________________________________

By ______________________________________

Title ____________________________________

(MUST BE SIGNED BY ALL OWNERS AND MANAGERS OF AN ENTITY FRANCHISEE)

EXHIBIT J

Form of General Release

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

GENERAL 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 Shack Shine Home Services 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 K

Receipt Pages

RECEIPT

Thıs dısclosure document summarızes certaın provısıons of the Franchıse Agreement and other ınformatıon ın plaın language Read thıs dısclosure document and all agreements carefully

If Shack Shıne Home Servıces LLC offers you a franchıse, ıt must provıde thıs dısclosure document to you at least 14 calendar-days before you sıgn a bındıng agreement wıth, or make a payment to, Shack Shıne Home Servıces LLC or an affılıate ın connectıon wıth the proposed franchıse sale

The laws of New York requıre that we gıve you thıs dısclosure document at the earlıer of the first personal meetıng or 10 busıness days before the executıon of the franchıse or other agreement or the payment of any consıderatıon that relates to the franchıse relatıonshıp

The laws of Mıchıgan requıre that we gıve you thıs dısclosure document at least 10 busıness days before the executıon of any bındıng franchıse or other agreement or the payment of any consıderatıon, whıchever occurs first

If Shack Shıne Home Servıces LLC does not delıver thıs dısclosure document on tıme or ıf ıt contaıns a false or mısleadıng statement, or a materıal omıssıon, a vıolatıon of federal and state law may have occurred and should be reported to the Federal Trade Commıssıon, Washıngton, D C 20580 and the State Agency lısted ın Exhıbıt D See Exhıbıt D for Shack Shıne Home Servıces LLC's agent for servıce of process

The franchısor ıs Shack Shıne Home Servıces LLC, located at 887 Great Northern Way, Suıte 301, Vancouver, B C , Canada V5T 4T5 Its telephone number ıs 1-888-808-7751

Issuance Date March 20, 2017

The followıng franchıse seller(s) has/have offered thıs franchıse on behalf of Shack Shıne Home Servıces LLC

Name	Prıncıpal Busıness Address	Telephone Number
Dave Notte	301 - 887 Great Northern Way Vancouver , BC Canada V5T 4T5	778-997-6323
Barb Agostını	301 - 887 Great Northern Way Vancouver , BC Canada V5T 4T5	604-909-3201
Jeremy Ennıs	301 - 887 Great Northern Way Vancouver , BC Canada V5T 4T5	604-909-0651

I receıved a dısclosure document wıth an ıssuance date of March 20, 2017 that ıncluded the followıng Exhıbıts

A Lısts of Franchısees and Certaın Former Franchısees
B Franchıse Agreement wıth attached schedules
C Operatıons Manual Table of Contents
D State Regulatory Authorıtıes and Agents for Servıce of Process ın Certaın States
E Fınancıal Statements
F Guarantee
G General Securıty Agreement
H Natıonal Account Program Agreement
I State Specıfic Addenda
J Form of General Release
K Receıpts

PROSPECTIVE FRANCHISEE

If individual

____

(signature)

____

(print name)

If entity

____

(print name of entity)

____

(print state where formed)

By______________________________

(signature)

____

(print name)

Its

(print title)

DATE DISCLOSURE DOCUMENT RECEIVED ______________

____

(signature)

____

(print name)

____

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 Shack Shine Home Services LLC offers you a franchise, it must provide this disclosure document to you at least 14 calendar-days before you sign a binding agreement with, or make a payment to, Shack Shine Home Services LLC or an affiliate in connection with the proposed franchise sale

The laws of New York 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

The laws of Michigan require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first

If Shack Shine Home Services 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 the State Agency listed in Exhibit D See Exhibit D for Shack Shine Home Services LLC's agent for service of process

The franchisor is Shack Shine Home Services LLC, located at 887 Great Northern Way, Suite 301, Vancouver, B C , Canada V5T 4T5 Its telephone number is 1-888-808-7751
Issuance Date March 20, 2017

The following franchise seller(s) has/have offered this franchise on behalf of Shack Shine Home Services LLC

Name	Principal Business Address	Telephone Number
Dave Notte	301 - 887 Great Northern Way Vancouver , BC Canada V5T 4T5	778-997-6323
Barb Agostini	301 - 887 Great Northern Way Vancouver , BC Canada V5T 4T5	604-909-3201
Jeremy Ennis	301 - 887 Great Northern Way Vancouver , BC Canada V5T 4T5	604-909-0651

I received a disclosure document with an issuance date of March 20, 2017 that included the following Exhibits

A Lists of Franchisees and Certain Former Franchisees
B Franchise Agreement with attached schedules
C Operations Manual Table of Contents
D State Regulatory Authorities and Agents for Service of Process in Certain States
E Financial Statements
F Guarantee
G General Security Agreement
H National Account Program Agreement
I State Specific Addenda
J Form of General Release
K 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)

____

RETURN THIS COPY TO US