FRANCHISE DISCLOSURE DOCUMENT

SHACK SHINE HOME SERVICES LLC
a Washington limited liability company
301 - 887 Great Northern Way
Vancouver, BC, 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 two or three subterritories is $67,600 to $129,050. This includes $42,000 to $54,500 that must be paid to us or our affiliate. If we grant you additional subterritories, these costs will increase by $12,000 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 disclosures in different formats, contact our Franchise Development Manager at 301 - 887 Great Northern Way, 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: April 23, 2020

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit A.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit E includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Shack Shine business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Shack Shine franchisee?	Item 20 or Exhibit A lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit D.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation only in Vancouver, British Columbia, Canada and litigation only in Seattle, Washington. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate with the franchisor in British Columbia or litigate with the franchisor in Washington than in your own state.

2. **Franchisor's Financial Condition**. Our financial condition, as reflected in our financial statements (see Item 21), calls into question our financial ability to provide services and support to you. You will be required to make an estimated initial investment ranging from is $67,600 to $129,050. This amount exceeds our member's equity as of December 31, 2019, which is reported to be $35,842.

3. **Minimum Royalty Payments**. 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.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" in Exhibit I to see whether your state requires other risks to be highlighted.

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I	State Specific Addenda (amends both disclosure document and Franchise Agreement)
J	Franchisee Disclosure Questionnaire and Certification
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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. 0766143 B.C. Ltd., a British Columbia, Canada company, holds the controlling interest in Shack Shine Corporate. The principal business address address for both Shack Shine Corporate 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 301 - 887 Great Northern Way, 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 proprietary software, brand development, training, business processes, marketing programs, and access to the exclusive service of the call center and online booking system (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. 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 exterior home detailing services, including power or pressure washing, gutter cleaning, exterior window cleaning, installation of seasonal lights and other services specified by us in writing from time to time (the "Services"), and selling related products and accessories (the "Products"). 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, 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.

Managing Director: **Maxime Mercier**

Maxime Mercier joined the Company as Managing Director in February 2019. Before joining the Company, he was Vice President, Sales Center for 1-800-GOT-JUNK? from January 2018 to February 2019. Prior to joining 1-800-GOT-JUNK?, he was Vice-President of Sales for EF Education First from August 2012 to January 2018, in Toronto, ON.

Executive Vice President, Customer and Strategy of O2E Brands: **Owen Gormley**

Owen Gormley has served as Executive Vice President of Customer and Strategy for O2E Brands since July 2018. Prior to that, Mr. Gormley served as the Vice President of Strategy and Business Operations for O2E Brands from April 2015 to July 2018. Prior to that, Mr. Gormley served as the Director of Strategy and Implementation for O2E Brands from July 2014 to April 2015.

Senior Manager, Franchise Development: **Cameron Wears**

Cameron Wears joined Company as Senior Manager, Franchise Development in December 2017. He is also the Senior Manager, Franchise Development for WOW 1 DAY PAINTING LLC in Vancouver, B.C. since December 2017. Cameron was the Senior Manager, Franchise Partner Recruitment for WOW 1 DAY PAINTING LLC from January 2012 to December, 2017, also in Vancouver, B.C.

Franchise Development Manager: **Jeremy Ennis**

Jeremy Ennis currently serves as the Franchise Development Manager 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. from March 2015 to October 2015.

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 $32,000, which includes $20,000 for the first subterritory, plus $12,000 for one additional subterritory. The minimum Initial Fee is for a territory consisting of one subterritory, in which case the Initial Fee is $20,000. 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.

The range of initial franchise fees payable for franchise agreements signed in the year ending December 31, 2019 was between $27,200 and $62,000.

If we grant you additional subterritories within which to operate the Franchised Business, you must pay us a subterritory Initial Fee of $12,000 for each additional subterritory. The Initial Fee for additional subterritories is payable to us on the due date mutually agreed upon and set forth in the Franchise Agreement. 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. Should you purchase more than two subterritories, we may recommend that you spend an additional $5,000 for Initial Marketing Expenses. The Initial Marketing Expense monies are non-refundable. You must also pay us a non-refundable vehicle 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 within three business days of the 15th day and the last day of each month	Paid by electronic fund transfer.

Name of Fee	Amount	Due Date	Remarks
Minimum Royalty	Depending upon your year of operation, the Minimum Royalty will range from $4,000 to $15,000 per Subterritory per calendar year. The amount payable by you is the amount the Minimum Royalty exceeds the amount of Royalties actually paid by you in any year of operations. In the first year of operation, if Scheduled Opening Date is after September 1st, then Minimum Royalty will be assessed beginning in the following calendar year. See Note 2.	On or before January 15th of the following year	This is only payable if the Royalties actually paid by you in a year of operations are less than the Minimum Royalty.
Sales Center, Marketing & Technology Fee	8% of Gross Revenue	Same as Royalty	We use and expend these amounts to cover costs associated with the Sales Center and CRM System and related current or new technology and systems; advertising and promotion and related activities, public relations, website and social media brand account message management; loyalty programs; gift card programs; marketing, recruiting and managing National Account Customers and local commercial services; and administrative costs related to these expenditures

Name of Fee	Amount	Due Date	Remarks
Digital Marketing Programs Fee	Up to 5% of Gross Revenue per quarter	As determined by us	You must contribute an amount that is equal to 5% of your Gross Revenue in each quarter of your fiscal year to such digital marketing programs as we may specify from time to time. All expenditures you make pursuant to this requirement will be included in the calculation of your local marketing and promotions expenditure.
Branding Cooperative	Up to 5% 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 65% of the involved franchisees (calculated on a gross revenue basis) subject to the branding cooperative consent to paying fees. This is paid as directed by us. These amounts may be credited towards Local Marketing obligations. Any franchisor-owned outlets in an area subject to a branding cooperative will pay into and vote in the same manner as franchised outlets. You will not be required to contribute more than 5% of your Gross Revenue in the aggregate for all branding cooperatives to which you belong.

Name of Fee	Amount	Due Date	Remarks
Additional Training and Retraining	Payment for additional training or retraining at our then current training fee (currently up to $500 per person per day), plus our related out-of-pocket costs including all transportation, lodging and meal expenses incurred by our personnel	Within 30 business days of billing by us	There is no separate charge for initial training for the Principal Operator and any other director, officer, or shareholder that we require. 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 Fee	$10,000	You are required to pay $2,500 upon announcing your intention to sell, and the balance upon transfer.	
Transferee Administrative Fee	$5,000	Payable before and as a condition of any assignment	We may charge this fee to an assignee
Renewal Fee	$7,500	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.

Name of Fee	Amount	Due Date	Remarks
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 in any report delivered by you.
Failure to Report Fee	5% of the Royalty, the Sales Center, Marketing & Technology Fee and other amounts payable to us during the applicable semi-monthly period	Upon demand	Payable if you fail to submit a semi-monthly report as required by the Franchise Agreement
Interest on late payments	Lower of 24% per annum or highest rate allowed by the state where you are located	Upon demand	Payable on all overdue amounts accruing from the date payment is due until payment is received by us.
Reimbursement for Declined Transfers	Amounts payable that were declined plus all costs incurred by us in connection with such declination, including any reasonable administrative fee we may set periodically	Upon demand	Payable if your electronic funds transfer is declined by your bank for any reason
Annual Conference	$1,500 to $2,000, plus costs associated with attendance	As incurred	This fee is intended to reimburse us 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	$1,000 per day plus out-of-pocket expenses	Within 7 days of invoice	Payable if we exercise our right to run your Franchised Business. See Section 20.7 of the Franchise Agreement.

Name of Fee	Amount	Due Date	Remarks
Liquidated Damages – Breach of Standards	$25 -$2,000, depending upon the breach	Upon demand	Payable if we determine that you have contravened a standard set out in the Franchise Agreement or Operations Manual. Amount of damages depends upon the nature of the violation.
Liquidated Damages – Termination	Will vary under circumstances	As incurred	If the Franchise Agreement is terminated due to your default, you pay liquidated damages equal to 100% of the Royalties and 30% of the Sales Center, Marketing & Technology Fees that would have been due for the remainder of the term but for the termination, based on the average monthly Royalties (or Minimum Royalty, if greater) and Sales Center, Marketing & Technology Fees paid during the 12 months prior to termination.
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.
Vehicle Lease Guarantee Fee	$1,200 per year	Included with your vehicle lease payment, typically due monthly	Payable if we guarantee your vehicle lease financing

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 from or in connection with the operation of the Franchised Business (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 from Gross Revenue except for the following: (a) sums collected by or on behalf of Franchisee for any duly constituted governmental authority on account of sales taxes, goods and 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; (c) amounts for uncollected or uncollectable credit accounts as long as such credit accounts are deemed uncollected or uncollectable in accordance with Franchisor's policies and procedures in relation to uncollected or uncollectable credit accounts set out in the Operations Manual; and (d) amounts uncollected for 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) The Minimum Royalty is the following amount multiplied by the number of subterritories in your Territory: (i) $4,000 in the calendar year which the Franchised Business commences operations, pro-rated as necessary to account for operations for a partial calendar year only; (ii) 8,000 in the second calendar year of operations; and (iii) $15,000 in each calendar year thereafter (including any calendar year during any Renewal Term, except as otherwise specified in any renewal agreement). If the scheduled opening date occurs on or after September 1, then the $4,000 Minimum Royalty will go into effect starting January 1 of the following calendar year, and the $8,000 Minimum Royalty will go into effect starting January 1 of the third calendar year following the original scheduled opening date.

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)	$32,000	$44,000	Lump sum	At signing of Franchise Agreement	Company
Initial Marketing Expense (Note 2)	$10,000	$15,000	Lump sum	At signing of Franchise Agreement	Company/3rd Party Vendors
Computer Hardware and Software (Note 3)	$0	$1,500	As arranged	As incurred	3rd Party Vendors
Vehicles & Graphics Lease/Purchase Deposit (Note 4)	$0	$5,000	Monthly Lease	Monthly	Company/Dealer/Seller/ Lessor/ Finance Company
Vehicle Lease Administration Fee	$0	$500	Lump sum	Upon signing lease for vehicle	Company
Real Estate/Rent (Note 5)	$0	$4,500	As arranged	As arranged	Landlord/Lessor

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is to Be Made
	Low	High			
Training Expenses (Note 6)	$1,550	$4,650	As required by vendors	Before Opening	3rd Party Vendors
Insurance (Note 7)	$1,000	$6,000	As arranged	As arranged	3rd Party Vendors
Equipment and Supplies (Note 8)	$1,000	$15,000	As arranged	Before opening	3rd Party Vendors
Licenses and Permits (Note 9)	$150	$500	As arranged	As incurred	Governmental authorities
Professional Fees (Note 10)	$1,900	$2,400	As arranged	As incurred	Lawyers, accountants, other professionals, etc.
Additional Funds – 6 Months (Note 11)	$20,000	$30,000	As required by vendors and employees	As incurred	Employees, Suppliers, Utilities
TOTAL (Notes 12 and 13)	$67,600	$129,050			

Notes:

(1) This figure includes $20,000 for the first subterritory, plus $12,000 for one additional subterritory. While the majority of franchises will be two territories, we may sell more than two subterritory franchises in certain appropriate markets or circumstances. The high amount above reflects a franchisee purchasing three subterritories. The subterritory Initial Fee is $12,000 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. Should you purchase more than two subterritories, we may recommend that you spend an additional $5,000 for Initial Marketing Expenses. See Item 11.

(3) You must establish and maintain a high speed Internet connection for use in connection you're your Franchised Business, and establish and operate such software, computer, communications and other systems hardware and software that we prescribe. The high end estimate represents the estimated cost to purchase and establish this equipment. If you already own equipment that meets our requirements, your cost for these items will be $0. Item 11 describes the required computer hardware and software in greater detail. 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.

(4) The above figures assume you lease one vehicle and represent the initial lease deposit for that vehicle. Some franchisees with good credit and who meet certain other vendor requirements may be able to lease a vehicle with no payments for the first six months of the lease term, as represented by the low end estimate of $0 shown above. 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 and/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.

(5) You may want to operate your Franchised Business from a home-based office, in which case, there would be no cost to you for rent. Alternatively, you may rent an office space, in which case you must pay all rent and other fees payable under the lease. We estimate rent for designated office space would average $500 per month, but the amount of rent will vary widely 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. Prices for storage garages may also vary greatly. The high estimate is for six months of rent for both an office space and separate storage garage.

(6) Training fees for your Principal Operator and any other director, officer, or shareholder of your entity that we require, 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. Expected costs are based upon a 10-day estimated stay, with shared accommodations from $75-200 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.

(7) You must obtain and maintain at all times during the term of your franchise the types of insurance policies or coverages and the minimum policy limits or maximum deductibles of any policy as specified in the Operations Manual ("Coverages"), which are apt to change from time-to-time. This estimate includes your initial six months of insurance expenses, but you must continually maintain insurance coverage in such amounts as we specify. You must also maintain at all times all insurance policies as required by the law in which your Franchised Business is operated. You must name us and our affiliates, agents, representatives, shareholders, directors, officers and employees as additional insureds The following are our current minimum requirements for Coverages, which are currently under review and may change significantly:

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
Employers Liability Insurance	As required by Franchisor; not less than $1,000,000
Worker's Compensation	As required by state law
Other	As required by Franchisor

(8) 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.

(9) 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.

(10) You will need to retain a lawyer, an accountant and other consultants to assist you in establishing your Franchised Business. These fees may vary from location to location depending upon the prevailing rates of local lawyers, accountants and consultants. These fees are typically non-refundable.

(11) This estimates your initial operating expenses, including working capital, during the initial start-up months. Your costs will depend on factors such as: following our methods and procedures; your management skill, experience and business knowledge; local economic conditions; local market for services; prevailing wage rate; competition; sales level reached during the initial period; and lease rates for your Franchised Location, vehicle and computer and communications equipment. Additional Funds relate only to costs associated with the Franchised Business and do not cover any owners' draw or personal, "living," unrelated business or other expenses you may have, such as royalty payments, debt service on any loans, state sales and/or use taxes on goods and services, and a variety of other amounts not expressly described and included in the notes above.

(12) We relied on the experience of our U.S. franchisees 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 communications 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.

(13) 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 certain items for your Franchised Business from us or our approved supplier(s) or under our specifications. All orders for Services and Products and customer inquiries must be placed and processed using our designated Sales Center, and our designated customer relationship management system (the "CRM System"). We are the only approved supplier of the Sales Center and CRM System. 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 and debit card processing services, communications equipment, 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 vehicles, tools, equipment, computer hardware and software, communications equipment, credit card processing software, and insurance. We require you to obtain insurance of the types and policies or coverages and the minimum policy limits or maximum deductibles or any policy as specified in the Operations Manual, and such requirements are apt to change from time-to-time during the term of your franchise. 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, 2019, we received $61,704 in revenue from our franchisees for required purchases and leases, which represented approximately 5% of our total revenues of $1,229,128. In the fiscal year ended December 31, 2019, our parent, Shack Shine Corporate, received approximately $314,319 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$400 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. In the year ending December 31, 2019, we did not receive any payments from suppliers, but Shack Shine Corporate received CAD$2,395 based on required purchases and leases of products and services from our suppliers. Exchange rates from Canadian to U.S. Dollars ranged from 0.7353 to 0.7699 during calendar year 2019, with the period average exchange rate being 0.7536.

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 - 2.3; 4	Items 7, 8 and 11
b.	Pre-opening purchases/leases	4.1; 5; 14.8; Schedule C	Items 7 and 8
c.	Site development and other pre-opening requirements	N/A	Not Applicable
d.	Initial and ongoing training	11; 14.3; 16.2	Item 11
e.	Opening	2.5	Item 11
f.	Fees	2.2; 3; 7.1(bb); 9.4; 10; 11; 14.8; 19.2(b) and (c); 20.4(c) and (d); 20.7; 23.1	Items 5 and 6
g.	Compliance with standards and policies/Operating Manual	2.1; 7.1; 8.6; 13	Item 11
h.	Trademarks and proprietary information	2.1; 7.1; 12.3; 12.9; Schedule A	Items 13 and 14
i.	Restrictions on products/services offered	2.3; 6; 12	Items 8 and 16
j.	Warranty and customer service requirements	7.1(b); 23.23	Item 11
k.	Territorial development and sales quotas	2.2	Items 6 and 12
l.	Ongoing product/service purchases	7.1(k); 9; 16.1	Not Applicable
m.	Maintenance, appearance and remodeling requirements	4.1; 5; 7.1(f) and (g)	Item 11
n.	Insurance	15	Item 7
o.	Advertising	7.1; 10	Items 6 and 11

	Obligation	Section in Agreement	Disclosure Document Item
p.	Indemnification	22	Item 6
q.	Owner's participation/management/staffing	7.1; 11, 12	Item 15
r.	Records and reports	8	Item 11
s.	Inspections and audits	8.5; 8.6; 12.4; 14.5	Items 6 and 11
t.	Transfer	20	Item 17
u.	Renewal	19	Item 17
v.	Post-termination obligations	18	Item 17
w.	Non-competition covenants	21	Item 17
x.	Dispute resolution	23.14 - 23.19	Item 17
y.	Other: Guarantee of Franchise Obligations (Note 1)	2.7	Item 15

Notes:

(1) All of your directors, officers, shareholders, partners, or members, as required by us, shall each be required to sign and deliver an agreement guaranteeing the full and punctual payment and performance obligations of the Franchisee under the Franchise Agreement. See Exhibit F to this disclosure document.

ITEM 10. Financing

Summary of Financing Offered			
Item Financed	**Initial Fees**	**Vehicle Lease**	**Equipment Lease**
Source of Financing	Franchisor or Affiliate	Alamo Leasing Company, Guaranteed by Franchisor Affiliate	Franchisor or Affiliate
Down Payment	$0	$0	$0
Amount Financed	$20,000 - $42,000	$41,800 - $54,800	$13,500
Term (Years)	1-4 years	1-5 years	3 years
Interest Rate	Up to 15%	5 – 5.50%	Up to 12%
Monthly Payment	$417 - $3,791	$853 to $1,068* (see Note 1)	$330 to $430
Prepay Penalty	None	Rent for the minimum term of 367 days less amounts already paid.	None
Security Required	Personal Guaranty of Franchise Owners	Security interest in the vehicle	Security interest in the equipment
Liability Upon Default	Acceleration of amount due; loss of franchise; costs of collection	Cross default with franchise agreement; penalty interest; repossession of the vehicle; accelerate loan balance; costs of collection	Cross default with franchise agreement; penalty interest; repossession of the vehicle; accelerate loan balance; costs of collection
Loss of Legal Right on Default	None	Waive right to jury trial	None

Notes:
1. This amount includes the Guarantee Fee of approximately $100 that is collected by Alamo and paid to Franchisor or its Affiliate.

If we grant you one or more subterritories within which to operate your Franchised Business, we may (in our sole discretion) allow you to pay the initial franchise fee and initial marketing expense in varying monthly installments, with interest, until the initial franchise fees are repaid. A copy of our form of Financing Agreement is attached as Exhibit L. We do not otherwise offer financing at this time.

On a case by case basis, at our and our affiliates' discretion, we or an affiliate may offer to guarantee your vehicle lease financing obligations ("Lease Financing") in exchange for payment by you of a guarantee fee ("Guarantee Fee"). The Guarantee Fee is charged in exchange for providing a guarantee on Lease Financing offered by an arm's length third party lender, Alamo Leasing Company (the "Lender") to franchisees. The Lender will prepare all the necessary documents and will handle the processing, payments, customer service and collections according to standards developed in conjunction with us. A copy of the form of financing agreement is attached as Exhibit L. We or an affiliate will provide a guarantee to the Lender for your obligations on one or more of these loans and you will pay to us or such affiliate as we direct a Guarantee Fee commensurate with the risk the guarantor is accepting on the loans, which is expected to cover any loan losses and expenses. The Guarantee Fee on these loans will typically be $1,200 per annum, payable in monthly installments, per loan for the duration of the Lease Financing period. That period is generally four

years. Lease payments are also payable monthly in advance on the first day of the month. The Guarantee Fee is included in the payments due under the Lease Financing agreement and the Lender will remit the Guarantee Fee to us or such affiliate, as we direct.

The Lender will retain a security interest in any vehicles and all proceeds, accessions, documents, instruments, accounts, chattel paper, equipment, subleases, security deposits and general intangibles related thereto. The rate of interest payable on any amounts not paid when due is the lesser of 1.5% per month or the highest interest rate allowed by law. The minimum lease term is 367 days from acceptance of the vehicle, after which time the lease can be terminated according to its terms. A default under the Lease Financing will be deemed to be a default under any other agreement between you and the Lender or any parent, subsidiary or affiliate of the Lender. If you default under the Lease Financing, the Lender may do one or more of the following:

(i) repossess any vehicles leased under the Lease Financing wherever they may be found without canceling the lease agreement;
(ii) collect the present value of the monthly rental due for the remainder of the Lease Financing period or any renewal term;
(iii) collect the full rental due for the period prior to any sale of the vehicle;
(iv) recover all expenses incurred to repossess the vehicles including reasonable attorneys' fees for enforcement of Lender's rights;
(v) collect any charges relating to the pick-up and transportation of the vehicle;
(vi) collect any charges relating to the disposition of the vehicle;
(vii) offer to sell the vehicle to any guarantor and if refused, sell the vehicle to another party and recover amounts due under the Lease Financing;
(viii) offset any amounts due to you against amounts due to Lender; or
(ix) cancel the Lease Financing.

The Lease Financing requires that you waive your right to a jury trial in any legal action arising out of the agreement.

In some circumstances as part of the Lease Financing, we may offer a financing option to you for the purchase price of the equipment and supplies installed in the vehicle. We or an affiliate may purchase equipment from unaffiliated suppliers for installation in one or more of your vehicles and will not charge a mark-up on sales of new equipment. Payments by you to us or our affiliate for equipment and supplies are not refundable. In the event that the equipment and supplies are financed by us or an affiliate, you will be required to pay an interest rate of up to 12% per annum on the cost of the equipment and supplies. The cost of such equipment and supplies will be included in the monthly lease payments for the vehicle. The Lender will prepare all the necessary documents and will handle the processing, payments, customer service and collections according to standards developed in junction with us. The form of financing agreement attached as Exhibit L contemplates the potential lease of equipment and supplies by you.

We do not intend to sell, assign, or discount to a third party all or any part of the financing arrangement.

Other than facilitating the Guarantee Fee, we do not guarantee any debts, leases or other obligations for you. While not obligated to do so, we may, in our discretion, introduce you to third party financing sources that may, if you meet their qualifications, supply financing options for items required as part of the initial investment. We and our affiliates do not receive any consideration from introductions to third party financing sources.

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

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

Pre-Opening Assistance

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 list of designated or approved suppliers or specifications for your vehicles, components, decals, signage, and vehicle wraps (Franchise Agreement, Section 5.1; 7.1(q)). We do not deliver or install decals or signage;

3. provide an initial inventory of supplies to be used in operating your Franchised Business (see Franchise Agreement, Section 16.1);

4. 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(c)). 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;

5. provide an initial training program for your Principal Operator and any other director, officer, or shareholder of your entity that we require, which you both must complete to our satisfaction. An outline of the training is further below (Franchise Agreement, Section 11.2); and

6. deliver to you our current list of suggested prices for your services and products (Franchise Agreement, Section 6.2). 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

We require you to operate the Franchised Business exclusively from the location set forth in the Franchise Agreement (the "Franchised Location"). Your Franchised Location must be located anywhere within your Territory. We estimate that you will need a minimum of 200 square feet of storage space plus office space of at least 150 square feet. In addition to the rent you will be required to pay, the cost to lease space will depend upon the amount of any deposit you must pay in connection with the rental, build-out costs, or pre-paid rent that the landlord may require. You may relocate your Franchised Location to another location within your Territory only after providing prior written notice to us and at your sole cost and expense. We do not provide you with assistance in selecting or securing your Franchised Location, and we do not approve your Franchised Location.

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.

Post-Opening Assistance

During the operation of the Franchised Business, we will:

1. provide electronic access to our confidential Operations Manual (see Franchise Agreement, Section 13.2);

2. coordinate the operation of the Sales Center (see Franchise Agreement, Section 9.1);

3. provide access to the CRM System, our proprietary intranet System (see Franchise Agreement, Section 14.9);

4. expend funds advanced by you on account for the Initial Marketing Expense during your first 6 months of operation (see Franchise Agreement, Section 10.3);

5. administer and maintain the Sales Center, Marketing & Technology Fund (see Franchise Agreement, Section 9.4);

6. provide you with marketing materials and other sales aids developed by us from time to time (to be provided at your sole cost) (see Franchise Agreement, Section 16.1);

7. coordinate and conduct periodic training programs for you and your employees as we in our sole discretion deem necessary, at your cost (see Franchise Agreement, Section 11) (a description of additional and periodic training programs is further below);

8. 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 (see Franchise Agreement, Sections 8.5, 14.4, and 16.1); and

9. 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 (see Franchise Agreement, Sections 16.1 and 16.2).

Sales Center, Marketing & Technology Fund

In recognition of the value of a centralized call center, uniform order processing, customer relationship management software systems and uniform marketing and promotion to the goodwill and public image of the System, you must contribute to our Sales Center, Marketing & Technology Fund (the "Sales Center, Marketing & Technology Fund") an amount equal to 8% of your Gross Revenue. We administer and maintain the Sales Center, Marketing & Technology Fund and use and expend the fund in our sole and absolute discretion to, among other things: (i) cover costs associated with the procurement, development, operation, and maintenance and replacement of all hardware, software, and other items used in connection with all technology that supports the contact with the customer on all platforms, including the Sales Center, the customer relationship management platform, field service management platform, E-commerce platform, business intelligence platform, customer communications platform, infrastructure platform, and any other online booking engine, and any related current or new technology and/or systems, including all costs associated with staffing the Sales Center (including all salaries, compensation, benefits and administrative

costs for Sales Center staff employed by us or our affiliates) and overhead, operational and ongoing costs associated with maintaining the above platforms and systems; (ii) cover costs associated with media purchases, retaining advertising, marketing, digital and public relations agencies (either through an affiliate, or through an advertising or public relations agency formed by us or an affiliate for such purpose), commissions, marketing analytics, market research and concept research, website development and design, website search optimization, system development (including marketing technology platforms), loyalty programs, design and maintenance of coupon or gift card programs, social media management, brand strategy, brand development, creative and production costs, including, without limitation, the costs of creating promotions and artwork, as well as television and radio creative, marketing pilots, marketing innovations, printing costs, customer experience design, strategic partnerships, and other costs (including all salaries, compensation, benefits and administrative costs of staff employed by us or our affiliates for the purposes of marketing, promotion or related activities) relating to national or regional advertising, marketing and promotional programs undertaken by us and all other overhead and ongoing costs associated therewith; (iii) cover costs associated with marketing to, acquiring, managing, billing and collecting from National Account Customers, as well as marketing to, acquiring, and managing local commercial services (including all salaries, compensation, benefits and administrative costs of staff employed by us or our affiliates for the purposes of marketing to, acquiring, managing, billing and collecting from National Account Customers, as well as marketing to, acquiring and managing local commercial services) and all other overhead and ongoing costs associated therewith;; and (iv) defray our and any one or more of our affiliates' expenses in operating the Sales Center, Marketing & Technology Fund, including reasonable salaries, administrative costs and overhead (calculated on a fully allocated basis) as we or our affiliate(s) may incur in activities reasonably related to the administration or direction of the Sales Center, Marketing & Technology Fund and the expenditures from the Sales Center, Marketing & Technology Fund including the types of expenditures set out above.

We select the types of media used and the location of the advertising campaigns administered through the Sales Center, Marketing & Technology Fund. We use or may use the following media: print, radio, television, telephone, telephone directories, internet and direct mail. The marketing focus is on national coverage and marketing development and will be handled in-house at SHACK SHINE or outsourced to O2E Brands or to a professional advertising or public relations firm. You may always use your own advertisements beyond those produced by the Sales Center, Marketing & Technology 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 may not create or maintain a website, social media account or other internet presence in connection with the Franchised Business without our express prior written consent, which consent may be withheld in our sole discretion.

All franchisees and franchisor-owned operations will contribute to the Sales Center, Marketing & Technology Fund on the same basis. The Sales Center, Marketing & Technology Fund will not be audited, but an in-house statement of operations of the fund will be prepared annually and made available to you upon request. The cost of preparing the statement will be paid out of the Sales Center, Marketing & Technology Fund. We will not receive any compensation for providing services to the Sales Center, Marketing & Technology 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 Sales Center, Marketing & Technology Fund will be saved for later spending. No percentage of the Sales Center, Marketing & Technology Fund is used for the solicitation of franchisees; however, some of our advertising and marketing material does contain contact numbers for obtaining information about SHACK SHINE franchises.

Prior to the establishment of the Sales Center, Marketing & Technology Fund in 2020, our franchisees contributed to a separate Marketing Fund. During the fiscal year ended December 31, 2019 the Marketing Fund monies were used as follows: 0% on media placement, 6% on production/design, 81% on administrative expenses, including in-house media personnel, and 13% on other expenses ("other" includes programs and program management, market searching, tradeshows and promotions).

Participation in System Marketing

Initial Marketing Expense

You must pay an Initial Marketing Expense of $10,000 upon signing the Franchise Agreement (see Franchise Agreement Section 10.3). The Initial Marketing Expense will be spent by us, in our sole discretion, in your area (as we reasonably define it), in order to market and promote the Franchised Business prior to and during the first 6 months of the Franchised Business' start up. We will provide you with backup of these expenditures upon request after your first 6 months of operations. Should you purchase more than two subterritories, we may recommend that you spend an additional $5,000 for Initial Marketing Expenses.

Minimum Local Advertising/Promotion Expenditure

During your first two years of operating the Franchised Business, you must spend at least an amount equal to 13% of Gross Revenue quarterly on local (in the vicinity of the Franchised Location) advertising and promotions. The Initial Marketing Expense shall be included in the calculation for the first year. During the third year of operating the Franchised Business, you must spend at least an amount equal to 10% of Gross Revenue quarterly on local advertising and promotions. During subsequent quarters of operating the Franchised Business, you must spend at least an amount equal to 8% of Gross Revenue quarterly on local advertising and promotions.

Digital Marketing Programs

You must contribute an amount that is equal to up to 5% of your Gross Revenue in each quarter of your fiscal year to such digital marketing programs as we may specify from time to time. You must participate in such digital marketing programs established, negotiated or managed by us, as we may specify from time to time, provided that you will not be required to expend more than an amount that is equal to 5% of your Gross Revenue in each quarter of your fiscal year in relation to such programs. All expenditures you make pursuant to this requirement will be included in the calculation of your local marketing and promotions expenditure.

Local and Regional Branding Cooperatives

We do not currently but may in the future organize branding cooperatives consisting of any number of franchisees. Branding cooperatives may be organized geographically, or along any other parameters that we designate. If your franchise belongs to a branding cooperative established by us, then you will be obliged to participate in the branding cooperative, which may include traveling to attend meetings. If franchisees representing 65% 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 5% of your Gross Revenue for all branding cooperatives to which you belong, and the amount you contribute to branding cooperatives may be credited towards your minimum local marketing obligations discussed above.

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.

Computer Systems

You must establish and maintain a high speed Internet connection for use in connection with your Franchised Business, and we may require you to obtain computer hardware and software (collectively, "Computer Systems") and we may periodically modify specifications for the Computer Systems. The required Computer Systems currently include either a laptop or tablet computer with the ability to run current versions of Windows, Microsoft Office, QuickBooks Pro, and anti-virus software, and have wireless internet capabilities; a printer; and a digital camera (or have a smart phone with a camera function). We estimate the cost to acquire the Computer Systems and related equipment to our specifications may cost up to $1,500.

We may charge a reasonable fee if we develop or have developed (and, once developed, for modifying and enhancing) proprietary software and for other computer maintenance and support services that we or any of our affiliates provide to you. You must sign any software license agreement or similar document that we or any of our affiliates prescribes to regulate your use with respect to the software, as applicable.

You must establish and operate at your own expense, such customer relationship management, order processing, point of sale, bookkeeping, accounting, record keeping, security, computer, communications and other systems and software we prescribe periodically. If we adopt new methods, procedures or systems, you must purchase and utilize such systems and software, pay all fees charged by us, our affiliates or others for the use of such systems and software, and purchase or lease all necessary Computer Systems. If we prescribe any such systems or software, you must use only such systems and software and not use any other system or software in operating your Franchised Business.

We will provide you with secure passwords to our proprietary CRM System and other Computer Systems used in the System. We will train you on how to use the CRM System. O2E Brands will maintain the CRM System and will provide updates as needed.

The Computer Systems 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 Systems, except to the CRM System. The cost for maintaining your Computer Systems will vary based on the type of maintenance program, if any, you decide to purchase from third-party vendors. You have sole and complete responsibility for: (i) the acquisition, operation, maintenance and upgrading of the Computer Systems; (ii) the manner in which your Computer Systems interface with our computer system and those of third parties; and (iii) any and all consequences that may arise if the Computer Systems are not properly operated, maintained and upgraded.

We will have independent access at any time to information you enter into the CRM System. The CRM System will collect sales data associated with the jobs you record and provide reports to both of us in order that we may more efficiently manage the business. Information collected on the CRM System includes financial information and 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. We also retain the general right to inspect and audit your electronic records relating to the Franchised Business.

Training

General Outline of Initial Training

Your Principal Operator and any other director, officer, or shareholder of your entity that we require must complete initial 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 Paul Baluch, our Senior Field Operations Manager. Paul joined us in October, 2016, and has worked continually in this field of experience since 2006. 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 you. This may include airfare, hotel and meals.

You are also 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	NOT APPLICABLE	VANCOUVER BC
EXCEPTIONAL FOCUS AREAS	1 HOUR	8 HOURS	VANCOUVER BC
MARKETING	3 HOURS	6 HOURS	VANCOUVER BC
JOB PRODUCTION	N/A	24 HOURS	VANCOUVER BC
FINANCE	6 HOURS	NOT APPLICABLE	VANCOUVER BC
ESTIMATING	6 HOURS	4 HOURS	VANCOUVER BC
SALES	5 HOURS	4 HOURS	VANCOUVER BC
OPERATIONAL EXCELLENCE	1 HOUR	8 HOURS	VANCOUVER BC
TECHNOLOGY	3 HOURS	NOT APPLICABLE	VANCOUVER BC
PEOPLE	4 HOURS	NOT APPLICABLE	VANCOUVER BC
LEADERSHIP	3 HOURS	NOT APPLICABLE	VANCOUVER BC

We've put together a comprehensive start-up program that combines structured training with business best practices 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 your Principal Operator and any other director, officer, or shareholder of your entity that we require is included in the Initial Fee. Additional employees of yours may be accommodated for such initial training or for subsequent equivalent training at your request and cost (including our then-current standard training fee), subject to our availability. You must pay for all travel and living expenses for you and your attendees, except that lunches will be provided on training days at initial training.

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. The Operations Manual contains a total of 172 pages.

Employee Training

You may provide initial training to your employees in accordance with the Operations Manual, but we reserve the right to require such employees to attend our training at any time. In the event that we provide initial or additional training to any of your employees, we may charge our then current employee training fee to you for providing such training.

Retraining

In the event that you are not operating the Franchised Business in full accordance with the System and Franchise Agreement, we have the right to send our representatives to your Franchised Location to conduct any retraining of your representatives and employees as we determine to be appropriate in the circumstances. You must pay our then current training fee, as prescribed by us from time to time, and must reimburse us upon demand for all out of pocket costs incurred by us in connection with the retraining given at your Franchised Location, including all transportation, lodging and meal expenses incurred by our representatives providing the retraining.

Additional Training

You must attend, and must cause your Principal Operator, employees and representatives to attend, periodic refresher training, service training, management training and other training courses as required by us, at such times and locations as we may determine. We will determine the duration, curriculum and location of any such training sessions, which may be delivered in person or by web training, webinars or other such electronic means. You must pay our then current training fee, as prescribed by us from time to time, and must reimburse us upon demand for all out-of-pocket costs incurred by us in connection with any additional training provided to you, your Principal Operator, employees and representatives, including all transportation, lodging and meal expenses incurred by our representatives providing the additional training. You will also be responsible for any and all travel and living expenses that you're your Principal Operator, your employees and representatives incur to attend and participate in such training, including all transportation, lodging and meal expenses.

ITEM 12. Territory

Exclusive Territory

You will receive a non-exclusive but protected 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 the most recently published data from the U.S. Census Bureau (or such other source as we may indicate to you). Your Territory will generally consist of 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.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. However, the non-exclusivity extends only to our reserved rights described below, including with respect to national accounts and commercial business. Subject to our rights with respect to national accounts and commercial business described below, so long as you are in full compliance with the terms and conditions of your Franchise Agreement, we will not establish, operate or grant to anyone else a franchise to establish or operate a SHACK SHINE business in your Territory. If you are in default under the Franchise Agreement, we may reduce the size of the Territory, remove any protection provided in the Territory (allowing us to franchise or operate other SHACK SHINE businesses in the Territory), or both.

We, for our self and for our affiliates, expressly reserve the right to:

(a) distribute, offer for sale, sell or designate any entity to distribute, offer for sale or sell Commercial (as defined below) exterior home detailing services and related products, either inside or outside of your Territory;

(b) offer for sale or sell the Services and the Products or other similar services and products using some or all of the Marks from any location or by any means whatsoever outside of your Territory;

(c) offer for sale or sell the Services and the Products or other similar services and products using any trade names or trademarks other than the Marks from any location or by any means whatsoever either inside or outside of your Territory;

(d) operate, establish, or grant to someone else a license or franchise to operate or establish, one or more businesses that offer for sale or sell any services or products that are the same as or similar to the Services or the Products using some or all of the Marks or using any trade names or trademarks other than the Marks at or from any location whatsoever outside of your Territory;

(e) operate, establish, or grant to someone else a license or franchise to operate or establish, one or more businesses that offer for sale or sell any services or products that are the same as or similar to the Services or the Products using any trade names or trademarks other than the Marks at or from any location whatsoever either inside or outside your Territory;

(f) distribute, offer for sale, sell or grant to someone else the right or franchise to distribute, offer for sale or sell any services or products that are the same as or similar to the Services or the Products using some or all of the Marks or using any trade names or trademarks other than the Marks at any location whatsoever either inside or outside of your Territory, by means of other channels of distribution other than the Franchised Business, including through retail outlets, or as part of or in combination with any retail establishments;

(g) distribute, offer for sale, sell or designate any entity to distribute, offer for sale or sell the Services and the Products to National Account Customers, either inside or outside of your Territory; and

(h) purchase or be purchased by, or merge or combine with, competing businesses wherever located, including a chain of company-owned or franchised locations that compete directly with the Franchised Business.

You are prohibited from soliciting customers or providing services to premises located outside of your Territory, including through distribution channels such as the internet, telemarketing, or other direct marketing.

You must operate the Franchised Business exclusively from the Franchised Location, and in full compliance with any applicable lease and the Franchise Agreement and Operations Manual. Your Franchised Location may be located anywhere within your Territory. We do not provide you with assistance in selecting or securing your Franchised Location, and we do not approve the Franchised Location. You may relocate the Franchised Location only after prior written notice to us, and at your sole cost and expense.

Commercial Home 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; or
(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. See Exhibit M to this disclosure

document for a copy of our current form of Commercial Rights Amendment Agreement. However, whether you are ever granted the right to perform Commercial home detailing services is entirely within our discretion.

National Account Customers

We reserve the right to solicit or permit other franchisees or third parties designated by us to solicit customers located anywhere in your Territory in order to develop them as National Account Customers. "National Account Customers" means a customer, a group of customers or an entity acting on behalf of a customer group or customers (under common ownership or control) with offices, franchises or stores or who is otherwise conducting business both inside and outside of your Territory and for which we have arranged to provide the Services and the Products at multiple locations inside or outside of your Territory. National Account Customers may include corporations, non-profit organizations, federal, state and local government entities and organizations and any other persons or entities that may have a need for purchasing the Services or the Products from us at multiple locations inside or outside of your Territory.

We have the sole and exclusive right to supply (in whole or in part) or designate any other entity (including you, other System franchisees or our affiliates) to supply the Services and the Products to National Account Customers, whether the Services or the Products are delivered to a location inside or outside of your Territory. We may, but are not required to, request that you provide the Services or the Products to a National Account Customer with premises located within your Territory in exchange for a payment to be made by us to you in an amount to be determined by us at the time of our request. We may require you to enter into our then current form of national account service agreement (the current form of which is attached as Exhibit H) in order to provide the Services or the Products to National Account Customers with premises located within your Territory. You will be deemed to have rejected our request to provide the Services or the Products to a National Account Customer if you have not accepted our request within one business day, in which case we may our self, through an affiliate, by a subcontractor or through another System franchisee provide the Services and the Products to the National Account Customer. Our policies and procedures with respect to the provision of the Services and the Products to National Account Customers may change from time to time as detailed in the Operations Manual.

Additional Franchised Businesses/Subterritories

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

a) You must submit an annual financial statement and current personal net worth statement to show financial ability;

b) You must have a minimum of 3 to 6 months' operating capital, based on your projections and living expenses;

c) You must be in good standing and full compliance with all terms and conditions of the existing Franchise Agreement(s) (including minimum performance standards); and

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.

We continue to reserve the right to grant or refuse to grant a Franchised Business or territory in our sole discretion. The foregoing 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. Our then-current Franchise Agreement may have terms that differ materially from the terms of the original Franchise Agreement. The term of this new Franchise Agreement may, in our sole discretion, coincide with the remainder of the shortest terms left under your prior Franchise Agreement(s). We reserve the right to negotiate the initial fees for such an arrangements based on the facts and circumstances existing at the time.

ITEM 13. Trademarks

We have been granted the exclusive license by Shack Shine Corporate to use and license others to use the System and Marks in the United States (the "License Agreement"). The License Agreement 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 Agreement which prohibit us from misusing or attempting to transfer the License Agreement. 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 business 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 and the CRM System. 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 and sublicense you to use the System, including copyrights and proprietary information pursuant to the License Agreement described in Item 13 above. There are no other agreements currently in effect that significantly limit our rights to use or license the use of the System in any manner material to the Franchised Business. You must promptly tell us when you learn about unauthorized use of any of this proprietary information. 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 proprietary information 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 proprietary information, and 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 a person who owns at least a minimum beneficial share ownership in the Franchised Business, as specified in Exhibit B to the Franchise Agreement (the "Principal Operator"). The minimum share ownership requirement is generally 20% though we reserve the right to require a different amount in our discretion before the Franchise Agreement is signed. The Principal Operator must devote his or her full time, attention and effort to the Franchised Business at least 40 hours per week. You cannot change or replace your Principal Operator without our prior written consent. Your Principal Operator must successfully completed our initial training program and any additional training we designate. During the term of the Franchise Agreement, your owners are prohibited from directly or indirectly competing with the System or being financially concerned or interested in any business competitive to the Franchised Business.

ITEM 16. Restrictions On What the Franchisee May Sell

You must operate the Franchised Business and perform all services and provide all goods 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. 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.

We reserve the right to set and mandate the retail prices at which you sell the Services, including setting a maximum price, a minimum price, or an authorized range of prices for Services, each to the extent permitted by applicable law.

You may be required to refrain from soliciting business directly from any National Account 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	2.6, Schedule B	5 years.
b.	Renewal or extension of the term	19, Schedule B	Three additional 5 year terms.
c.	Requirements for franchisee to renew or extend	19	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; upgrade vehicles.
d.	Termination by franchisee	None	In accordance with applicable state law.
e.	Termination by Franchisor - without cause	2.6	If you don't renew, franchise will terminate at expiration of Term.
f.	Termination by Franchisor - with cause	17	We may terminate by giving you written notice, in some cases after providing you written notice of default and a cure period. Cross-defaults may also result in termination.

	Provision	Section in Franchise Agreement	Summary
g.	"Cause" defined – curable defaults	17.1	Failure to cure a non-payment default within 15 days after written notice; or failure to cure non-compliance with any other obligation within 30 days after written notice of default.

	Provision	Section in Franchise Agreement	Summary
h.	"Cause" defined – non-curable defaults	17.2; 17.3	Three or more curable defaults within a 12-month period; failure to commence operation by the scheduled opening date; if you cause the Franchised Business to be closed or not operating for five business days in any 30 consecutive day period without our prior consent; failure to assign within required timeframe after death or permanent disability; termination of or failure to remain in good standing under all vehicle leases; failure to comply with Security Agreement; you become insolvent or become bankrupt; you cease your corporate existence; unauthorized assignment; you lose possession without release of any items of personal property used in the Franchised Business; failure to satisfy judgment entered against you; you are enjoined from operating the Franchised Business; foreclosure by a secured creditor upon the real or personal property used in the Franchised Business; unauthorized use or transfer of interest in the System; continual failure to offer for sale any approved Service or offering to sell services not approved; intentional falsification or misrepresentation of information provided to us; you engage in misleading advertising or operate in dishonest, illegal or unethical manner; if your license to operate is suspended or revoked; failure to rectify any order issued by a government or regulatory authority; your Principal Operator fails to complete initial training; offenses that harm goodwill of System; you repudiate the Franchise Agreement or cause a consequences where you cannot rectify any material term, condition, covenant, provision or obligation.

	Provision	Section in Franchise Agreement	Summary
i.	Franchisee's obligations on termination/non-renewal	17.8; 18; 21.2	Discontinue operations; payment of all accounts by bank draft; return all items belonging to Franchisor; transfer telephone numbers; immediately discontinue use of the Marks; comply with the non-competition provisions. We may purchase some or all of the assets of the Franchised Business at fair market value (determined by agreement or appraisal) if the franchise terminates or expires.
j.	Assignment of contract by Franchisor	20.9	We may assign at any time all or part of our rights.
k.	"Transfer" by franchisee – defined	20.1; 20.3	To directly or indirectly (including by operation of law) assign, sell, pledge, hypothecate, subdivide, sublicense, option, dilute or otherwise transfer or encumber, at law or at equity, the Franchise Agreement or any of your rights and privileges contained in it, or the Franchised Business or any part of it, or any share or other legal or beneficial ownership interest in the franchisee entity.
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	20.1; 20.4	Transferee meets our then current requirements for new franchisees, and is not involved in similar business; transferee will not own more than 5% of the then-existing territories in the system; advertisement approved; transfer and administration fees paid; transferee approved; transferee signs current form of Franchise Agreement, which may be materially different from your current agreement; materials returned; releases signed; completion of training; all agreements in good standing; assignment of Lease and Vehicle Lease signed; Security Agreement signed.

	Provision	Section in Franchise Agreement	Summary
n.	Franchisor's right of first refusal to acquire your business	20.8	We have the right of first refusal to purchase any interest you decide to sell, assign or transfer in the Franchise Agreement or the Franchised Business on the same terms and conditions as contained in any offer.
o.	Franchisor's option to purchase your business	20.8	We have the right of first refusal to purchase any interest you decide to sell, assign or transfer in the Franchise Agreement or the Franchised Business on the same terms and conditions as contained in any offer.
p.	Death or disability of franchisee	20.7	Estate has 6 months to assign to qualified person.
q.	Non-competition covenants during the term of the franchise	21.1	No direct or indirect competition with the System or any system owned by us or our affiliates, and no involvement or financial concern or interest in any competitive business, subject to state law.
r.	Non-competition covenants after the franchise is terminated or expires	21.2	For 18 months after expiration or termination of the Franchise Agreement, no direct or indirect competition with the System or any system owned by us or our affiliates, and no involvement or financial concern or interest in any competitive business, at the Franchised Location, or within your former Territory or the territory of another System franchisee or the metropolitan area in which your former Territory is located, subject to state law.
s.	Modification of the agreement	23.10	In writing signed by you and us.

	Provision	Section in Franchise Agreement	Summary
t.	Integration/merger clause	23.9	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.
u.	Dispute resolution by arbitration or mediation	23.14	Subject to potential limitations of your state's law, all claims must be resolved by arbitration in King County, Washington. We retain the right to seek injunctions and other emergency relief for the protection and enforcement of certain rights.
v.	Choice of forum	23.14; 23.15	Subject to potential limitations of your state's law, litigation must be in King County, Washington.
w.	Choice of law	23.13	Subject to potential limitations of your state's law, Washington law applies for construction and interpretation of the franchise agreement, but does not give rise to statutory or regulatory claims that would not otherwise apply.

ITEM 18. Public Figures

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.

HISTORICAL FINANCIAL PERFORMANCE INFORMATION

In this Item 19, we provide information regarding certain historical financial performance for all thirteen franchised businesses in the United States and and nineteen franchised business in Canada that were open and operating through at least the last 12 months of the year ending December 31, 2019 ("2019 Reporting Year"). The charts below reflect total, average, median, highest and lowest Gross Revenue figures for the 2019 calendar year. Average and median Job Size and Gross Profit Margin are also included. For purposes of these charts, franchisees are grouped into franchised businesses open longer than 24 months and those open between 12 and 24 months.

Unless otherwise specified, "Gross Revenue" means the actual gross revenues billed to consumers for products and services less taxes collected and credits or refunds given in accordance with the Franchisor's refund policy. "Job Size" means the Gross Revenue attributable to the Services and Products ordered from a single dwelling that can be completed in one job. "Gross Profit Margin" means the percentage of Gross Revenue remaining after subtracting the following from Gross Revenue: labor costs, Royalties, and Sales Centre, Marketing & Technology Fees.

This information excludes information from nine US franchises that opened during 2019 and were therefore not in operation for the entire 2019 Reporting Year.

We have provided you with information to help you make a more informed decision about our franchises. The actual numbers you experience will vary depending upon several factors, including competition, management and market demographics. You should conduct your own research to assist you in preparing projections for your own Franchised Business.

The information in this Item 19 is based upon financial information franchisees reported to us, but we have not independently audited the information or independently reviewed our franchisees' accounting methodologies to verify their conformance with generally accepted accounting principles. You should note that gross revenue will be dependent, among other things, upon the size of the territory in which the Franchised Business operates and number of vehicles operating in that territory.

U.S. Franchisees – Calendar Year 2019			
	Franchisees operating over 24 months[i]	**Franchisees operating 12 – 24 months[i]**	**All Franchisees[i]**
# of Franchisees in Range	5 of 13	8 of 13	13
Total Gross Revenue	$2,096,931	$2,093,372	$4,190,303
Average Gross Revenue	$419,386	$261,672	$322,331
# and % of Franchisees at or above Average Gross Revenue	2/40%	5/63%	5/38%
Median Gross Revenue	$398,948	$286,560	$292,560
Highest Gross Revenue	$725,231	$424,497	$725,231
Lowest Gross Revenue	$137,617	$54,512	$54,512
Average Job Size	$530.10	$551.32	$543.16
# and % Franchisees at or above Average Job Size	4/80%	4/50%	8/62%
Median Job Size	$560.89	$549.58	$560.89
Average Gross Profit Margin	50%	48%	49%
# and % Franchisees at or above Average Gross Profit Margin	4/80%	7/87%	10/762%
Median Gross Profit Margin	47.22%	50.66%	50%

[i] These charts do not include franchises that closed during the 2019 Reporting Year, and franchises that were not in operation for the entire 2019 Reporting Year.

Canadian Franchisees – Calendar Year 2019			
	Franchisees operating over 24 months[i,ii]	**Franchisees operating 12 – 24 months[i,ii]**	**All Franchisees[i,ii]**
# of Franchisees in Range	15 of 19	4 of 19	19
Total Gross Revenue	$6,792,995	$1,399,974	$8,192,969
Average Gross Revenue	$452,866	$349,994	$431,209
Median Gross Revenue	$465,834	$355,071	$440,668
# and % of Franchisees at or above Average Gross Revenue	8/53%	2/50%	11/58%
Highest Gross Revenue	$1,009,542	$506,283	$1,009,542
Lowest Gross Revenue	$192,437	$183,550	$183,550
Average Job Size	$578.88	$529.49	$568.48
Median Average Job Size	$564.05	$491.56	$547.23
# and % Franchisees at or above Average Job Size	4/27%	1/25%	7/37%
Average Gross Profit Margin	51%	49%	50%
Median Gross Profit Margin	48.42%	48.81%	48.42%
# and % Franchisees at or above Average Gross Profit Margin	9/60%	1/25%	10/52%

[i] Exchange rates from Canadian to U.S. Dollars ranged from 0.7353 to 0.7699 during the calendar year 2019, with the period average exchange rate being 0.7536.

[ii] These charts do not include franchises that closed during the 2019 Reporting Year, and franchises that were not in operation for the entire 2019 Reporting Year.

General Note to Revenue Charts:

1. The average is calculated by adding all figures up and dividing by the number of figures counted. The median is calculated by placing all figures being counted in order of ascending or descending value and finding the middle figure in the list. If there is an even number of figures, the median is calculated by adding the middle two figures and dividing by two.

2. The number of franchises column includes the number used to calculate the averages for each calendar year.

3. Foreign exchange rates have not been applied to the figures in the charts. USA charts are reported in USD and Canadian charts are reported in CAD.

The actual numbers you experience will vary depending upon several factors, including your individual abilities, competition, management, marketing demographics, and the number of trucks you operate in the territory.

Some franchises have earned this amount. Your individual results may differ. There is no assurance you will earn as much.

The financial performance representations figures do not reflect the costs of sales or operating expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. The best source of cost and expense data may be from franchisees and former franchisees, some of whom may be listed in Exhibit A.

Written substantiation for the financial performance representation will be made available to you upon reasonable request.

ITEM 20. List of Outlets and Franchisee Information

The below tables represent the full calendar year from January 1 through December 31.

Table No. 1
System wide Outlet Summary
For years 2017-2019

Outlet Type	Year	Franchised Businesses at the Start of the Year	Franchised Businesses at the End of the Year	Net Change
Franchised	2017	3	7	+4
	2018	7	13	+6
	2019	13	22	+9
Company-Owned	2017	0	0	0
	2018	0	0	0
	2019	0	0	0
Total Outlets	**2017**	**3**	**7**	**+4**
	2018	**7**	**13**	**+6**
	2019	**13**	**22**	**+9**

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor)
For years 2017-2019

State	Year	Number of Transfers
All States	2017	0
	2018	0
	2019	0
Total	**2017**	**0**
	2018	**0**
	2019	**0**

Table No. 3
Status of Franchised Outlets
For years 2017-2019

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
Arizona	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
California	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
Colorado	2017	0	1	0	0	0	0	1
	2018	1	0	1	0	0	0	0
	2019	0	0	0	0	0	0	0
Florida	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	3	0	0	0	0	3
Illinois	2017	0	0	0	0	0	0	0
	2018	0	2	0	0	0	0	2
	2019	2	1	0	0	0	0	3

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
Michigan	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Minnesota	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Missouri	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Nebraska	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
New Jersey	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
North Carolina	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Ohio	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	1	0	0	0	0	2
Rhode Island	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
Tennessee	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Texas	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	1	0	0	0	0	2
Virginia	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
Washington	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Other States	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
Total	**2017**	**3**	**4**	**0**	**0**	**0**	**0**	**7**
	2018	**7**	**7**	**1**	**0**	**0**	**0**	**13**
	2019	**13**	**9**	**0**	**0**	**0**	**0**	**22**

Table No. 4
Status of Company-Owned Outlets
For years 2017-2019

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	**2017**	**0**	**0**	**0**	**0**	**0**	**0**
	2018	**0**	**0**	**0**	**0**	**0**	**0**
	2019	**0**	**0**	**0**	**0**	**0**	**0**

Table No. 5
Projected Openings as of December 31, 2020

STATE	AGREEMENTS SIGNED BUT BUSINESSES NOT OPEN	PROJECTED NEW FRANCHISEES IN THE NEXT FISCAL YEAR	PROJECTED COMPANY OWNED LOCATIONS IN NEXT FISCAL YEAR
Florida	1	1	0
Illinois	0	1	0
Massachusetts	0	1	0
Texas	0	1	0
Virginia	0	1	0
Washington	0	1	0
Other States	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

Our audited financial statements for the fiscal years ended December 31, 2019, December 31, 2018, and December 31, 2017; and unaudited financial statements for the period ended March 31, 2020; are included in Exhibit E to this disclosure document.

ITEM 22. Contracts

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

Exhibit B - Franchise Agreement
Exhibit F - Guarantee, Postponement and Covenants
Exhibit G - General Security Agreement
Exhibit H - National Account Service Agreement
Exhibit I - State-Specific Addenda
Exhibit J - Franchisee Disclosure Questionnaire and Certification
Exhibit K - Form of General Release
Exhibit L - Forms of Financing Agreements
Exhibit M - Commercial Rights Amendment to Franchise Agreement

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, 2019

	Owner	Business Name	Address	City	Zip	State	Phone	Location Name
1	Shawn Leonard & Brian Betancourt		10350 East Radiant Avenue	Mesa	85212	AZ	860-805-3326	Arizona Central
2	Willian Purvis & Loryn Purvis	The LHF Group Inc	93 Fleurance Street	Laguna Niguel	92677	CA	949-922-1582	Orange County South
3	Justin Clark & Kennady Thomason		1115 Carlton Street	Clearwater	33755	FL	585-813-1388	Pinellas County North
4	Zach Tyler	Tyler Ventures LLC	3411 - 302 Harbour Place Drive	Tampa	33602	FL	603-918-7362	Tampa
5	Edmund Norton Summers Jr. & Idania Pelaez Obarrio	Esio Enterprises LLC	#132 – 301 West Platt Street	Tampa	33606	FL	813-418-2589	Pinellas County South
6	Mathew Razey	RJM Development Network LLC	204 – 2155 S. Tonne Dr	Arlington Heights	60005	IL	847-999-8245	Chicago North
7	William Sawisch	Sawisch, LLC	310 Devlin Ct	Naperville	60565	IL	630-742-7372	Chicago West
8	Brian Keith Bensema		16712 Oketo Avenue	Tinley Park	60477	IL	618-201-7292	Chicago Southwest
9	John Fidalgo & Sylvia Fidalgo	JAF Detailing	8 Quaker Lane	Swansea	02777	MA	401-265-4184	Bristol County
10	Ethan Brooks	Brooks Ventures LLC	10860 Circle B Lane	Clinton	49236	MI	734-436-9056	Ann Arbor
11	Ben Cowan	360wow Home Detailing L.L.C.	1209 Tyler St. NE, Suite 160	Minneapolis	55413	MN	612-237-4681	Twin Cities
12	Leland Cagle	Ecclesiastes Investments LLC	113 Lithia Avenue	Webster Groves	63119	MO	314-591-5515	St. Louis
13	Drew Koch		6739 South 191st Avenue	Omaha	68135	NB	402-290-7925	Omaha
14	Kevin Young	Young's Services LLC	66-64 N. Doughty Avenue	Somerville	08876	NJ	908-295-9285	Jersey Central
15	Ibrahim Alnawateer	My Home Services LLC	10321 Scotch Pine Cir	Charlotte	28262	NC	704-777-9146	Charlotte
16	Juan Santiago Garcia Serrano	JSG House Services LLC	#1301 – 716 Sycamore Street	Cincinnati	45202	OH	523-225-8595	Cincinnati
17	Christian La Vigne		4761 Haughn Road	Grove City	43123	OH	740-963-0144	Columbus North
18	Clay Ryan	Sedona Home Services, LLC	2719 United Drive	Murfreesboro	37128	TN	615-653-5036	Nashville South
19	Nathan Wingate	512 Services LLC	2704 Copford Lane	Cedar Park	78613	TX	512-317-1508	Austin
20	Adam Snouffer	Snouffer0304 Enterprises LLC	2114 Plum Blossom St	San Antonio	78247	TX	210-209-0284	San Antonio North
21	Derek Wayne Hensley	Wayne Property Services	#530 – 9893 Georgetown Pike	Great Falls	22066	VA	727-773-5824	Fairfax County Northwest
22	Charles E. Ratcliffe	Woods Creek Holdings, LLC	22215 132nd Street SE	Monroe	98272	WA	360-863-3175	Seattle East

Franchisees Not Operating
as of December 31, 2019

Owner	Business Name	Address	City	Zip	State	Phone	Location Name
Christian Alexander Blackwell		220 Arlington Way	Ormond Beach	32176	FL	386-383-0488	Florida East

Certain Former Franchisees
as of December 31, 2019

The following franchisees had a Franchised Business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the 2019 fiscal year:

Owner	Business Name	City	Zip	State	Phone	Location Name
None						

EXHIBIT B

Franchise Agreement

Franchise Agreement
SHACK SHINE HOME SERVICES LLC,
a Washington limited liability company

and

[2]

[3]

_____

FRANCHISE AGREEMENT

_____

Effective Date: **[4]**

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

BETWEEN:

SHACK SHINE HOME SERVICES LLC, a Washington limited liability company having its head office at 887 Great Northern Way, Suite 301, Vancouver, BC, V5T 4T5 CANADA

("**Franchisor**")

AND:

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

("**Franchisee**")

WHEREAS:

A. Franchisor has developed a system (the "**System**") providing for the operation of 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 U.S. 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**").

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.

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, its members, or its subsidiaries (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 U.S. federal holiday in the Territory, "**Week**" means a calendar week, beginning on a Sunday and ending on the following Saturday; and "**Month**" means a calendar month, or portion thereof in the case of the first and last months of the Term and Renewal Term when the Term does not begin on the first day of a calendar month.

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

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

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

(f) The article, section and subsection headings are for convenience of reference only and shall not for the purpose of interpretation or any other purpose be deemed a part of this Agreement.

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

(h) The word "shareholder" when used in reference to a business entity shall refer to a person or entity with an ownership interest in the applicable business entity, whether a shareholder of a corporation or a member of a limited liability company.

(i) Any use of the word "including" or synonymous terms, followed by one or more examples, does not limit in any way the antecedent word or phrase.

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

Term	Defined In
Additional Insureds	15.2
Branding Cooperative	10.5
Commercial	2.3(a)
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Minimum Royalty	3.5, Schedule B
National Account Customers	2.4
Operations Manual	2.1(c)
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Term	2.6
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Vehicle	5.1
Vehicle Lease	5.1

2. GRANT OF LICENSE AND TERM

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 within the territory identified in Schedule B (the "**Territory**") the Franchised Business 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 selling related products and accessories (the "**Products**"), provided that the Services shall only be provided at Residential premises located within the Territory and the Products shall only be sold to the residents of such premises. For the purposes of this Agreement, "**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;

(b) to use the System, the Marks and the Copyright-Protected Materials in connection with the operation of the Franchised Business in accordance with this Agreement and the provisions of the Operations Manual, or in such manner as may be approved in advance in writing by Franchisor; and

(c) to use the copyright-protected series of System manuals, including online materials, developed and owned by Franchisor, as revised by Franchisor from time to time (collectively, the "**Operations Manual**").

2.2 ***Territory and Subterritories***. So long as Franchisee is in full compliance with the terms and conditions of this Agreement, Franchisor shall refrain from establishing or operating or granting to anyone else a franchise to establish or operate a SHACK SHINE business within the Territory. Depending on the size of the Territory, it may be divided into subterritories, which will be set out in Schedule B (the "**Subterritories**"). Franchisee shall pay an additional franchise fee for each Subterritory ("**Subterritory Initial Fees**"), as set out in Schedule B or as Franchisor and Franchisee may otherwise agree in writing. Franchisee shall not, without Franchisor's prior written consent, begin offering the Services or the Products in any Subterritory until the Subterritory Initial Fee for that Subterritory has been paid in full. If Franchisor and Franchisee desire to add one or more additional Subterritories to the Territory, Franchisor may require, as a condition of granting such additional Subterritory, that Franchisee enter into an amending agreement, or at the election of Franchisor, Franchisor's then-current form of franchise agreement, in respect of such additional Subterritories, the term of which may coincide with the term of this Agreement.

2.3 ***Limitation on Grant / Territory***. The grant and license contained in this Agreement is non-exclusive and gives Franchisee the right to establish and operate the Franchised Business at the Franchised Location and to sell the Services and the Products to persons with Residential property located within the Territory, provided that the Services shall only be provided at premises located within the Territory and the Products shall only be sold to the residents of such premises. The grant and license shall not extend to any place, territory or premises located beyond the established boundaries of the Territory. Notwithstanding Section 2.2, 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 anywhere inside or outside of the Territory. For the purposes of this Agreement, "**Commercial**" means 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 a professional relationship as it relates to the request for services or related products; or

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

(b) offer for sale or sell the Services and the Products or other similar services and products using some or all of the Marks from any location or by any means whatsoever outside of the Territory;

(c) offer for sale or sell the Services and the Products or other similar services and products using any trade names or trademarks other than the Marks from any location or by any means whatsoever either inside or outside of the Territory;

(d) operate, establish, or grant to someone else a license or franchise to operate or establish, one or more businesses that offer for sale or sell any services or products that are the same as or similar to the Services or the Products using some or all of the Marks or using any trade names or trademarks other than the Marks at or from any location whatsoever outside of the Territory;

(e) operate, establish, or grant to someone else a license or franchise to operate or establish, one or more businesses that offer for sale or sell any services or products that are the same as or similar to the Services or the Products using any trade names or trademarks other than the Marks at or from any location whatsoever either inside or outside of the Territory;

(f) distribute, offer for sale, sell or grant to someone else the right or franchise to distribute, offer for sale or sell any services or products that are the same as or similar to the Services or the Products using some or all of the Marks or using any trade names or trademarks other than the Marks at any location whatsoever either inside or outside of the Territory, by means of other channels of distribution other than the Franchised Business, including, without limitation, through retail outlets, or as part of or in combination with any retail establishments;

(g) distribute, offer for sale, sell or designate any entity to distribute, offer for sale or sell the Services and the Products to National Account Customers, either inside or outside of the Territory; and

(h) purchase or be purchased by, or merge or combine with, competing businesses wherever located, including a chain of company-owned or franchised locations that compete directly with the Franchised Business.

2.4 ***National Account Customers***. Franchisor reserves the right to solicit or permit other franchisees or third parties designated by Franchisor to solicit customers located anywhere in the Territory in order to develop them as National Account Customers. Franchisee acknowledges and agrees that Franchisor shall have the sole and exclusive right to supply (in whole or in part) or designate any other entity (including, without limitation, Franchisee, other System franchisees or Affiliates of Franchisor) to supply the Services and the Products to National Account Customers, whether the Services or the Products are delivered to a location inside or outside of the Territory. Franchisor may, but is not required to, request Franchisee to provide the Services or the Products to a National Account Customer with premises located within the Territory in exchange for a payment to be made by Franchisor to Franchisee in an amount to be determined by Franchisor at the time of Franchisor's request. Franchisor may require Franchisee to enter into Franchisor's then current form of National Account Service Agreement in order to provide the Services or the Products to National Account Customers with premises located within the Territory. Franchisee may decline to provide the Services or the Products to a National Account Customer by providing a written notice to Franchisor within one (1) Business Day of receipt of a request by Franchisor to provide the Services or the Products to a National Account Customer, in which case Franchisor may itself, through an

Affiliate, by a subcontractor or through another System franchisee provide the Services or the Products to the National Account Customer. Franchisee will be deemed to have rejected Franchisor's request to provide the Services or the Products to a National Account Customer if Franchisee has not accepted Franchisor's request within one (1) Business Day, in which case Franchisor may itself, through an Affiliate, by a subcontractor or through another System franchisee provide the Services or the Products to the National Account Customer. Franchisee acknowledges and agrees that Franchisor's policies and procedures with respect to the provision of the Services and the Products to National Account Customers may change from time to time as detailed in the Operations Manual. For the purposes of this Section 2.4 and this Agreement, "**National Account Customers**" means a customer, a group of customers or an entity acting on behalf of a customer group or customers (under common ownership or control) with offices, franchises or stores or who is otherwise conducting business both inside and outside of the Territory and for which the Franchisor has arranged to provide the Services at multiple locations inside or outside of the Territory. National Account Customers may include, without limitation, corporations, non-profit organizations, federal, state and local government entities and organizations and any other persons or entities that may have a need for purchasing the Services and the Products from Franchisor at multiple locations inside or outside of the Territory.

2.5 ***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.

2.6 ***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 19 of this Agreement.

2.7 ***Guarantee***. The grant of license in Section 2.1 is made by Franchisor in reliance on the personal attributes of Franchisee's directors, officers, shareholders, partners or members, and in consideration of the trust and confidence which Franchisor places in those individuals who will actively and substantially participate personally in the beneficial ownership and management of the Franchised Business. Accordingly, each of Franchisee's directors, officers, shareholders, partners or members, as shall be required by Franchisor, shall execute and deliver Franchisor's current form of guarantee (each, a "**Guarantee**") at the same time as Franchisee executes and delivers this Agreement.

2.8 ***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 ***Initial Fee***. In consideration of Franchisor entering into this Agreement, Franchisee shall pay to Franchisor the initial fee shown in Schedule B (the "**Initial Fee**") on or before the due dates set forth in Schedule B. The Initial Fee shall be non-refundable, either in whole or in part, and shall be deemed to be fully earned by Franchisor upon execution of this Agreement.

3.2 ***Royalty***. In addition to the Initial Fee to be paid by Franchisee to Franchisor, Franchisee shall pay to Franchisor a continuing royalty fee equal to 8% of Franchisee's Gross Revenue (the "**Royalty**") during the Term and any Renewal Term, which Royalty shall be paid at the times and in the manner provided in Section 3.4.

3.3 ***Definition of "Gross Revenue"***. The term "Gross Revenue" as used in this Agreement means the entire amount of the sale price, whether for cash, credit, payment in kind (valued at fair market value) or otherwise, of all sales from or in connection with the operation of the Franchised Business (including, 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 from Gross Revenue except for the following:

(a) sums collected by or on behalf of Franchisee for any duly constituted governmental authority on account of sales taxes, goods and 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;

(c) amounts for uncollected or uncollectable credit accounts as long as such credit accounts are deemed uncollected or uncollectable in accordance with Franchisor's policies and procedures in relation to uncollected or uncollectable credit accounts set out in the Operations Manual; and

(d) amounts uncollected for 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.

3.4 ***Calculation and Payment***. Franchisee shall pay the Royalty, the Sales Center, Marketing & Technology Fee and any other amount payable to Franchisor by Franchisee within three (3) Business Days of the 15th day and the last day of each Month. Franchisee shall pay the Royalty, the Minimum Royalty, the Sales Center, Marketing & Technology Fee and all other amounts payable to Franchisor by way of electronic funds transfer (automatic debit) directly from the bank account of Franchisee to that of Franchisor or by such other means or method as Franchisor may prescribe from time to time. Any other future or recurring amounts payable 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 things necessary to facilitate payment of the Royalty, the Minimum Royalty, the Sales Center, Marketing & Technology Fee and all other amounts payable to Franchisor by way of electronic funds transfer (automatic debit) or by such other method as Franchisor may prescribe from time to time. The automatic debit amount (or such other method of payment) of the Royalty, the Sales Center, Marketing & Technology Fee and all other amounts payable to Franchisor for each semi-monthly period shall be calculated by Franchisor based upon the Semi-Monthly Report submitted by Franchisee pursuant to Section 8.3. Should Franchisee fail to submit a Semi-Monthly Report as required in a timely manner, Franchisor shall calculate the automatic debit amount (or such other method of payment) for the Royalty, the Sales Center, Marketing & Technology Fee and all other amounts payable to Franchisor based upon the most recent Semi-Monthly Report submitted by Franchisee. Any necessary reconciliation will be made during the semi-monthly period following receipt of the Semi-Monthly Report that was not timely submitted (assuming it is submitted by then). On each occasion when Franchisee fails to submit a Semi-Monthly Report as required by this Agreement, Franchisee shall pay to Franchisor an additional fee equal to 5% of the Royalty, the Sales Center, Marketing & Technology Fee and other amounts payable to Franchisor during the applicable semi-monthly period. Franchisee agrees that the additional fee represents a genuine estimate of the additional administrative costs and expenses to be incurred by Franchisor as a result of Franchisee's failure to submit the required Semi-Monthly Report.

3.5 ***Minimum Royalty***. If at the end of any calendar year of operations of the Franchised Business, the total of all Royalties that Franchisor has received from Franchisee during that year is less than the Minimum Royalty for that year as set out in Schedule B, then Franchisee shall pay to Franchisor the amount that the Minimum Royalty for that year exceeds the total of all Royalties actually paid for that year. Amounts payable in respect of such difference, if any, shall be payable on or before January 15th of the following year, and shall be paid by the same means as the Royalty is payable under Section 3.4.

3.6 ***Reimbursement for Declined Transfers***. If the electronic funds transfer (automatic debit) of the Royalty, the Minimum Royalty, Sales Center, Marketing & Technology Fee or any other amounts payable by Franchisee is declined by Franchisee's bank for any reason, Franchisee shall immediately pay to Franchisor the amount of the Royalty, Minimum Royalty, Sales Center, Marketing & Technology Fee or any other amount payable by Franchisee that was declined and reimburse Franchisor for all costs incurred by Franchisor in connection with such declination, including any reasonable administrative fee as may be set by Franchisor from time to time.

3.7 ***Trust Funds***. The portion of Gross Revenue equal to the Royalty provided for in Section 3.2, the Minimum Royalty provided for in Section 3.5, and the Sales Center, Marketing & Technology Fee provided for in Section 9.4 shall upon receipt by Franchisee become subject to a trust and shall be held by Franchisee as trustee for the benefit of Franchisor until they are effectively transferred to Franchisor. Franchisee is prohibited from dealing with such trust funds in any manner other than as permitted in this Agreement.

4. FRANCHISED LOCATION

4.1 ***Franchised Location***. During the Term, Franchisee and all employees and representatives of Franchisee shall operate the Franchised Business exclusively from the location identified in Schedule B (the "**Franchised Location**"), in full compliance with any lease for the Franchised Location and the obligations set out in this Agreement and in the Operations Manual, as amended from time to time. Franchisee shall maintain the Franchised Location in a clean and attractive condition, use and maintain all office equipment at the Franchised Location as required by the Operations Manual or as otherwise specified by Franchisor, and operate and maintain the Franchised Location so as to preserve, maintain and enhance the reputation and goodwill of Franchisor, the System and the Marks.

4.2 ***Relocation of Franchised Location***. If Franchisee wishes to relocate the Franchised Business from the Franchised Location to another location within the Territory, it may do so only after providing prior written notice to Franchisor and at Franchisee's sole cost and expense.

5. VEHICLE REQUIREMENTS

5.1 ***Vehicle.*** Franchisee shall purchase or enter into leases or subleases (each, a "**Vehicle Lease**") for vehicles (each, a "**Vehicle**") for use in the Franchised Business, as follows:

(a) initially for at least one Vehicle for each group of up to three Subterritories in the Territory; and

(b) on or before that date that is 18 Months after the Scheduled Opening Date, at least two Vehicles for each group of up to three Subterritories in the Territory,

or such other number of Vehicles as Franchisor may specify for use in the Franchised Business. All Vehicles shall meet Franchisor's specifications at the time of purchase or lease (which current specifications are set out in Schedule C), and must be outfitted with Franchisor's designated form of components and signage including all graphics, logos, decals and vehicle wraps specified by Franchisor in the Operations Manual or otherwise. Franchisee shall purchase all Vehicles, components, signage, decals and vehicle wraps only from Franchisor's designated or approved suppliers. 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.

5.2 ***Vehicle Lease***. 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 ten (10) days prior to executing the Vehicle Lease. Once Franchisor's approval has been obtained in accordance with this Section 5.2, Franchisee shall provide to Franchisor a complete copy of all executed Vehicle Leases as soon as practicable after execution along with the associated serial numbers for each of the Vehicles. Franchisee shall not assign or sublet any Vehicle Lease or otherwise part with possession of the whole or any portion of the Vehicle during the Term without first obtaining the prior written consent of Franchisor, which consent shall not be unreasonably withheld.

5.3 ***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.

5.4 ***Vehicle Maintenance, Repair and Replacement***. Franchisee shall keep and maintain all Vehicles and related components in good working order in accordance with all applicable safety standards (including, without limitation, annual motor vehicle inspections as required under applicable federal, state or municipal laws), and complete all repairs, servicing and maintenance required to keep such Vehicles and related components in good working order. Franchisee shall replace and fully decommission each Vehicle and all related components in accordance with Franchisor's then current requirements and specifications as set out in the Operations Manual or otherwise. On or before ceasing use of any Vehicle, Franchisee shall purchase or enter into a Vehicle Lease for a new Vehicle that meets Franchisor's then current requirements and specifications for a Vehicle as set out in the Operations Manual or otherwise.

5.5 ***Repainting of Vehicles***. All Vehicles and related components must at all times display Franchisor's then current signage, graphics and logos, as specified by Franchisor in the Operations Manual or otherwise. Franchisee shall replace and update the signage, decals and vehicle wraps on all Vehicles and related components, and repaint all Vehicles and related components, from time to time as required to comply with Franchisor's then current standards and specifications.

6. SERVICES AND PRODUCTS

6.1 ***Sale of Services and Products***. Franchisee acknowledges and agrees 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.

6.2 ***Pricing***. To the extent permitted by applicable law, Franchisor reserves the right to set and mandate the retail prices at which Franchisee shall sell the Services and the Products at or through the Franchised Business. This right to mandate retail prices includes the right to set a maximum price, a minimum price, or an authorized range of prices for the Services and the Products. Should Franchisor exercise its right to set prices or a range of prices, it will do so only in writing or in the Operations Manual. Otherwise, Franchisee remains free to set its own prices for the Services and the Products.

6.3 ***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 product 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 and may or may not approve the proposed service or product in its sole and absolute discretion. 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 the Marks without any compensation payable to Franchisee. Franchisee, in submitting any such proposal to Franchisor, understands and 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 that each such adopted submission shall be deemed to form part of the Know-How.

6.4 ***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.

6.5 ***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.

6.6 ***System Changes***. From time to time, Franchisor may, at its discretion, by written notice to Franchisee, add to, subtract from, modify or otherwise change the System, including, without limitation, the deletion or adoption and use of new or modified Marks or Copyright-Protected Materials pursuant to Section 12.9, new or enhanced Services and Products, or new techniques in connection therewith. Franchisee shall, at its own cost, promptly upon receipt of such notice accept, implement, use and display all such changes.

6.7 ***Franchisee Programs***. Where Franchisor designates a voluntary program respecting the operation of the Franchised Business or the provision of the Services or the 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.

7. OPERATION OF FRANCHISED BUSINESS

7.1 ***Standards of Operation***. Franchisee acknowledges that the Marks, the Services, the Products, and every other component of the System are important to Franchisor and its franchisees, and Franchisee covenants and agrees to comply with the System, in its entirety as outlined in this Agreement, and the Operations Manual which may be modified by 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 Principal Operator as provided in Section 11.1. Where the Principal Operator is absent from the Franchised Location due to illness or vacation, Franchisee shall ensure that the Franchised Business is under the direct control of a director, officer or shareholder of Franchisee or another person who has completed Franchisor's employee training requirements applicable to the Principal Operator pursuant to this Agreement;

(b) operate the Franchised Business strictly in accordance with the standards of customer service, cleanliness, environmental safety, occupational health and safety, consistency, employee training, operation, advertising, promotion and management prescribed in this Agreement, the Operations Manual and otherwise by Franchisor from time to time, 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, in Franchisor's discretion, from time to time;

(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) 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 the Franchised Location in a safe, sound, clean and attractive condition and do all maintenance and repairs as necessary or as Franchisor or the landlord of the premises from time to time requires in writing;

(g) 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;

(h) store and handle any waste products strictly in accordance with applicable local, state and federal laws and regulations and in accordance with written specifications provided in this Agreement and the Operations Manual;

(i) at all times comply with Franchisor's standards in respect of the offering, sale, provision and delivery of the Services and the Products;

(j) require all employees to undergo safety training and submit all employees to a safety test as required by Franchisor from time to time;

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

(l) 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;

(m) hire and supervise efficient, competent, and courteous operators and employees for the operation of the Franchised Business and set and pay their wages, commissions, benefits and incentives without any liability or other obligation therefore to Franchisor;

(n) ensure that all of Franchisee's personnel achieve and maintain the level of skill, knowledge and certification required to deliver the Services;

(o) ensure that the terms and conditions of employment of all employees of the Franchised Business are at all times compliant with all applicable laws, regulations, and government orders, and that the wages, commissions, benefits and incentives for such employees are set and paid in accordance with applicable laws, regulations, and orders;

(p) 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;

(q) 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;

(r) 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;

(s) use only those credit and debit cards in the operation of the Franchised Business as Franchisor designates or approves in advance in writing;

(t) secure and maintain in force all required licenses, permits, approvals, and certificates relating to the operation of the Franchised Business and operate the Franchised Business in full compliance with all applicable laws and regulations, including but not limited to all governmental regulations relating to environmental safety, occupational health and safety, ERISA, workers' compensation insurance, unemployment insurance, withholding and payment of all federal and state taxes including without limitation FICA, FUTA, income tax, sales tax, 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;

(u) remit any reports, levies, payments, charges, remittances, contributions and payments required by applicable laws, regulations, or government order, for the proper operation of the Franchised Business;

(v) register, as soon as possible, for worker's compensation insurance with the worker's compensation authority in the jurisdiction in which the Franchised Business operates, and ensure that the Franchised Business remains, at all times, duly registered with said authority;

(w) inform Franchisor, as soon as possible, of any notice of infraction, offence or non-compliance received by a judicial body, quasi-judicial body, administrative body or quasi-administrative body, committee, association or group under applicable law, regulation or order, relating to the proper operation of the Franchised Business;

(x) advise all suppliers, contractors, employees and others with whom Franchisee deals, that Franchisee is an independent contractor and that all debts, liabilities and obligations incurred by it are for the account of Franchisee only, and not Franchisor;

(y) faithfully observe and perform in a timely fashion all covenants to be observed and performed by Franchisee pursuant to each Vehicle Lease, any lease for the Franchised Location, and any other obligations with respect to marketing and operating the Franchised Business at the Franchised Location;

(z) use the Franchised Location solely for the Franchised Business;

(aa) use the Vehicles solely for the Franchised Business;

(bb) conduct all advertising and use all media including the CRM System only 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, in Franchisor's discretion, from time to time;

(cc) at Franchisee's sole cost and expense, attend all franchise conferences and meetings as required by Franchisor from time to time. 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 SHACK SHINE franchise, Franchisee shall send a separate attendee, who meets the criteria prescribed by Franchisor from time to time, to all such franchise conferences and meetings for each individual franchise operated by Franchisee;

(dd) participate in such programs, special promotions and events as Franchisor may require from time to time, including, without limitation, the servicing of National Account Customers, strategic alliance contracts or other special accounts as may be designated in the Operations Manual, or by Franchisor, and the use and honoring of gift certificates, gift cards and coupons, at the sole cost of Franchisee;

(ee) ensure that all use or sending of commercial electronic messages, the content of such messages, and the management of consents to use any electronic addresses for such messages in association with or relating in any way to the Franchised Business strictly complies with all applicable laws, including, without limitation, applicable anti-spam laws;

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

(gg) identify Franchisee by its full legal name, as the owner of the Franchised Business, and as an "independently owned and operated franchisee of SHACK SHINE", 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;

(hh) use the customer invoicing system specified by Franchisor from time to time;

(ii) 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;

(jj) not create or maintain a website or social media account on the internet or have any other internet presence in connection with the Franchised Business, System, or Marks without the express prior written consent of Franchisor, which consent may be withheld in the sole discretion of Franchisor;

(kk) not by any action, inaction, statement, conduct or omission (including, without limitation, by advertising or promotion) negatively impact the reputation or customer goodwill of any of Franchisor or the System; and

(ll) at all times operate the Franchised Business in a professional manner that is consistent with Franchisor's policies and procedures as well as community standards that reflect positively on Franchisor and the System.

7.2 ***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.

7.3 ***Closure of Franchised Business***. If the Franchised Location or any significant assets used in the operation of the Franchised Business are significantly damaged or become inoperable or if the Franchised Business is forced to close for any reason, Franchisee shall promptly undertake all steps necessary to remedy such conditions and return the Franchised Business to full operation as soon as possible. If any closure of the Franchised Business takes place for any reason, Franchisee shall immediately notify Franchisor, submit a plan for re-opening (which sets out Franchisee's proposed budget, deadlines and any plans for possible relocation, if applicable, all of which are subject to Franchisor's approval) and diligently take, at Franchisee's own expense, all steps necessary to fully re-open the Franchised Business for business as soon as possible.

8. RECORDS AND REPORTING

8.1 ***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 all sales and all services and products provided to customers of the Franchised Business, in such form and detail as Franchisor specifies to Franchisee in writing from time to time, in Franchisor's discretion.

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

8.3 ***Semi-Monthly Report***. Within three (3) Business Days after the 15th and the last day of each Month, Franchisee shall update all records and data on the CRM System with respect to the Franchised Business so that Franchisor can produce from the CRM System a report in electronic form (the "**Semi-Monthly Report**") containing:

(a) a correct and complete statement of all sales and Gross Revenue for the 1st through the 15th day, or the 16th through the last day, of each Month, as applicable; and

(b) such other financial information as Franchisor may specify from time to time.

Each 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 (in all relevant media) related to the operation of the Franchised Business in any given period.

8.4 ***Annual Reporting***. Within ninety (90) days after the end of each calendar year, Franchisee shall submit to Franchisor (in electronic form whenever possible) the following financial information relating to the Franchised Business in respect of such calendar year, which information shall be certified as correct by Franchisee and prepared on a review engagement basis by a Certified Public Accountant retained by Franchisee at Franchisee's sole cost and expense:

(a) a statement of Gross Revenue for such year as finally adjusted and reconciled after the close and review of Franchisee's books and records for the year. If such statement discloses any underpayment of Royalties for such year, then Franchisee shall pay to Franchisor, at the time of submitting such statement, the amount of such underpayment. Any overpayment disclosed by such statement shall be credited to Franchisee's Royalty account by Franchisor once verified and accepted by Franchisor;

(b) 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 years; and

(c) 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.

8.5 ***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 other 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, allow Franchisor and its representatives access to, or 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 such inspection or audit. If any such inspection or audit reveals a material deficiency in Franchisee's reporting (whether financial or otherwise), as determined by Franchisor in its sole discretion, then Franchisee shall reimburse Franchisor for the reasonable costs of the inspection or audit and any related enforcement steps.

8.6 ***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 non-compliance or failure by Franchisee, do all things necessary to correct the non-compliance or failure, in addition to cooperating with the representatives of Franchisor in respect of any training or retraining determined necessary by Franchisor.

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

8.8 ***Use of Information***. Franchisee irrevocably consents to Franchisor obtaining, using and disclosing any financial or other information contained in or resulting from materials, statements and reports received by Franchisor or disclosed to Franchisor in accordance with this Agreement to third parties (including, without limitation, prospective franchisees, as well as financial institutions, legal and financial advisors), for any corporate purpose of Franchisor or as may be required by law. Franchisee acknowledges that any personal information collected about Franchisee by Franchisor may be used by Franchisor to provide services to Franchisee, and to ensure Franchisee's compliance with this Agreement and all other applicable agreements and laws. In addition, and without limiting the foregoing, Franchisor may disclose any information that Franchisee provides: (i) when Franchisor believes disclosure to be appropriate to comply with any law, regulation, or government request or to comply with judicial process; (ii) if such disclosure is necessary or appropriate; (iii) to protect the rights or property of Franchisor, or any of Franchisor's customers, franchisees, or affiliates; (iv) to provide services to Franchisee; or (v) to ensure Franchisee's compliance with this Agreement and all other applicable agreements and laws. Franchisee irrevocably consents to Franchisor collecting, using and disclosing Franchisee's personal information for any of the above purposes. Franchisee also acknowledges that in the case of a proposed sale of the shares or assets of Franchisor, certain Franchisee financial information may be made available to qualified parties. Franchisor warrants that to the best of its ability it will endeavor to restrict the confidentiality of this information to the qualified parties directly involved in the sale process and their professional advisors and financiers.

9. SALES CENTER

9.1 ***Order Processing***. All orders for Services and Products and customer inquiries shall be placed and processed using Franchisor's designated call center and online booking system (the "**Sales Center**"), and Franchisor's designated customer relationship management software system (the "**CRM System**"), as designated by Franchisor from time to time. Franchisee shall use and fully participate in the Sales Center, the CRM System, and all programs or initiatives involving the Sales Center or the CRM System as Franchisor requires from time to time.

9.2 ***No Other Sales or Order Processing***. Franchisee acknowledges and agrees that except as provided for in this Agreement, it is not permitted to solicit, receive or fill any order for the Services or the Products within the Territory other than those orders which are placed or processed through the Sales Center and posted on the CRM System. Should Franchisee receive orders through Franchisee's local telephone number or any other means or method, Franchisee shall process all such orders through the CRM System.

9.3 ***Unsolicited Orders***. Notwithstanding the provisions of Section 9.2, if Franchisee receives a request to provide the Services or the Products to a new or returning customer (an "**Unsolicited Order**") while providing services to another customer, Franchisee shall immediately upon completion of the Unsolicited Order, enter 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) in the CRM System.

9.4 ***Sales Center, Marketing and Technology Fund***. In recognition of the value of a centralized call center, uniform order processing, customer relationship management software systems and uniform marketing and promotion to the goodwill and public image of the System, Franchisee shall contribute to

Franchisor's sales center, marketing and technology fund (the "**Sales Center, Marketing & Technology Fund**") an amount equal to 8% of its Gross Revenue (the "**Sales Center, Marketing & Technology Fee**"). The Sales Center, Marketing & Technology Fee shall be calculated upon the same basis and paid to Franchisor at the same time as the Royalty is payable. With respect to the administration and use of the Sales Center, Marketing & Technology Fund, Franchisee agrees and acknowledges as follows:

(a) Franchisor shall use and expend the Sales Center, Marketing & Technology Fund at its sole and absolute discretion to, among other things:

(i) cover costs associated with the procurement, development, operation, and maintenance and replacement of all hardware, software, and other items used in connection with all technology that supports the contact with the customer on all platforms, including but not limited to, the Sales Center, the Customer Relationship Management platform, Field Service Management platform, E-commerce platform, business intelligence platform, customer communications platform, infrastructure platform, and any other online booking engine, and any related current or new technology and/or systems, including, without limitation, all costs associated with staffing the Sales Center (including all salaries, compensation, benefits and administrative costs for Sales Center staff employed by Franchisor or its Affiliates) and overhead, operational and ongoing costs associated with maintaining the above platforms and systems;

(ii) cover costs associated with media purchases, retaining advertising, marketing, digital and public relations agencies (either through an Affiliate, or through an advertising or public relations agency formed by Franchisor or an Affiliate for such purpose), commissions, marketing analytics, market research and concept research, website development and design, website search optimization, system development (including marketing technology platforms), loyalty programs, design and maintenance of coupon or gift card programs, social media management, brand strategy, brand development, creative and production costs, including, without limitation, the costs of creating promotions and artwork, as well as television and radio creative, marketing pilots, marketing innovations, printing costs, customer experience design, strategic partnerships, and other costs (including all salaries, compensation, benefits and administrative costs of staff employed by Franchisor or its Affiliates for the purposes of marketing, promotion or related activities) relating to national or regional advertising, marketing and promotional programs undertaken by Franchisor and all other overhead and ongoing costs associated therewith;

(iii) cover costs associated with marketing to, acquiring, managing, billing and collecting from National Account Customers, as well as marketing to, acquiring, and managing local commercial services (including all salaries, compensation, benefits and administrative costs of staff employed by Franchisor or its Affiliates for the purposes of marketing to, acquiring, managing, billing and collecting from National Account Customers, as well as marketing to, acquiring and managing local commercial services) and all other overhead and ongoing costs associated therewith;

(iv) defray Franchisor's and any one or more of its Affiliates' expenses in operating the Sales Center, Marketing & Technology Fund, including reasonable salaries, administrative costs and overhead (calculated on a fully allocated basis) as Franchisor or its Affiliate(s) may incur in activities reasonably related to the

administration or direction of the Sales Center, Marketing & Technology Fund and the expenditures from the Sales Center, Marketing & Technology Fund including, but not limited to, the types of expenditures set out in this Section 9.4;

(b) the Sales Center, Marketing & Technology Fund is intended to, among other things, provide for the procurement, development and maintenance of the Sales Center and CRM System and to maximize general public recognition and patronage of the System for the benefit of Franchisor and all SHACK SHINE franchisees. Franchisor undertakes no obligation to ensure that any particular SHACK SHINE franchisee (including Franchisee) benefits directly or pro rata from the Sales Center, Marketing & Technology Fund, the Sales Center, the CRM System or the development, placement or conduct of any System advertising or promotions;

(c) Franchisor shall administer the Sales Center, Marketing & Technology Fund in its sole and absolute discretion, and except as expressly provided for in this Agreement, Franchisor assumes no direct or indirect liability or obligation to Franchisee with respect to the maintenance, direction or administration of the Sales Center, Marketing & Technology Fund, the Sales Center or the CRM System. Franchisee is not a third party beneficiary and shall have no right to enforce any contributions from other SHACK SHINE franchisees or direct the administration of the Sales Center, Marketing & Technology Fund in any way. Any obligation of Franchisor with respect to the Sales Center, Marketing & Technology Fund shall be contractual in nature, and Franchisee shall have no proprietary right in the Sales Center, Marketing & Technology Fund, and it shall not constitute a trust fund in any way; and

(d) if, at the end of any year, there are any surplus funds in the Sales Center, Marketing & Technology Fund that have not been spent or allocated in that year, Franchisor shall have the right to carry such surplus funds forward for use in any future year(s) as Franchisor determines in its sole and absolute discretion.

9.5 ***Statement of Operations***. The Sales Center, Marketing & Technology Fund shall be accounted for separately from the other funds of Franchisor. An in-house statement of operations of the Sales Center, Marketing & Technology Fund shall be prepared annually and shall be made available to Franchisee upon request. The cost of preparing any such statement shall be paid out of the Sales Center, Marketing & Technology Fund.

10. MARKETING

10.1 ***Participation in System Marketing***. Franchisee shall fully participate in all sales and promotional activities (including the introduction of new services and products, initial, grand opening or other marketing programs directed and approved by Franchisor) as Franchisor may require, in its sole and absolute discretion, from time to time.

10.2 ***Local Marketing***. During the Term and any duly exercised Renewal Term, Franchisee shall expend the amounts set out below in each quarter of operating the Franchised Business on local marketing and promotions within the Territory:

(a) during Franchisee's first twenty-four (24) months of operating the Franchised Business, Franchisee shall expend in each consecutive three-month period at least an amount equal to 13% of its Gross Revenue in such three-month period. The Initial Marketing Expense

shall be included in the calculation of Franchisee's local marketing and promotions expenditure for the first twelve (12) months of operating the Franchised Business;

(b) during Franchisee's twenty-fifth (25th) through thirty-sixth (36th) month of operating the Franchised Business, Franchisee shall expend in each consecutive three-month period an amount equal to 10% of its Gross Revenue in such three-month period; and

(c) during Franchisee's thirty-seventh (37th) and subsequent months of operating the Franchised Business, Franchisee shall expend in each consecutive three-month period an amount equal to 8% of its Gross Revenue in each such three-month period.

Franchisee shall provide such details and evidence confirming the required expenditures pursuant to this Article 10 as may be required by Franchisor from time to time.

10.3 ***Initial Marketing Expense***. Upon execution of this Agreement, Franchisee shall pay to Franchisor the amount of $10,000 (the "**Initial Marketing Expense**") for use in connection with initial marketing for the Franchised Business during the early stages of its operations. Franchisor shall use and expend the Initial Marketing Expense during the first six (6) Months of the Franchised Business's operations for marketing and promoting the Franchised Business in the Territory by such means, at such times, and in such manner, as Franchisor determines is desirable or appropriate in its sole discretion. The Initial Marketing Expense shall not be used to defray any of Franchisor's general operating expenses. After the first six (6) Months of the Franchised Business's operations, upon request by Franchisee, Franchisor shall provide a statement detailing the use and expenditure of the Initial Marketing Expense.

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

(a) Franchisee must contribute an amount that is equal to up to 5% of its Gross Revenue in each quarter of Franchisee's fiscal year to such digital marketing programs as Franchisor may specify from time to time. Franchisee shall participate in such digital marketing programs established, negotiated or managed by Franchisor, as Franchisor may specify from time to time, provided that Franchisee shall not be required to expend more than an amount that is equal to 5% of its Gross Revenue in each quarter of Franchisee's fiscal year in relation to such programs (as contemplated by this Section 10.4(a)). All expenditures made by Franchisee pursuant to this Section 10.4(a) shall be included in the calculation of Franchisee's local marketing and promotions expenditure pursuant to Section 10.2;

(b) Franchisee shall ensure that all such local marketing and promotions are carried out at all times in strict compliance with this Agreement, including, without limitation, the license granted in Article 12;

(c) 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;

(d) Franchisee shall submit to Franchisor for its approval, which approval shall not be unreasonably withheld or unduly delayed, all local marketing and promotions material to be utilized by Franchisee, and until such time as Franchisor has given its written approval to the use of such marketing and promotions, Franchisee shall not utilize such materials in

any manner. 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 and waiver of moral rights for such marketing or promotions, and each such adopted submission shall be deemed to form part of the Know-How;

(e) Franchisee shall prominently display, at its own 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 Franchisee shall purchase all such signs from Franchisor or from suppliers designated or approved by Franchisor; and

(f) 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 10.2. If other SHACK SHINE 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.

10.5 ***Branding Cooperative***. Franchisor may, but is not obliged to, establish a branding cooperative of SHACK SHINE franchisees (a "**Branding Cooperative**") operating within a particular geographic area, or using such other parameters as Franchisor may designate in its sole discretion, and which may comprise the entire System. Franchisee shall join and fully participate, at its sole expense, in any Branding Cooperative established and designated by Franchisor. Each franchisee subject to a Branding Cooperative shall be required to comply with the terms of such Branding Cooperative, including, without limitation, the requirement to attend all meetings of the Branding Cooperative. Further, if approved by franchisees representing at least 65% of the total revenue base generated by the members of the Branding Cooperative (which revenue base and percentage shall be determined and calculated by Franchisor in its sole discretion), Franchisee shall contribute to the Branding Cooperative in such amounts, at such times, and in such manner as specified by Franchisor in its sole discretion; provided that Franchisee shall not be required to contribute more than 3% of its Gross Revenue in the aggregate for all Branding Cooperatives to which Franchisee belongs, and any amount contributed by Franchisee to any Branding Cooperative may be credited towards its local marketing obligations under Section 10.2 of this Agreement. Each Branding Cooperative shall be organized and governed in such form and manner that Franchisor specifies in its sole discretion from time to time, and all branding and promotional plans or materials developed, adopted or used by a Branding Cooperative shall be subject to Franchisor's prior written approval.

11. MANAGEMENT, EMPLOYEES AND TRAINING

11.1 ***Principal Operator***. The person named in Schedule B shall be the principal operator and general manager of the Franchised Business (the "**Principal Operator**"). The Principal Operator shall, at all times during the Term and any duly exercised Renewal Term, own the percentage of voting shares or other equity units of Franchisee as specified in Schedule B. Franchisee shall ensure that the Franchised Business is always actively managed by the Principal Operator, and shall not change or replace the Principal Operator at any time without Franchisor's prior written consent. The Principal Operator must devote his

or her full time, attention and effort to the Franchised Business and provide direct, day-to-day supervision of the operation of the Franchised Business by Franchisee (i.e. a minimum of 40 hours per week). The Principal Operator must ensure that the Franchised Business maintains, at all times, the proper standards of customer service, production, service quality, cleanliness, environmental safety, occupational health and safety, consistency, staffing, employee training, operation, advertising, promotion and management, in accordance with the Operations Manual and this Agreement.

11.2 ***Training.*** The Principal Operator and any other director, officer or shareholder of Franchisee required by Franchisor shall complete such initial training as Franchisor may specify in writing to the satisfaction of Franchisor prior to the Franchised Business opening for business, unless waived in writing by Franchisor at its sole discretion for any particular person(s). The format and content of the initial training program shall be determined solely by Franchisor. The cost of any initial training provided to Franchisee by Franchisor is included in the Initial Fee payable under Section 3.1. Additional employees of Franchisee may be accommodated for such initial training or for subsequent equivalent training at Franchisee's request and cost, subject to Franchisor's availability. Franchisee shall pay Franchisor its then current training fee for providing initial or additional training to any additional employees of Franchisee. All training shall be given at times and at a location or locations designated by Franchisor. All expenses incurred by Franchisee and other trainees in connection with and during such training including without limitation those related to transportation, accommodation, meals and other living expenses, wages and other employment benefits shall be at the sole expense of Franchisee. (Neither Franchisor nor any owner of an existing business at which the training is given will provide wages or employee benefits to Franchisee or other trainees during the training period.)

11.3 ***Employees.*** Franchisee shall be solely responsible for the selection and hiring of all employees of the Franchised Business, and shall be exclusively responsible for payment of wages, benefits, and statutory remittances, compliance with all applicable employment laws and other terms and conditions of their employment, and for the proper training of them in the operation of the Franchised Business. Before hiring any employee to work for or in connection with the Franchised Business, Franchisee shall conduct a full background check on the prospective employee, including, without limitation, citizenship and criminal records checks. Franchisee shall exercise direction of and control over all employees of the Franchised Business so as to ensure compliance with the standards of customer service, production, product quality, cleanliness, environmental safety, occupational health and safety, consistency, staffing, employee training, operation, advertising, promotion and management, in accordance with the Operations Manual and this Agreement. At the direction of Franchisor, Franchisee shall cause such employees as may be designated by Franchisor who were not involved in initial training to complete training programs developed by Franchisor. Franchisee shall be solely responsible for all direct and indirect costs of such training in accordance with this Article 11.

11.4 ***Employee Training***. Franchisee may provide initial training to its employees in accordance with the Operations Manual, but Franchisor reserves the right to require such employees to attend Franchisor's training at any time. In the event that Franchisor provides initial or additional training to any employees of Franchisee, Franchisor shall be entitled to charge its then-current employee training fee to Franchisee for providing such training.

11.5 ***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 at 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 pay Franchisor's then current training fee, as prescribed by Franchisor from time to time, and shall reimburse Franchisor upon demand for all out-of-pocket costs

incurred by Franchisor in connection with the retraining given at the Franchised Location, including, but not limited to, all transportation, lodging and meal expenses incurred by representatives of Franchisor providing the retraining.

11.6 ***Additional Training***. Franchisee shall attend, and shall cause its Principal Operator, employees and representatives to attend, periodic refresher training, service training, management training and other training courses as required by Franchisor, at such times and locations as Franchisor may determine. Franchisor shall determine the duration, curriculum and location of any such training sessions, which may be delivered in person or by web training, webinars or other such electronic means. Franchisee shall pay Franchisor's then current training fee, as prescribed by Franchisor from time to time, and shall reimburse Franchisor upon demand for all out-of-pocket costs incurred by Franchisor in connection with any additional training provided to Franchisee, its Principal Operator, employees and representatives, including, but not limited to, all transportation, lodging and meal expenses incurred by representatives of Franchisor providing the additional training. Franchisee shall also be responsible for any and all travel and living expenses that Franchisee, its Principal Operator, its employees and representatives incur to attend and participate in such training, including, but not limited to, all transportation, lodging and meal expenses.

12. LICENSE GRANTED TO FRANCHISEE

12.1 ***Nature of Grant***. The license granted by this Agreement is a license to use the System, the Marks and the Copyright-Protected Materials only in connection with operation of the Franchised Business in the Territory, only while the license is in effect and only in accordance with this Agreement and the policies, specifications, directions and standards as stipulated by Franchisor, including, without limitation, those set out in the Operations Manual. Franchisee shall not assist, permit or encourage any other person to: (a) use the System, the Marks or the Copyright-Protected Materials in any other way or in association with any business, wares or services other than the Franchised Business; or (b) change the System, the Marks or the Copyright-Protected Materials in any way. Nothing in this Agreement shall give Franchisee any other right, title or interest in or to any part of the System, the Marks or the Copyright-Protected Materials.

12.2 ***Inurement of Benefit/Assignment of Marks and System***. Franchisee acknowledges that Franchisee's use of the Marks, the System and any goodwill established by such use inures to the exclusive benefit of Franchisor. Franchisee hereby absolutely, irrevocably and unconditionally assigns and transfers to Franchisor any and all right, title and interest throughout the world that Franchisee may now have or may hereafter acquire in the Marks, the System and all related goodwill, other than the license granted hereby, and waives in favor of Franchisor and its licensees and assignees all non-transferrable rights, including, without limitation, moral rights, that Franchisee may have or acquire in, to or associated with the Marks or the System. If and to the extent that the foregoing assignment and transfer are not effective in respect of any of the Marks or the System, then Franchisee shall hold in trust for the sole benefit of Franchisor, and upon request shall irrevocably and unconditionally assign and transfer to Franchisor, all of Franchisee's right, title and interest throughout the world in, to and associated with the Marks and the System.

12.3 ***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 writing from time to time), strictly in accordance with the written directions of Franchisor (many of which will be contained in the Operations Manual), and Franchisee's name shall be clearly marked on all documented and electronic representations of the Franchised Business as well as on all Franchisee's advertising, stationery, business cards, purchase orders, sales slips, checks, and other business documents in a manner specified or approved by Franchisor and which clearly indicates that Franchisee is the person, firm or corporation, as the case may be, operating the

Franchised Business pursuant to a license from Franchisor. Franchisee shall not use, as part of the name of any corporation or other business entity which may operate the Franchised Business (or any other corporation or business entity in which Franchisee has any interest), any of the Marks or any variation or derivative thereof or any word or phrase or combination of words confusingly similar thereto or colorably imitative thereof, nor may Franchisee use the Marks in connection with the sale or offering for sale of any service or item which has not been properly approved for sale pursuant to the requirements of this Agreement. Franchisee shall use ®, TM or some other symbol directed by Franchisor, to indicate to the public that each of the Marks is a trademark belonging to Franchisor and shall in such usage clearly indicate this by using the phrase "Trademark owned by Shack Shine Home Services Inc." or some other phrase designated or approved by Franchisor. All provisions of this Agreement applicable to the Marks shall apply to any additional proprietary trademarks, service marks and commercial symbols hereafter authorized by Franchisor for use by Franchisee from time to time.

12.4 ***Inspection and Samples***. Promptly when requested to do so by Franchisor, Franchisee shall (i) provide Franchisor reasonable access to enter the Franchised Location to permit Franchisor to observe Franchisee's activities relating to any one or more of the Marks, and permit Franchisor to inspect material in Franchisee's possession or control on which any one or more of the Marks appears; and (ii) provide Franchisor with samples of all wares, packaging, stationary, signage, advertising and other material used by or prepared by, for, or with the permission of Franchisee that bears or refers to any one or more of the Marks.

12.5 ***Use of Copyright-Protected Materials***. Franchisee acknowledges that Franchisor is the owner of, or licensee of, the copyright in the Operations Manual, the CRM System 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 by Franchisee pursuant to and in compliance with this Agreement and all applicable specifications, standards and operating procedures prescribed in writing by Franchisor during the Term and any duly exercised Renewal Term. Any unauthorized use of any of the Copyright-Protected Materials by Franchisee shall be an infringement of the rights of Franchisor in and to the Copyright-Protected Materials and shall constitute a breach of this Agreement. Franchisee agrees not to contest or oppose, nor to assist anyone else to contest or oppose, Franchisor's application for registration or protection of any of the Copyright-Protected Materials in the United States, Canada, or any other country. Franchisee shall ensure that all Copyright-Protected Materials used by Franchisee bear whatever copyright notice that may be prescribed by Franchisor from time to time in writing.

12.6 ***Inurement of Benefit of Assignment of Copyright-Protected Materials***. Franchisee acknowledges that Franchisee's use of the Copyright-Protected Materials and any goodwill established by such use inures to the exclusive benefit of Franchisor and Franchisee hereby absolutely and irrevocably assigns to Franchisor all right, title and interest it may now have or may hereafter acquire in all Copyright-Protected Materials used under this Agreement and all copyright it may acquire from the creation of works derived from the Copyright-Protected Materials used under this Agreement, other than its right to use the Copyright-Protected Materials under this Agreement. If and to the extent that the foregoing assignment or transfer is not effective, Franchisee's right, title and interest in and to the Copyright-Protected Materials will be held by Franchisee in trust for the sole benefit of Franchisor and assigned or transferred exclusively to Franchisor on demand.

12.7 ***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 make any admission in respect of any such allegation and shall not communicate with anyone other than Franchisor and its legal counsel in connection with any such infringement, challenge or claim. Franchisor shall have sole discretion to take such action as it deems appropriate and the right to defend and to control exclusively any litigation or other proceeding arising out of any such infringement, challenge or claim. Franchisee agrees to execute all documents, to render such assistance and to do all acts and things as may, in the opinion of Franchisor or its legal counsel, be necessary or advisable to protect and maintain the interests of Franchisor in any such litigation or other proceeding or otherwise to protect and maintain the interests of Franchisor in the Marks and Copyright-Protected Materials.

12.8 ***No Act in Derogation of Franchisor's Rights***. Franchisee acknowledges that all goodwill and ownership rights arising out of the use by Franchisee of the Marks, the Copyright-Protected Materials and any other part of the System shall accrue solely to Franchisor, and that now and hereafter Franchisee shall assert no claim to any goodwill by virtue of the licensed use thereof. Franchisee shall not dispute or impugn the validity of any of the Marks or the rights of Franchisor thereto, or do or assist others to do or permit any act or thing to be done in derogation of same. Franchisee shall take such action (including signature and assistance in preparation of documents or the giving of testimony) as may be requested by Franchisor to evidence, transfer, vest or confirm Franchisor or one or more of its Affiliates' rights and ownership in the Marks, the Copyright-Protected Materials and any other part of the System. If Franchisor is unable for any reason to secure Franchisee's signature to fulfill the intent of this paragraph, then Franchisee irrevocably appoints Franchisor and its authorized agents as agent and attorney in fact, to transfer, vest or confirm Franchisor's rights and to execute and file any such applications and to do all other lawful acts to further the intent of this Article 12 with the same legal force as if done by Franchisee.

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

12.10 ***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 will disclose the Know-How to Franchisee in the training program, the Operations Manual and in guidance furnished to Franchisee during the Term and any duly 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 Franchisor.

12.11 ***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 any agreement ancillary to this Agreement, any amendment to this Agreement or any agreement ancillary to this Agreement, the CRM System and the Operations Manual. Franchisor reserves the right at any time upon written notice to Franchisee to more particularly specify or define any items of information or materials which Franchisor considers to be Confidential Information for the purposes of the ongoing application and survival of Franchisee's covenants herein. Upon request by Franchisor, Franchisee shall cause the employees of the Franchised Business to sign a form of confidentiality covenant prepared by Franchisor. Notwithstanding the foregoing, "Confidential Information" does not include information that: (a) Franchisee establishes through written records, is known to Franchisee prior to disclosure by Franchisor or its personnel; (b) is or becomes publicly available through no act or omission of 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.

12.12 ***Internet Restriction***. Franchisor reserves the right to advertise on the Internet, including, without limitation, the creation of a website with a Uniform Resource Locator ("**URL**") address and to require Franchisee's assistance in the development of Internet advertising, including, without limitation, the use of pictures of Franchisee, the Franchised Location, the Vehicles and Franchisee's employees. In granting the rights hereunder, and without limiting any of the rights of Franchisor set out in this Agreement, it is understood, acknowledged and agreed to by Franchisee, that Franchisee is expressly prohibited from offering for sale services, products or other goods authorized by Franchisor for sale by SHACK SHINE franchisees through the Internet or the World Wide Web or any other computer or alternative network accessible to the public or from registering any website, web address, URL address or domain names using the Marks or any variations, modifications or part thereof. In addition, Franchisee shall not create or maintain a website or other Internet presence, or publish or advertise on the Internet, the World Wide Web or any other computer or alternative network accessible to the public without the prior written approval of Franchisor. Franchisee acknowledges and agrees that it is strictly prohibited from promoting the Franchised Business or using the Marks or any variations, modifications or part thereof in any manner whatsoever on social or networking websites including, but not limited to, Facebook, Instagram, LinkedIn, MySpace and Twitter or any other similar social networking site, without Franchisor's prior written consent.

13. OPERATIONS MANUAL

13.1 ***Acknowledgement***. Franchisee acknowledges that Franchisor and its Affiliates are the sole and exclusive owners of all proprietary rights in and to the System and that the information revealed in the Operations Manual, in its entirety, constitutes confidential trade secrets and is protected by copyright. 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 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. Franchisee shall take all safeguards and precautions specified by Franchisor from time to time 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 13.1 will 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. Franchisor reserves the right at any time upon written

notice to Franchisee to more particularly specify or define any items of information or materials which Franchisor considers to be confidential trade secrets for the purposes of the ongoing application and survival of Franchisee's covenants herein. Franchisee hereby acknowledges that the Operations Manual is loaned to Franchisee and shall at all times remain the sole and exclusive property of Franchisor, and upon the expiration or termination of this Agreement for any reason whatsoever, Franchisee shall forthwith return the Operations Manual, together with all copies of any portion of the Operations Manual which Franchisee may have made, to Franchisor.

13.2 ***Operations Manual***. Franchisor in its discretion shall either lend to Franchisee one (1) printed copy of the Operations Manual to be used by Franchisee throughout the term of this Agreement, or shall provide Franchisee with the permission necessary to view an electronic copy of the Operations Manual at an Internet site. Franchisor may make additions, deletions and other revisions to the Operations Manual from time to time, at its sole discretion. The provisions of the Operations Manual as revised from time to time shall constitute provisions of this Agreement to be observed and performed by Franchisee as though incorporated specifically into this Agreement. Franchisee shall not at any time copy or permit to be copied the whole or any portion of the Operations Manuals. When Franchisor makes revisions, it will provide revised pages of the Operations Manual to Franchisee by electronic means or any other means as determined by Franchisor. If Franchisee has received a printed copy of the Operations Manual, Franchisee shall keep the Operations Manual at the Franchised Location or at such other place approved by Franchisor, and shall keep the Operations Manual up-to-date with such revisions and inserts as may be provided to Franchisee from time to time by Franchisor. If Franchisee has been provided access to an Internet copy of the Operations Manual, Franchisee and the Principal(s) will ensure that the password used to obtain access to that Internet site is kept confidential and that no one acquires access to the Internet site other than Franchisee and the Principal(s). In the event of a dispute as to the contents of the Operations Manual, the master copy maintained by Franchisor shall govern.

13.3 ***Compliance with Operations Manual***. Franchisee shall operate the Franchised Business strictly in accordance with all of the provisions set out in the Operations Manual as amended by Franchisor, in its discretion, from time to time. In particular, Franchisee shall promptly adopt and use exclusively the specifications, standards, methods and policies contained in the Operations Manual, now, and as they may be modified by Franchisor, in its discretion, from time to time.

14. FURTHER OBLIGATIONS OF FRANCHISEE

14.1 ***Taxes and Rents***. 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 competent authority directly or indirectly in connection with the Franchised Business.

14.2 ***Compliance with Laws***. Franchisee shall operate the Franchised Business in strict compliance with all applicable laws and regulations.

14.3 ***Training and Retraining***. Franchisee shall comply with all of the training and retraining requirements set out in Article 11.

14.4 ***Inspection Rights***. Franchisee authorizes Franchisor and its representatives to enter the Franchised Location and the Vehicles at any reasonable time or times, without undue disturbance of the Franchised Business, to inspect the Franchised Location and the Vehicles, and any 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.

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

14.6 ***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.

14.7 ***Computer Systems***. Franchisor requires that Franchisee establish and maintain a high speed Internet connection for use in connection with the Franchised Business and may require Franchisee to obtain specified computer hardware and software (collectively, "**Computer Systems**") and may periodically modify specifications for same, all at Franchisee's expense. Franchisor may charge Franchisee a reasonable fee if Franchisor develops or has developed (and, once developed, for modifying and enhancing) proprietary software and for other computer maintenance and support services that Franchisor or any of its Affiliates provides to Franchisee, and Franchisee agrees to sign any software license agreement or similar document that Franchisor or any of its Affiliates prescribes to regulate Franchisee's use of, and the respective rights and responsibilities of Franchisor, Franchisee, and others with respect to, the software, as applicable. Franchisee shall have sole and complete responsibility for: (i) the acquisition, operation, maintenance and upgrading of the Computer Systems; (ii) the manner in which Franchisee's Computer Systems interface with Franchisor's computer system and those of third parties; and (iii) any and all consequences that may arise if the Computer Systems are not properly operated, maintained and upgraded.

14.8 ***Other Systems and Software***. Franchisee shall establish and operate, at its own expense, such customer relationship management, order processing, point of sale, bookkeeping, accounting, record keeping, security, computer, communications and other systems and software as prescribed by Franchisor from time to time. Franchisee shall pay all fees charged by Franchisor, its Affiliates or designated suppliers for the use of such systems and software and to purchase or lease all necessary Computer Systems. The foregoing obligation may include, without limitation, the use and retention of such records, documents and equipment as may from time to time be required by Franchisor. In the event that Franchisor adopts new methods, procedures or systems for its franchisees, or for the System generally, Franchisee agrees to purchase and utilize such systems and software, pay all fees charged by Franchisor, its Affiliates or others for the use of such systems and software, and purchase or lease all necessary Computer Systems. If Franchisor has prescribed any customer relationship management, order processing, point of sale, bookkeeping, accounting, record keeping, security, computer, communications or other systems or software for use by SHACK SHINE franchisees, Franchisee shall use only such systems and software and shall not use any other system or software in operating the Franchised Business.

14.9 ***Passwords***. Franchisor will provide Franchisee with certain passwords for access to the CRM System and other systems and software used in the System (each, a "**Password**"). Franchisee shall at all times keep, and ensure that each and every one of its designated employees and representatives keep, all Passwords provided to Franchisee by Franchisor strictly confidential in accordance with Section 12.11. Franchisee shall not release or disclose the Passwords to any person, including any employees or representatives of Franchisee, without Franchisor's prior written authorization, which authorization may be granted or withheld in Franchisor's sole discretion for any reason.

14.10 ***Maintain Minimum Capital***. Franchisee shall maintain, at all times throughout the Term and any duly exercised Renewal Term, sufficient capital to operate the Franchised Business. Franchisor may, in its discretion, specify a certain minimum amount which Franchisee is required to maintain as backup working capital or a contingency fund, in which case Franchisee shall maintain, at all times throughout the Term and any duly exercised Renewal Term, the minimum amount so specified by Franchisor.

15. INSURANCE

15.1 ***Minimum Insurance***. Franchisee shall maintain in full force and effect during the Term and any Renewal Term, at its sole expense, such insurance coverages as Franchisor, in Franchisor's sole discretion, may from time to time require, including, but not limited to:

(a) commercial general 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 Location or the Franchised Business, with a policy limit of not less than $2,000,000 per occurrence or such greater amount as may be specified in writing by Franchisor;

(b) a comprehensive income form of business interruption insurance in respect of the Franchised Business that indemnifies Franchisee for business losses for a period of at least 18 months and with a policy limit not less than that which may be prescribed by Franchisor from time to time;

(c) owned, hired and non-owned vehicle liability insurance with a policy limit of not less than $1,000,000 or such other amount as may be specified in writing from time to time by the Franchisor for any Vehicle used to any extent in the Franchised Business; and

(d) such other insurance as required in Franchisee's Territory and such revised minimum standards and limits for insurance coverage and other terms as Franchisor may specify from time to time.

The insurers, amounts and types of insurance shall be subject to the 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 insurance broker. The foregoing insurance coverages, as so amended from time to time, are hereinafter called the "**Coverages**". Franchisee shall provide proof of insurance within three (3) Business Days of receiving a written request by Franchisor.

15.2 ***Policy Requirements***. All policies of insurance for the Coverages shall expressly include Franchisee as a named insured and Franchisor and Franchisor's Affiliates, agents, representatives, shareholders, directors, officers and employees as additional insureds (Franchisor and Franchisor's Affiliates, agents, representatives, shareholders, directors, officers and employees are hereinafter collectively referred to as the "**Additional Insureds**"), and shall require the insurers to defend Franchisee, and the Additional Insureds, jointly and severally, in all claims and actions to which the Coverages are applicable. Such policies shall also include a waiver of subrogation against the Additional Insureds and require provision of at least thirty (30) days' notice to Franchisor prior to any amendment, termination, cancellation or modification.

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

15.4 ***Insurance Acknowledgement***. Franchisee appreciates that Franchisor is not an insurance broker. Nothing done by Franchisor pursuant to Sections 15.1, 15.2 or 15.3 shall constitute an assurance that Franchisee has adequate insurance for its assets, business and potential liabilities of the Franchised Business and Franchisee may place additional insurance as it sees fit, upon the advice of its own insurance broker.

16. OTHER OBLIGATIONS OF FRANCHISOR

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

(a) an initial inventory of supplies to be used in operating the Franchised Business (the "**Supplies**"), in such types and quantities determined by Franchisor in its sole discretion;

(b) login and Password for access to the CRM System;

(c) additional training materials developed by Franchisor from time to time;

(d) marketing materials and other sales aids developed by Franchisor from time to time (to be provided at Franchisee's sole 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.

16.2 ***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 SHACK SHINE franchisees as Franchisor, in its sole discretion, deems necessary.

17. REMEDIES UPON DEFAULT BY FRANCHISEE

17.1 ***Right of Termination After Notice of Default***. Prior to expiration of the Term or any Renewal Term and notwithstanding anything otherwise contained in this Agreement, Franchisor shall have the right to terminate this Agreement and the right and license granted hereby to Franchisee on account of one or more of the following defaults by Franchisee:

(a) failure to pay any sum when due to Franchisor, any Affiliate or nominee of Franchisor, Franchisee's landlord, any governmental authority, the lessor of any Vehicle, supplier of any item of Supplies or other inventory, equipment or products to the Franchised Business, or any other third party providing any goods or services to the Franchised Business, and Franchisee fails to cure such non-payment within fifteen (15) days after written notice of such default has been delivered to Franchisee; or

(b) failure to comply with any other obligation of Franchisee contained in this Agreement or any other agreement between Franchisee and Franchisor or any Affiliate or nominee of Franchisor, and Franchisee fails to cure such default within thirty (30) days after written notice of the default has been delivered to Franchisee; provided, however, that if the nature of such default is such that it cannot be cured within a thirty (30) day period, and Franchisee takes reasonable action to cure such default immediately upon receiving such notice and diligently continues to do so, then Franchisee shall have such additional period of time as is reasonably necessary to cure such default.

17.2 ***Termination for Multiple Defaults***. If Franchisee has received a notice of default pursuant to Section 17.1 on three (3) or more occasions (whether or not cured) during any consecutive twelve (12) Month period during the Term, then Franchisor may terminate this Agreement immediately upon written notice to Franchisee made expressly pursuant to this Section 17.2 and Franchisee shall have no opportunity to cure the current default.

17.3 ***Right of Termination Without Prior Notice of Default***. Prior to expiration of the Term or any Renewal Term and notwithstanding anything otherwise contained in this Agreement, Franchisor shall have the right to terminate this Agreement and the right and license granted hereby to Franchisee without prior notice to Franchisee upon the occurrence of any of the following default events which are deemed non-curable:

(a) Franchisee fails to commence operation of the Franchised Business on the Scheduled Opening Date;

(b) Franchisee does anything or omits to do anything which causes the Franchised Business to be closed for business or otherwise not operating in full compliance with this Agreement for five (5) consecutive Business Days or any five (5) Business Days in any thirty (30) consecutive day period, without the prior written consent of Franchisor;

(c) Franchisee fails to assign this Agreement within the timeframe set out in Section 20.7 and in accordance with the other terms and conditions set out in Section 20.7 upon the death or permanent disability of the Principal Operator or the controlling shareholder of Franchisee;

(d) Franchisee fails to remain in good standing under all Vehicle Leases, or does or omits to do anything which gives anyone the right to terminate a Vehicle Lease or take possession of any Vehicle;

(e) Franchisee fails to comply with any of Franchisee's obligations under the Security Agreement;

(f) Franchisee becomes or threatens to become insolvent (as revealed by its books and records or otherwise) in that it is unable generally to meet all of its obligations as they become due, or one of the following events occurs:

(i) Franchisee files, or has filed against it, a petition (or similar pleading) in bankruptcy under federal bankruptcy laws or any similar legislation;

(ii) a receiver, receiver-manager, trustee in bankruptcy or similar officer is temporarily or permanently appointed to take charge of Franchisee's affairs or any of Franchisee's property;

(iii) dissolution proceedings are commenced by or against Franchisee or it otherwise ceases its corporate existence (whether voluntarily or involuntarily);

(iv) Franchisee goes into liquidation, either voluntarily or under an order of a court of competent jurisdiction;

(v) Franchisee makes a general assignment for the benefit of creditors or otherwise acknowledges insolvency;

(vi) Franchisee sells or purports to sell or transfer or otherwise loses possession or ownership or control of all or a substantial part of the assets used in the Franchised Business;

(vii) any items of personal property used in the Franchised Business become attached, executed against, distrained, levied upon or become subject to sequestration or extent, without Franchisee obtaining the release of such attachment, execution, distress, levy, sequestration or extent within five (5) days;

(viii) Franchisee allows any judgment to be entered against Franchisee or any of its affiliates of which Franchisee has notice (actual or constructive) arising out of or relating to operation of the Franchised Business without satisfying such judgment or securing it by payment into court within ten (10) days;

(ix) Franchisee is enjoined from operating the Franchised Business and such injunction is not dismissed, stayed or set aside within ten (10) days;

(x) a secured creditor of Franchisee sends to Franchisee any notice of intention to enforce security, or realizes a foreclosure upon any of Franchisee's real or personal property pledged as collateral in favor of such secured creditor;

(g) an assignment or attempted assignment, at law or at equity, of this Agreement by Franchisee, including an involuntary assignment under applicable matrimonial laws, in whole or in part, without obtaining the prior written consent of Franchisor as required by this Agreement;

(h) Franchisee or any of its directors, officers, employees, agents or other representatives attempts to assign, transfer or convey any part of its interest in the System, including any of the Marks, Know-How, Copyright-Protected Material or other copyrights, trade secrets, systems, methods of operation or format, or discloses, copies or uses or permits the use of any of the foregoing, or if Franchisee uses or permits the use of any of the foregoing in a manner or at a location not authorized in advance in writing by Franchisor;

(i) thirty (30) days after Franchisee's receipt of notice from Franchisor, Franchisee continually fails to offer for sale any approved Service, or offering to sell any service from the Franchised Location that is not part of the Services or has not been designated or approved in writing by Franchisor;

(j) Franchisee intentionally falsifies, misrepresents or misstates to Franchisor any information contained in a financial statement, report or other document which Franchisee provides to Franchisor whether prior to or after the execution of this Agreement;

(k) Franchisee engages in misleading advertising or operating the Franchised Business in a dishonest, illegal or unethical manner, or has its business license for the Franchised Business suspended or revoked;

(l) Franchisee fails to rectify diligently any order issued by a governmental or regulatory authority concerning breach of any health, safety or other regulation or legal requirement applicable to the Franchised Business within the time frame required by the government authority;

(m) the Principal Operator fails to complete the initial training to the satisfaction of Franchisor (unless such requirement is waived in writing by Franchisor);

(n) a personal or corporate Franchisee or any director or officer of a corporate Franchisee is convicted of an offense which in the reasonable opinion of Franchisor could bring the System, any of the Marks or any other part of the goodwill established thereby into disrepute; and

(o) Franchisee repudiates this Agreement or fails to observe or perform any material term, condition, covenant, provision or obligation contained in this Agreement which, due to the nature or consequences of such failure, renders it incapable of rectification by Franchisee.

17.4 ***Cross Default***. If one or more of Franchisee, its Principal Operator, or any partnership or joint venture or corporation in which one or more of Franchisee and its Principal Operator has a controlling interest, is a franchisee pursuant to another franchise agreement with Franchisor respecting another franchised business, a default under this Agreement shall constitute a default under such other franchise agreement, and vice-versa, with the like remedies available to Franchisor, and should such other franchise agreement be terminated for any reason or reasons that are the same as or similar to those set out in Sections 17.1, 17.2, and 17.3 of this Agreement, Franchisor may, at is option, terminate this Agreement.

17.5 ***Franchisor's Operation of Franchised Business***. In addition to Franchisor's right to terminate this Agreement, Franchisee authorizes Franchisor, and at the option of Franchisor, to enter upon any premises at which the Franchised Business is conducted and operate and manage the Franchised Business and exercise complete authority with respect to the operation thereof until such time as Franchisor determines that the default of Franchisee has been cured and that there is compliance with the requirements of the Franchise Agreement on the occurrence of any of the following events:

(a) upon the happening of some event which affects Franchisee, its Principal Operator, or any one or more of the shareholders, partners or employees of Franchisee, and which interferes with the normal operation of the Franchised Business;

(b) upon the occurrence of a default by Franchisee as set out in this Article 17; or

(c) in the event Franchisor reasonably believes an event described in Section 17.5(a) or (b) might occur.

Franchisor's right to operate the Franchised Business under this Section 17.5 shall be for so long as Franchisor considers necessary and practical, and shall be without prejudice to, and without waiver of, any other rights or remedies Franchisor may have under this Agreement. In the event that Franchisor operates the Franchised Business, Franchisor will not be obligated to continue to do so and may in fact discontinue such operation at any time and without notice. All revenues from the operation of the Franchised Business during such period of operation by Franchisor will be kept separate from the account of Franchisee and all expenses, including, reasonable compensation and expenses for Franchisor's representative, will be charged to Franchisee. If Franchisor elects to temporarily operate the Franchised Business on behalf of Franchisee, Franchisee will indemnify and hold harmless Franchisor from any loss or deficit suffered by Franchisor as a result of the temporary operation of the Franchised Business, regardless of the cause, and from any and all claims, losses or damages of any nature whatsoever incurred by Franchisor and its representatives during such operation.

17.6 ***Other Remedies for Default***. In the event of a default by Franchisee as set out in this Article 17, and in addition to the other remedies provided in this Agreement or authorized by applicable law, Franchisor may:

(a) 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;

(b) 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;

(c) (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 the CRM System 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);

(d) 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

(e) 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 as specified by

Franchisor, and Franchisee shall pay all costs related to the attendance of such field advisor or trainer, including travel-related costs and applicable training fees as specified by Franchisor.

17.7 ***Damages based on Default***. Upon termination of this Agreement due to any default by the Franchisee, or if the Franchisee wrongfully terminates this Agreement before its scheduled expiration date (which also with be considered a default by the Franchisee under this Agreement**)**, Franchisor shall have the right to claim and recover consequential damages from Franchisee. The parties recognize that because such consequential damages are difficult to calculate with certainty, Franchisee shall pay, in addition to all other amounts due to Franchisor under this Agreement, liquidated damages, and not as a penalty, an amount derived from the following formula: Liquidated damages = = (X * Y) + 0.3(X * Z)*,* where X equals the number of months (or portion thereof) remaining until expiration of the Agreement from the date of termination; where Y equals the greater of the Minimum Royalty due for a month, or the average of monthly Royalties due for the full 12 month period prior to termination; and where Z equals the average of monthly Sales Center, Marketing & Technology Fees due during the 12 full month period prior to termination.

17.8 ***Telephone Number(s) and Email Addresses***. Rights to the telephone numbers, facsimile numbers and any and all email addresses and social media accounts including, but not limited to, Facebook, Twitter, Instagram and such other forms of social media, whether or not yet invented or created, which are utilized in connection with the operation or promotion of the Franchised Business from time to time shall be held by Franchisee in trust for Franchisor. On expiration or 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 itself execute similar documents if the telephone company or Internet service provider or social media channel or account provider so requests. 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 17.8.

17.9 ***Liquidated Damages for Breach of Standards***. Compliance by Franchisee and all of its employees and representatives with all operational standards set out in this Agreement (including, without limitation, those set out in Section 7.1) and the Operations Manual (collectively, the "**Standards**") is integral to maintaining and promoting the goodwill of the System. Accordingly, 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 genuine and 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, depending on the nature of the 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 in relation to a breach of any Standard, including, without limitation, the right to enjoin continuing violations or to terminate this Agreement.

17.10 ***Remedies Cumulative***. The rights and remedies of Franchisor contained in this Article 17 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.

18. FRANCHISEE'S OBLIGATIONS UPON EXPIRATION OR TERMINATION

18.1 ***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, Minimum Royalties, Sales Center, Marketing & Technology 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 23.1.

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

18.3 ***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.

18.4 ***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 within thirty (30) days after such expiration or termination, to purchase from Franchisee free and clear of any lien, charge, encumbrance or security interest not previously approved by Franchisor, all or any portion of Franchisee's Vehicles, equipment, leasehold improvements, signage and other assets utilized at the Franchised Location. The price of the assets which Franchisor elects to acquire shall be fair market value as at the date when notice is given, net of any costs associated with the purchase and valuation process. The fair market value shall be as agreed by Franchisor and Franchisee within twenty-one (21) days of such date, or if they cannot agree, as determined by a single arbitrator chosen by Franchisor who is a professional business valuator with a major U.S. firm of professional business valuators independent of Franchisor and Franchisee. Payment of the purchase price shall be net of all amounts owing to Franchisor and to parties holding security interests in such assets and the net amount shall be paid in two instalments of 50% each, the first on the date of transfer of such assets to Franchisor and the second six (6) Months after the transfer date, subject to payment of any valid claims against Franchisee which were not adjusted on the transfer date. The asset purchase agreement shall contain customary representations, warranties, and conditions for such transactions, including (should Franchisor purchase substantially all of the assets of the Franchised

Business) customary non-competition covenants of Franchisee and its principals related to the sale of a business.

19. RENEWAL

19.1 ***Right to Renew***. Provided that Franchisee is in full compliance with this Agreement and has not at any time committed a default as set out in Article 17, Franchisee will have the right to enter into a new franchise agreement with Franchisor for the renewal term(s) specified in Schedule B (each, a "**Renewal Term**") commencing on the day immediately following the last day of the Term or Renewal Term (as the case may be), subject to the terms and conditions set out in Section 19.2. Franchisee shall have the right to renew this Agreement for a maximum of three (3) Renewal Terms, such that following the expiry of the third Renewal Term Franchisee shall have no right of renewal and no right to enter into a new franchise agreement with Franchisor.

19.2 ***Conditions of Renewal***. The following provisions shall be conditions precedent to the exercise of Franchisee's right of renewal contained in Section 19.1, such conditions are inserted herein for the benefit of Franchisor and may be waived by it in whole or in part in its discretion:

(a) Franchisee must give written notice of the right of renewal to Franchisor not more than twelve (12) calendar months nor less than nine (9) calendar months prior to expiration of the Term or Renewal Term, as the case may be;

(b) Franchisee shall, not less than six (6) calendar months prior to expiration of the Term or Renewal Term, as the case may be, execute Franchisor's then current form of franchise agreement (which shall include Franchisor's then current rates and then current definitions relating to its Royalty, Minimum Royalty, Sales Center, Marketing & Technology Fee and other amounts). Unless otherwise provided in any renewal franchise agreement, the Minimum Royalty payable during any duly exercised Renewal Term shall be $15,000 per Subterritory;

(c) Franchisee shall, not less than thirty (30) days prior to expiration of the Term or Renewal Term, as the case may be, pay to Franchisor a non-refundable renewal fee of $7,500;

(d) if directed by Franchisor, Franchisee shall replace any Vehicles or components of any Vehicles, as specified by Franchisor, in order to comply with Franchisor's then current standards and specifications, as specified in the Operations Manual or otherwise;

(e) if directed by Franchisor, Franchisee shall fully repaint all Vehicles and update the signage, decals and vehicle wraps on all Vehicles to comply with Franchisor's then current standards and specifications, as specified in the Operations Manual or otherwise;

(f) Franchisee shall execute and, if Franchisee is a corporation, partnership or joint venture, shall cause all of its then current shareholders (both legal and beneficial), directors, officers, partners and joint venturers to execute a general release, in a form provided by Franchisor, of any and all claims against Franchisor and its Affiliates and their respective officers, directors, shareholders, employees, agents and other representatives with respect to the Term; and

(g) at the time of execution of a renewal franchise agreement, Franchisee shall not have been given notice of a default under this Agreement or any other agreement or obligation

Franchisee may have with Franchisor (such as, but not limited to, another franchise agreement within the System) including, but not limited to, all obligations to pay Royalties, Minimum Royalties, Sales Center, Marketing & Technology Fees, interest charges, audit fees and other amounts, and all obligations to comply with the Operations Manual, including trade name and logo guidelines.

19.3 ***Continuing to Operate***. If Franchisee continues to operate after the end of the Term or any Renewal Term without exercising an option to renew, Franchisee shall be deemed to be operating on a month to month basis under the terms and conditions of this Agreement. In such circumstances, and notwithstanding the foregoing, Franchisor may terminate Franchisee's franchise agreement at any time on ten (10) days' written notice.

20. ASSIGNMENT OR TRANSFER

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

Without limiting the foregoing, Franchisee shall not assign or transfer, in whole or in part, Franchisee's interest in this Agreement or the Franchised Business except upon the terms and conditions provided in this Article 20. Any such assignment or transfer shall require the prior written consent of Franchisor, which Franchisor will not withhold unreasonably. In the event that Franchisee receives Franchisor's consent to an assignment or transfer, Franchisee shall be subject to the conditions set out in Section 20.4. Franchisor may refuse to consent to an assignment or transfer if any default has occurred and has not been remedied. By way of illustration and not limitation, Franchisor may withhold its consent if the proposed assignee or transferee does not meet Franchisor's then-current requirements for new franchisees, is and will remain involved in any way in another business similar to the Franchised Business, is not in Franchisor's opinion financially or operationally capable of performing the then-current obligations of System franchisees, or has had previous business experience or lack of experience which, in the sole discretion of Franchisor, suggests that the proposed assignee or transferee may not be a suitable franchisee of the System. In addition, Franchisor may withhold its consent to any proposed assignment or transfer if, as a result of such assignment or transfer, the assignee or any of its shareholders would own (by virtue of their ownership interest in the assignee and any other entity that is an existing SHACK SHINE franchisee pursuant to a franchise agreement with Franchisor or any of its Affiliates) or otherwise hold an interest in rights to five percent (5%) or more of the territories assigned to existing SHACK SHINE franchisees of Franchisor and its Affiliates, as of the date Franchisor's consent is sought with respect to the assignment or transfer. 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 ***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 Company 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 Company and Shack Shine Home Services LLC, a Washington limited liability company, a copy of which may, at the request of any [shareholder] of the Company, be examined at the principal business office of the Company during normal business hours.

20.3 ***Transfer of Interest in Corporate Franchisee***. Franchisee represents and warrants to Franchisor that Schedule D hereto contains the complete and accurate names, mailing addresses and legal or beneficial ownership interest of each person holding any shares (or comparable units) or other form of equity ownership in Franchisee as of the Effective Date. Without limiting Section 20.1, any 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 section, a change in ownership of Franchisee will be any change in the legal or beneficial ownership of any shares (or comparable units) or any other form of equity ownership of or in Franchisee, including, without limitation, an assignment or transfer of legal or beneficial ownership of shares (or comparable units) by an existing shareholder of Franchisee to another existing shareholder or shareholders, or a third party.

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

(a) Franchisee having submitted all proposed advertisements for the sale of the Franchised Business to Franchisor for prior written approval;

(b) Franchisee having obtained Franchisor's approval of the material terms and conditions of any proposed Transfer;

(c) Franchisee paying to Franchisor a non-refundable transfer fee of $10,000, of which $2,500 shall be payable upon Franchisee's declaration of an intent to Transfer the Franchised Business and the remainder shall be payable on execution by the proposed assignee of Franchisor's then-current form of franchise agreement, at Franchisor's election;

(d) Franchisor may charge the assignee a non-refundable administration fee of $5,000, which shall be payable by Franchisee prior to and as a condition of any Transfer;

(e) the assignee having executed Franchisor's then-current form of franchise agreement (which shall include Franchisor's then current rates and then current definitions relating to its Royalty, Minimum Royalty, Sales Center, Marketing & Technology Fee, and other amounts payable to Franchisor);

(f) Franchisee having returned to Franchisor all manuals and materials provided hereunder, for re-issuance to the assignee or destruction, at Franchisor's sole discretion;

(g) Franchisee and each of its principals, shareholders, directors and officers having executed and delivered to Franchisor a general release in the form prescribed by Franchisor and as described in Section 20.6. Notwithstanding any Transfer, Franchisee shall not be released from any of its obligations by Franchisor;

(h) the assignee and its designated principal operator having each completed to Franchisor's satisfaction Franchisor's then-current training program;

(i) 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 being in good standing;

(j) Franchisee having provided 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

(k) the assignee and, if the assignee is a corporation or other business entity, all such directors, officers, shareholders, partners or members of the assignee entity as shall be required by Franchisor, having executed each of Franchisor's then-current forms of security agreement and guarantee agreement.

20.5 ***Consent Refusal***. If Franchisor withholds, delays or refuses to give consent to any request for a Transfer, whether or not Franchisor is entitled to do so, Franchisor shall not be liable for any direct or indirect losses or damages in any way resulting therefrom and Franchisee shall not be entitled to terminate this Agreement or exercise any other remedy whatsoever in respect thereof except to seek an award or direction from an arbitrator pursuant to Section 23.14 compelling Franchisor to grant any such consent which Franchisor is obliged to grant pursuant to the terms of this Agreement.

20.6 ***Franchisee's Release of Claims***. It shall be a condition of Franchisor's consent to any assignment that Franchisee and each of its principals, shareholders, directors and officers execute and 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, which release shall be in a form prescribed by Franchisor.

20.7 ***Death, Incapacity or Permanent Disability***. In the event of the death or permanent disability of the Principal Operator or the controlling shareholder of Franchisee, Franchisee shall, within six (6) Months after such event, 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 20.4 are fulfilled to the reasonable satisfaction of Franchisor. For the purposes of this Section 20.7, permanent disability means the inability of the Principal Operator or the controlling shareholder of Franchisee to manage effectively 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, Franchisor may appoint a competent and trained individual to manage the Franchised Business for the account of Franchisee. The individual who manages the Franchised Business pursuant to this Section 20.7 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. Franchisee must pay all the costs associated with any such assignment or pending assignment, including but not limited to any salary, benefits and other amounts payable by Franchisor to the substitute manager during the period in which the substitute manager is acting in the capacity of the Principal Operator of the Franchised Business (the "**Substitute Manager Amounts**"). In addition to the Substitute Manager Amounts, Franchisee shall pay to Franchisor a fee of $1,000 per substitute manager per day for the period in which the substitute manager is acting in the capacity of the Principal Operator of the Franchised Business. Franchisee shall indemnify, save and hold Franchisor harmless from and against any and all damages, claims, losses, expenses and other costs, including but not limited to legal fees, arising as a result of the death or permanent disability of a controlling shareholder of Franchisee, the assignment of this Agreement pursuant to this Section 20.7, or the appointment of an individual to manage the Franchised Business on a day-to-day basis pursuant to this Section 20.7.

20.8 ***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, then Franchisee shall provide Franchisor with a copy of the written offer from a fully disclosed purchaser. Franchisor shall have the right, exercisable by written notice delivered to Franchisee within thirty (30) 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 one hundred twenty (120) days to prepare for closing. Franchisor may, at closing, pay any of Franchisee's trade creditors out of the purchase price, and set off against the purchase price any unpaid debts of Franchisee to Franchisor. If Franchisor does not exercise its right of first refusal, Franchisee (or other vendor) may complete the sale to such purchaser pursuant to and on the terms of such offer, subject to compliance with the consent and approval requirements of this Article 20; provided, however, that if the sale to such purchaser does not complete within one hundred twenty (120) 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.

20.9 ***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.

21. NON-COMPETITION

21.1 ***Non-Competition Obligation During Term***. Except as expressly permitted by this Agreement or by any other written agreement between Franchisor and Franchisee, Franchisee agrees that during the Term and any duly exercised Renewal Term, Franchisee shall not either directly or indirectly, either alone or in any relationship with any other person, firm, corporation, partnership, joint venture or other business organization, whether as an employee, consultant, principal, agent, member, partner, shareholder, director, officer, guarantor, indemnitor, creditor, supplier, landlord, sublandlord or in any other capacity whatsoever:

(a) compete with the System (or any system owned by Franchisor or one of its Affiliates, at any time during the Term and any duly exercised Renewal Term); or

(b) carry on, engage in, franchise, license, advise, supervise, manage, supply, loan money to, guarantee or indemnify the duties or obligations of, or be otherwise financially concerned or interested in any other person, firm, corporation, partnership, joint venture or other entity engaged in or concerned with or interested in any Competitive Business. For the purposes

of this Agreement, "**Competitive Business**" means any business that offers exterior home detailing services, including power or pressure washing, gutter cleaning, exterior window cleaning, installation of seasonal lights, and related services and products.

21.2 ***Non-Competition Obligation After the Term***. Except as expressly permitted by this Agreement or by any other written agreement between Franchisor and Franchisee, Franchisee agrees that for a period of eighteen (18) months after expiration or termination of this Agreement and (i) at the Franchised Location, (ii) within the Territory, (iii) within any territory of another duly authorized franchisee of Franchisor which is in existence at the date of expiration or termination of this Agreement, or (iv) within the metropolitan area in which the Territory is located, as more particularly described in Schedule B, Franchisee shall not either directly or indirectly, either alone or in any relationship with any other person, firm, corporation, partnership, joint venture or other business organization, whether as an employee, consultant, principal, agent, member, partner, shareholder, director, officer, guarantor, indemnitor, creditor, supplier, landlord, sublandlord or in any other capacity whatsoever:

(a) compete with the System (or any similar system owned by Franchisor, or one of its Affiliates, at the date of expiration or termination of this Agreement); or

(b) carry on, engage in, franchise, license, advise, supervise, manage, supply, loan money to, guarantee or indemnify the duties or obligations of, or be otherwise financially concerned or interested in any other person, firm, corporation, partnership, joint venture or other entity engaged in or concerned with or interested in any Competitive Business.

21.3 ***Publicly Traded Shares***. Notwithstanding anything else contained in this Agreement, the non-competition obligations contained in Sections 21.1 and 21.2 of this Agreement do not apply to shares owned or held by Franchisee in the capital stock of any company that is traded on a stock exchange as long as Franchisee does not own more than 5% of the issued and outstanding shares of such company.

21.4 ***Application to Transfers and Survival***. This Article 21 shall continue to be binding upon Franchisee in the case of any permitted Transfer of this Agreement or any sale of the Franchised Business. This Article 21 shall survive the expiration or termination of this Agreement.

21.5 ***Reasonable Restrictions***. 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. In the event any portion of the covenants in this Article 21 violates laws affecting Franchisee, or is held invalid or unenforceable in a final judgment to which Franchisor and Franchisee are parties, then the maximum legally allowable restriction permitted by law shall control and bind Franchisee. 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.

21.6 ***Injunction***. Franchisee acknowledges that a breach of the non-competition obligations set out in this Article 21 will 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 a breach of this Article 21, Franchisor shall, in addition to all of the remedies available to Franchisor at law or in equity, be entitled as a matter of right to a restraining order, injunction (including an interim injunction), decree of specific performance or otherwise, without the need to post any bond or other security in

connection therewith, to ensure compliance by Franchisee with the provisions of this Article 21 and preservation of Franchisor's proprietary rights.

22. INDEMNITY

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, Minimum Royalties, Sales Center, Marketing & Technology Fee, 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 the principal amount outstanding.

23.3 ***No Set-Off***. Franchisee shall not, by way of set-off or otherwise, whether on the grounds of the alleged non-performance by Franchisor of any of Franchisor's obligations hereunder, or otherwise, withhold payment of any amount due to Franchisor or any of its Affiliates, whether on account of supplies or other products or services purchased by Franchisee, Royalties, Minimum Royalties, Sales Center, Marketing & Technology Fee or otherwise, except to the extent that Franchisee has recovered an arbitral award against Franchisor pursuant to Section 23.14 and then only for the amount of the award so recovered.

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

23.5 ***Conformity with Laws***. If any statute, law, ordinance or regulation promulgated by any competent authority with jurisdiction over any part of this Agreement or the Franchised Business, or any arbitral award or direction or 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, ordinance, regulation, arbitral award or direction, or court order.

23.6 ***Payment of Taxes***. Franchisee shall pay to Franchisor and its designees, as applicable, promptly when due all Taxes, which may be imposed upon Franchisee, but required to be collected or paid by Franchisor (i) on account of Franchisee's Gross Sales, or (ii) on account of fees collected by Franchisor from Franchisee (but excluding Franchisor's ordinary income taxes). "**Taxes**" means any sales, remittance, stamp, use, service, occupation, excise, import or export, value-added, or similar tax or duty, gross receipts, income, property, withholding, goods and services and value added taxes and any levies, imposts, duties, or other charges and taxes of whatsoever nature imposed upon any fees or payments payable to Franchisor (except taxes imposed on Franchisor's income) on account of the operation of the Franchised Business. "**Taxes**" includes any interest, penalties, late charges or other charges assessed against Franchisor as a result of Franchisee's failure to pay or delinquent payment of Taxes.

23.7 ***Additional Franchises***. Franchisee acknowledges that Franchisor may from time to time grant franchises for additional franchised businesses on such terms and conditions as Franchisor deems appropriate, which terms may differ materially from the terms of this Agreement and that consequently Franchisor's obligations and rights with respect to its various franchises may from time to time differ materially from those provided in this Agreement.

23.8 ***Waiver***. Franchisor reserves the right, from time to time, 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.

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

23.10 ***Amendments***. This Agreement can be amended or added to only by a written document that has been executed by both Franchisor and Franchisee.

23.11 ***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 from time to time to give full effect to this Agreement.

23.12 ***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.

23.13 ***Governing Law***. This Agreement shall be interpreted and construed under the laws of the State of Washington (without regard to, and without giving effect to, the application of Washington conflict

of laws rules) except to the extent governed by the federal Arbitration Act or the U.S. Trademark Act of 1946, 15 U.S.C. 1051, et seq. as amended; provided that the Washington Franchise Investment Protection Act, RCW 19.100.010 *et seq.* (the "Act"), and the Washington Consumer Protection Act, 19.86.010 *et seq.* shall not apply to the relationship between the parties unless the Territory or Subterritory is located in Washington State and those Washington State laws would apply in the absence of any contractual choice of law.

23.14 ***Arbitration***. Any dispute arising out of or relating to this Agreement, or in respect of the legal relationship arising from or associated with this Agreement, shall be referred to and finally resolved by arbitration administered by the American Arbitration Association ("**AAA**") in accordance with its then current Commercial Arbitration Rules in effect at the time of the dispute. The arbitration will be heard and determined by a single arbitrator, who shall have the exclusive authority to resolve all issues, including any issue relating to the arbitrability of the dispute, and all arbitrable disputes shall be resolved on an individual basis, and not on class-wide basis or consolidated with another dispute. The parties will attempt to mutually nominate an arbitrator, but if they are unable to agree on a single arbitrator within thirty (30) days after the first request to select an arbitrator by either Franchisor or Franchisee is made, then an arbitrator will be appointed by the AAA. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The language of the arbitration will be English. The decision of the arbitrator shall be final and binding on the parties. This agreement to arbitrate will survive the expiration or termination of this Agreement and will remain in full force and effect indefinitely thereafter. If either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party by default or otherwise notwithstanding such failure to appear. The exclusive venue for any dispute shall be in King County, Washington.

23.15 ***Injunctive Relief***. Notwithstanding Section 23.13 or Section 23.14, nothing in this Agreement shall bar Franchisor's from seeking a preliminary injunction or other interlocutory relief from a state or federal court in King County, Washington to protect the Marks, to enforce Franchisee's Non-competition obligations in Section 21, or to preserve Franchisor's right of first refusal under Section 20.8.

23.16 ***Prevailing Party***. The prevailing party in any litigation commenced to resolve a dispute between Franchisor and Franchisee shall be entitled to recover from the losing party legal fees on a full indemnity basis plus any and all other expenses incurred by the prevailing party in bringing or defending such litigation. As used herein, the term "litigation" includes all arbitration proceedings as well as all proceedings in any and all courts, including appellate courts, and including any and all proceedings in any type of bankruptcy case under Title 11 of the United States Code.

23.17 ***Limitation on Claims***. Franchisee agrees to deliver written notice to Franchisor of any legal claim which Franchisee may have arising out of or in connection with this Agreement or any related agreement or matter of which Franchisee has knowledge (actual or constructive) against Franchisor on or before the expiry of one (1) year after Franchisee first has knowledge (actual or constructive) of any claim. If Franchisee fails to notify Franchisor of any claims of which Franchisee has knowledge (actual or constructive) within that time, Franchisee acknowledges and agrees that all claims have been waived and extinguished by Franchisee, notwithstanding any provision of any statute of limitations to the contrary. To the extent permitted by applicable law, Franchisee agrees that the sole entity against which Franchisee may seek damages or any remedy under law or equity for any claim arising out of or relating to this Agreement is Franchisor or its successor or assignees. Franchisee agrees that the shareholders, directors, officers, employees, agents and partners of Franchisor and of its Affiliates, and Franchisor's Affiliates, shall not be liable nor named as a party in any legal action commenced by Franchisee. Franchisee acknowledges that Franchisor has relied upon this representation in executing this Agreement.

23.18 ***Class Actions***. Franchisor and Franchisee agree that any permitted litigation shall be conducted on an individual, not a class-wide basis, and that a judicial or arbitration proceeding between Franchisor and its shareholders, officers, directors, agents, employees and Franchisee may not be consolidated or otherwise joined with any other judicial or arbitration proceeding between Franchisor and any other person, corporation or partnership. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any proceedings hereunder, except to the extent such issue may have been determined in another proceeding between Franchisee and Franchisor or any person in privity with or claiming through, in the right of or on behalf of Franchisee or Franchisor.

23.19 ***Cost of Enforcement***. If for any reason it becomes necessary for Franchisor to initiate any arbitration proceeding to enforce payment of the Royalties, Sales Center, Marketing & Technology Fees or any other amount owing by Franchisee to Franchisor or to enforce any of Franchisor's rights under this Agreement, Franchisor shall be entitled to recover any and all costs it incurs in relation thereto, including, but not limited to, collection costs paid to third parties and attorneys' fees and costs it incurs to enforce its rights against Franchisee.

23.20 ***Force Majeure***. Each Party shall be excused from liability for the failure or delay in performance of any obligation other than a payment obligation under this Agreement by reason of any event (a "**Force Majeure**" event) that makes a Party's performance impossible or illegal and which is beyond such Party's reasonable control, including but not limited to Acts of God, fire, flood, explosion, earthquake, war, or any other event similar to those enumerated above, but excluding an event or condition affecting the general economy, such as the existence of a recession or economic contraction. Such excuse from liability shall be effective only to the extent and duration of the event(s) causing the failure or delay in performance and provided that the Party has not caused such event(s) to occur and continues to use diligent, good faith efforts to avoid the effects of such event and to perform the obligation. Notice of a Party's failure or delay in performance due to force majeure must be given to the unaffected Party promptly thereafter but no later than ten (10) days after its occurrence which notice shall describe the force majeure event and the actions taken to minimize the impact thereof. Should a Force Majeure event occur that prevents Franchisee from servicing customers in its Territory, but which another franchisee could perform, Franchisee consents to allowing another franchisee to handle or perform services for such customers during the duration of the Force Majeure event.

23.21 ***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.

23.22 ***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.

23.23 ***No Warranties or Representations***. Franchisee fully understands and acknowledges that the success of the Franchised Business to be established hereunder shall, to a great extent, be dependent upon the personal time and efforts contributed by Franchisee and Franchisee's employees (as well as Franchisee's partners or directors if Franchisee is a partnership or a corporation). Franchisee acknowledges that neither Franchisor nor anyone else has represented, warranted or guaranteed to Franchisee that Franchisee shall enjoy financial success in owning and operating the Franchised Business. Franchisee also acknowledges that 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.

23.24 ***Acknowledgements by Franchisee***. Franchisee acknowledges that:

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

(b) certain breaches of this Agreement would result in a 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 a restraining order, injunction (including an interim injunction), decree of specific performance or otherwise, without the need to post any bond or other security in connection therewith, to ensure compliance by Franchisee with the provisions of this Agreement and preservation of Franchisor's proprietary rights;

(c) 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;

(d) Franchisee 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; and

(e) 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.

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

23.26 ***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 mailed by certified or registered mail, postage prepaid, addressed to Franchisor or 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. Franchisee shall deliver a copy of any and all notices to Franchisor to:

Shack Shine Home Services LLC
887 Great Northern Way, Suite 301
Vancouver, British Columbia V5T 4T5
Attention: General Counsel

With a copy to

Miller Nash Graham & Dunn LLP
2801 Alaskan Way, Suite 300
Seattle, Washington 98121
Attention: Josh M. Piper

Any such notice shall be deemed to have been given and received when delivered if sent by hand or, if mailed, on the third (3rd) Business Day following the mailing thereof; provided, however, that no notice which is mailed shall be deemed to be received if between the time of mailing and the third (3rd) Business Day thereafter there is any labor dispute, strike or lockout affecting mail in the geographic areas in which the notice is mailed or intended to be received. In addition, Franchisor may send notices to Franchisee by email to the email address set out in Schedule B. Any such notice shall be deemed to have been given and received on the first Business Day following the day on which it was sent.

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

23.28 ***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.

23.29 ***Signatures***. A digital or fax copy of any signature to this Agreement and any related agreement or amendment thereto shall be deemed to be an original signature and shall be effective as such. This Agreement or any amendment thereto may be signed in one or more counterparts, which together shall be deemed to form one and the same agreement.

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	**[2]**, a [3]
By: _____ (authorized signatory)	By: _____ (authorized signatory)
Name: _____	Name: _____
Title: _____	Title: _____
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) 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.

FRANCHISEE:

[2], a [3]

By: _____

[6]

Dated: _____

SCHEDULE A

This is Schedule A to a Franchise Agreement
between
SHACK SHINE HOME SERVICES LLC, a Washington limited liability company and
[2], a [3]

MARKS

SHACK SHINE	**Registration Serial No: 5037660** **Registration Date: September 6, 2016** **Status: Registered**
SHACK SHINE	**Registration Serial No: 5037659** **Registration Date: September 6, 2016** **Status: Registered**

SCHEDULE B

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

[2], a [3]

FRANCHISED BUSINESS - PARTICULARS

Effective Date (Page 1): **[4]**

Franchised Location (Section 4.1): **[5]**

Territory (Section 2.1(a)): The Territory granted to Franchisee under Section 2.1(a) of this Agreement is the area identified on the attached schedule labeled "Territory".

Subterritories (if applicable) (Section 2.2): The Subterritories granted to Franchisee under Section 2.2 of this Agreement are the areas identified on the attached schedules labelled "Subterritory 1A" through to and including "Subterritory "__".

Where postal codes are used to describe a Territory or Subterritory, the area represented shall be determined having reference to the postal codes in effect as of the Effective Date. In the event of a discrepancy between the postal codes and the map for a particular Territory or Subterritory, the map shall govern.

Scheduled Opening Date of Franchised Business (Section 2.5): **[8]**, which Franchisor may extend by up to 60 days under Section 2.5.

Term (Section 2.6): 5 years from the Scheduled Opening Date.

Renewal Term (Section 19.1): Three renewal terms of 5 years each, commencing immediately following the last day of the Term or Renewal Term, as the case may be.

Initial Fee (Section 3.1): Total: $**[9]**, plus any taxes, as applicable, due as follows:

Subterritory	Territory Active Date	Subterritory Initial Fee	Date Due
1A		**$20,000**	
1B		**$12,000**	

Minimum Royalty (Section 3.5): "**Minimum Royalty**" means:

(b) in respect of the calendar year in which the original Scheduled Opening Date occurs, $4,000, pro-rated as necessary to account for operations for a partial calendar year only, multiplied by the number of Subterritories in the Territory. If the Scheduled Opening Date occurs on or after September 1, then the $4,000 Minimum Royalty shall come into effect starting January 1 of the following calendar year;

(c) in respect of the second calendar year following the original Scheduled Opening Date (or should the Scheduled Opening Date occur on or after September 1, then the third calendar year following the original Scheduled Opening Date), $8,000 multiplied by the number of Subterritories in the Territory; and

(d) except as otherwise specified in any renewal agreement, in respect of each calendar year thereafter (including any calendar year during any Renewal Term), $15,000 multiplied by the number of Subterritories in the Territory.

Principal Operator (Section 11.1): ***, or such other person(s) as may be approved in writing by Franchisor from time to time.**

Percentage of voting shares or other equity units of Franchisee (Section 11.1): At least ___%

Email Address for Notice to Franchisee (Section 23.26):

Restrictive Covenant:

For the purposes of Section 21.2, the metropolitan area is more particularly described as follows:

[12]

TERRITORY

SUBTERRITORY 1A

[13]

SUBTERRITORY 1B

[14]

SCHEDULE C

This is Schedule C to a Franchise Agreement
between
SHACK SHINE HOME SERVICES LLC, a Washington limited liability company and
[2], a [3]

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	

SCHEDULE D

This is Schedule D to a Franchise Agreement
between
SHACK SHINE HOME SERVICES LLC, a Washington limited liability company and
[2], a [3]

SHARE OWNERSHIP

Listed below are names, mailing addresses and legal or beneficial ownership interests of each person holding any shares, units or other form of ownership interest in Franchisee

Shareholder, Partner or Member Individual Name and Address	**Percentage of Ownership Interest and Class of Shares/Units/Other Interest**

EXHIBIT C

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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 280 St. Paul, MN 55101-2198 (651) 539-1600	Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 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	NYS Department of Law Investor Protection Bureau 28 Liberty St., 21st Floor New York, NY 10005 (212) 416-8285	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 State Capitol, Fifth Floor 600 East Boulevard Avenue 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 Insurance Securities Regulation 124 S Euclid, Suite 104 Pierre SD 57501 (605) 773-3563	Director, Department of Labor and Regulation Division of Insurance Securities Regulation 124 S Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563
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	Division of Securities Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, WI 53705 (608) 266-0448	Administrator, Division of Securities Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, WI 53705 (608) 266-2139
Federal Trade Commission	Bureau of Consumer Protection 600 Pennsylvania Avenue, NW Washington, D.C. 20580 (877)-382-4357	[Not Applicable]

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

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

EXHIBIT E

Financial Statements

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

SHACK SHINE HOME SERVICES LLC
Statement of Financial Position (Unaudited)
(Expressed in US dollars)

As at March 31, 2020

		2020
Assets		
Current assets:		
Cash	$	10,268
Accounts receivable net of allowance for doubtful accounts		30,948
Current portion of loans receivable		19,525
Current portion of lease receivable		23,924
Due from related party		12,840
		97,505
Equipment		94,677
Loans receivable		42,178
Lease receivable		33,927
	$	268,287
Liabilities and Member's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$	22,879
Deposits		15,009
Due to related parties		184,295
Income taxes payable		1,593
		223,776
Member's equity:		
Member's equity		1
Retained earnings		44,510
		44,511
	$	268,287

Note: *These unaudited interim financial statements have been prepared in accordance with U.S. GAAP. These statements follow the same accounting policies and methods of their application as the most recent annual financial statements and should be read in conjunction with the Company's consolidated financial statement for the year ended December 31, 2019.*

SHACK SHINE HOME SERVICES LLC
Statement of Net Income (Unaudited)
(Expressed in US dollars)

For the period ended March 31, 2020

		2020
Revenue:		
Franchise fees	$	68,000
Royalty fees		38,336
Sales centre fees		25,009
Ad fund fees		8,336
Other income		3,804
		143,485
Expenses:		
Management and administration fees		35,119
Salaries and benefits		34,538
Sales centre		25,009
Licensing fees		16,384
Accounting and legal		12,648
Ad fund		8,336
Office and general		303
Bank charges		98
		132,435
Income before income taxes		11,050
Income tax expense :		
Current		2,055
Deferred		326
		2,381
Net income	$	8,669

Note: *These unaudited interim financial statements have been prepared in accordance with U.S. GAAP. These statements follow the same accounting policies and methods of their application as the most recent annual financial statements and should be read in conjunction with the Company's consolidated financial statement for the year ended December 31, 2019.*

SHACK SHINE HOME SERVICES LLC
Statement of Changes in Member's Equity (Unaudited)
(Expressed in US dollars)

For the period ended March 31, 2020

	Member's equity	Retained earnings	Total member's equity
Balance, January 01, 2019	$ 1	$ 19,810	$ 19,811
Total net income	-	16,031	16,031
Balance, December 31, 2019	1	35,841	35,842
Total net income	-	8,669	8,669
Balance March 31, 2020	$ 1	$ 44,510	$ 44,511

Financial Statements
(Expressed in US dollars)

SHACK SHINE HOME SERVICES LLC

And Independent Auditors' Report thereon

Years ended December 31, 2019 and 2018

KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITORS' REPORT

The Member Shack Shine Home Services LLC

Report on the Financial Statements

We have audited the accompanying financial statements of Shack Shine Home Services LLC, which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of net income, changes in member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Shack Shine Home Services LLC as of December 31, 2019 and 2018, and the results of their operations and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
April 23, 2020

SHACK SHINE HOME SERVICES LLC

Statements of Financial Position
(Expressed in US dollars)

December 31, 2019 and 2018

	Note	2019	2018
Assets			
Current assets:			
Cash		$ 330,763	$ 38,686
Accounts receivable (net of allowance for doubtful accounts: 2019 - $nil (2018 - $nil))		63,095	29,763
Income taxes recoverable		462	-
Current portion of loans receivable	3	25,166	27,616
Current portion of leases receivable	4	38,394	-
Due from related party	8	-	97,869
Prepaid expenses		-	138
		457,880	194,072
Equipment	5	74,062	128,220
Loans receivable	3	28,036	43,852
Leases receivable	4	45,558	-
Deferred income tax assets	6	327	15,999
		$ 605,863	$ 382,143
Liabilities and Member's Equity			
Current liabilities:			
Accounts payable and accrued liabilities	8	$ 90,442	$ 82,811
Deposits		30,730	42,033
Deferred revenue		32,000	123,000
Due to related parties	8	416,849	106,347
Income taxes payable		-	8,141
		570,021	362,332
Member's equity:			
Member's equity	9	1	1
Retained earnings		35,841	19,810
		35,842	19,811
		$ 605,863	$ 382,143

Economic dependence (note 1)

Contingent liabilities (note 11)

Subsequent events (note 12)

See accompanying notes to financial statements.

Approved on behalf of the Board:

_____ Director

SHACK SHINE HOME SERVICES LLC

Statements of Net Income
(Expressed in US dollars)

Years ended December 31, 2019 and 2018

	Note	2019	2018
Revenue:			
Royalty fees		$ 419,089	$ 198,430
Franchise fees		323,400	212,000
Sales Centre fees		314,502	-
Ad Fund fees		104,836	-
Lease revenue		61,704	30,024
Other		5,597	2,789
		1,229,128	443,243
Expenses:			
Management and administration fees	8	437,780	236,497
Sales Centre	8	314,502	-
Licensing fees	8	137,112	70,807
Ad Fund	8	104,836	-
Salaries and benefits		96,841	28,477
Amortization		54,158	29,790
Accounting and legal		37,493	48,392
Office and general		6,590	467
Bank charges		3,733	1,495
Bad debt		664	11,120
		1,193,709	427,045
Income before income taxes		35,419	16,198
Income tax (recovery) expense:	7		
Current		3,716	17,824
Deferred	6	15,672	(14,384)
		19,388	3,440
Net income and comprehensive income		$ 16,031	$ 12,758

See accompanying notes to the financial statements.

SHACK SHINE HOME SERVICES LLC

Statements of Changes in Member's Equity
(Expressed in US dollars)

Years ended December 31, 2019 and 2018

	Member's equity	Retained earnings	Total member's equity
Balance, January 1, 2018	$ 1	$ 7,052	$ 7,053
Net income	-	12,758	12,758
Balance, December 31, 2018	$ 1	$ 19,810	$ 19,811
Net income	-	16,031	16,031
Balance, December 31, 2019	$ 1	$ 35,841	$ 35,842

See accompanying notes to financial statements.

SHACK SHINE HOME SERVICES LLC

Statements of Cash Flows
(Expressed in US dollars)

Years ended December 31, 2019 and 2018

	2019	2018
Cash provided by (used in):		
Operating:		
Net income	$ 16,031	$ 12,758
Items not involving cash:		
Amortization	54,158	29,790
Current income tax expense	3,716	17,824
Deferred income tax (recovery) expense	15,672	(14,384)
Bad debt	664	11,120
Income taxes paid	(12,319)	-
	77,922	57,108
Changes in non-cash operating working capital:		
Accounts receivable	(33,996)	(13,151)
Prepaid expenses	138	(84)
Due from related party	97,869	(81,497)
Loans receivable	18,266	19,532
Accounts payable and accrued liabilities	7,631	66,946
Deposits	(11,303)	20,050
Deferred revenue	(91,000)	76,357
Due to related parties	310,502	38,111
	376,029	183,372
Investing:		
Purchase of equipment	(83,952)	(145,045)
Increase in cash	292,077	38,327
Cash, beginning of year	38,686	359
Cash, end of year	$ 330,763	$ 38,686
Supplemental disclosure:		
Equipment leased to franchisees under finance leases	$ 83,952	$ -

See accompanying notes to financial statements.

1. Nature of operations:

Shack Shine Home Services LLC (the "LLC") was incorporated under the laws of the State of Washington on July 8, 2015 as a limited liability company. The LLC was created to sell Shack Shine Home Services franchise rights for the operation of businesses that provide residential and commercial window and gutter cleaning services throughout the United States of America. The LLC is dependent upon Shack Shine Home Services Inc. ("Shack Shine Inc."), a Canadian company under common control, for financial support.

As at December 31, 2019, the Company had 22 (2018 - 13) operating franchises in the United States of America, and sold 9 (2018 - 10) franchises during the year then ended.

2. Summary of significant accounting policies:

(a) Basis of presentation:

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

(b) Use of estimates:

The presentation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements as well as reported revenues and expenses for the periods being reported. Estimates include the valuation of accounts receivable, loans receivable, and leases receivable, deferred income tax assets and contingent liabilities. Actual results may differ significantly from those estimates.

(c) Revenue recognition:

Policy applied during 2018 prior to the adoption of ASC 606 *Revenue from Contracts with Customers*

(*i*) Royalty fees:

Royalty fees revenue is based on a fixed percentage of sales earned by franchise locations. Royalties are recorded as revenue as the fees are earned and become receivable from the franchisees and collection is reasonably assured.

(*ii*) Franchise fees:

Franchise fees includes initial fees paid by new franchise locations and franchise renewal fees. Initial franchise fee deposits are deferred and not recognized as revenue until all material services or conditions related to the sale have been substantially completed. Substantial completion is deemed to occur when the franchise commences operations. Initial franchise fees collected, which are subject to refund, are deferred and not recognized as revenue until all refund provisions terminate or expire. Costs relating to initial franchise sales are expensed as incurred.

2. Summary of significant accounting policies (continued):

(c) Revenue recognition (continued):

(*ii*) Franchise fees (continued):

Franchise renewal fees are included in franchise fee revenue. Franchise renewal fees are recognized when the franchise renewal agreement is signed and executed.

(*iii*) Sales Centre and Ad Fund:

The Sales Centre schedules sales opportunities for individual franchisees. Franchisees contribute 6% of their gross revenue to the Sales Centre to cover the cost of maintaining and developing the Sales Centre and related software. These charges are recorded as the fees are earned and become receivable from the franchisees.

Ad Fund is used to finance marketing campaigns and promotional programs that Shack Shine Home Services Inc. undertakes on behalf of its franchisees to increase sales and enhance the reputation of the LLC and its franchise owners. Franchisees contribute 2% of their gross revenue to the Ad Fund and these contributions are recorded when the fees are earned and become receivable from the franchisees.

Costs related to supporting the Sales Centre and Ad Fund are incurred by Shack Shine Inc. Ad Fund and Sales Centre fees collected are remitted to Shack Shine Inc.

The LLC has evaluated its status as a principal or agent by assessing the gross versus net indicators for the above transactions. The LLC has concluded that it is acting as an agent in the Sales Centre and Ad Fund and records the revenue and expenditures on a net basis. The LLC is not considered the primary obligor, does not bear risk of loss and has no latitude in establishing prices on the services. Contributions received with respect to the Ad Fund and Sales Centre in 2018 were $49,609 and $148,824 respectively. Payments made in 2018 to Shack Shine Inc. related to the Ad Fund and Sales Centre were $49,609 and $148,824 respectively.

During the year ended December 31, 2019, the LLC adopted ASC 606 *Revenue from Contracts with Customers* (note 2(m)).

2. Summary of significant accounting policies (continued):

(d) Loans receivable:

Loans receivable are initially recorded at the amount to be received less, when material, a discount to reduce the loans receivable to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest rate method, less a provision for impairment, if any.

(e) Leases receivable:

Leases of equipment that transfer to the franchise partner, substantially all of the risks and rewards of ownership are classified as finance leases. Initially leases receivable are measured at an amount equal to the present value of the minimum lease payments. Subsequently, leases receivable are measured at amortized cost using the effective interest rate method, less a provision for impairment, if any.

(f) Accounts receivable:

Receivables are recorded at contractual prices. Accounts receivable generally reflect amounts due for ongoing royalty, Sales Centre, and Ad Fund fees. An allowance for doubtful accounts is maintained for estimated losses resulting from the inability of franchisees and other certain customers to make required payments.

(g) Income taxes:

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

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

The LLC recognizes interest and penalties related to certain income tax positions in income tax expense. The LLC had no provision for uncertain income tax positions or for interest or penalties related to uncertain tax positions at December 31, 2019 and 2018.

2. Summary of significant accounting policies (continued):

(h) Equipment:

Equipment is stated at cost less accumulated amortization. Amortization is provided over the estimated useful life of the asset on a straight-line basis using the following annual rates:

Asset	Rate
Equipment	33%

The Company assesses the carrying amount of equipment based on the net recoverable amounts determined on an undiscounted cash flow basis.

(i) Related party transactions:

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

(j) Foreign currency transactions:

The functional and reporting currency of the LLC is the United States ("U.S.") dollar. The U.S. dollar is used as the functional currency as the U.S. dollar is the primary economic environment in which the LLC operates.

Monetary assets and liabilities denominated in foreign currencies are translated at the year end exchange rates. Revenue and expense items denominated in foreign currencies are translated using the monthly average exchange rate. Exchange gains and losses, if any, are recognized in the statement of net income.

(k) Reacquired or repossessed franchise rights:

Upon reacquisition or repossession of franchise rights that constitute a cancellation by the LLC of the original sale, any refunds issued are accounted for as a reduction of revenue in the period that the franchise rights are reacquired or repossessed. Any deferred revenue remaining is written-off at the time of cancellation.

(l) Comparative information:

Certain comparative information has been reclassified to conform to the financial statement presentation adopted in the current year.

2. Summary of significant accounting policies (continued):

(m) Changes in significant accounting policies:

ASC 606, *Revenue from Contracts with Customers* ("ASC 606"):

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)* and has since issued various amendments which provide additional clarification and implementation guidance. This standard has been codified as ASC 606. This guidance outlines a single, comprehensive model for entities to use in accounting for revenue arising from contracts with customers and superseded most revenue recognition guidance issued by the FASB, including industry specific guidance. On January 1, 2019, the LLC adopted ASC 606 using the modified retrospective method.

The LLC calculated the cumulative effect of initially applying ASC 606 which would result in an adjustment to the opening balance of retained earnings. As the amount was insignificant it was not recorded. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods.

The LLC has determined that the new standard has changed the timing of revenue recognition for franchise renewal fees recorded in franchise fee revenues. Previously, revenue from franchise renewal fees were recognized when all material conditions relating to the sale of the franchise have been performed which is generally when the franchisee signs the franchise renewal agreement and the fee is paid by the franchisee. Under the new standard, revenue from renewal agreements are deferred and recognized over the related term of the franchise agreement as the services are provided.

The LLC has also determined that ASC 606 requires a gross presentation on the consolidated statement of net income for fees received and related costs for the Ad Fund and Sales Centre. The LLC had previously determined that it acted as an agent for accounting purposes with regard to these Ad Fund and Sales Centre fees and costs. As a result, the LLC historically presented the activities related to Ad Fund and Sales Centre net in its statements of net income and statements of cash flows.

ASC 606 did not have a significant impact on the LLC's accounting policies with respect to the other revenue streams.

2. Summary of significant accounting policies (continued):

(m) Changes in significant accounting policies:

ASC 606, *Revenue from Contracts with Customers* ("ASC 606"):

Impact on the statement of net income:

December 31, 2019	As reported	Adjustments	Balances prior to the adoption of ASC 606
Royalty fees	$ 419,089	-	$ 419,089
Franchise fees	323,400	-	323,400
Sales Centre fees	314,502	(314,502)	-
Ad Fund fees	104,836	(104,836)	-
Lease revenue	61,704	-	61,704
Other	5,597	-	5,597
Total revenue	1,229,128	(419,338)	809,790
Management and administration fees	437,780	-	437,780
Sales Centre	314,502	(314,502)	-
Licensing fees	137,112	-	137,112
Ad Fund	104,836	(104,836)	-
Salaries and benefits	96,841	-	96,841
Amortization	54,158	-	29,790
Accounting and legal	37,493	-	37,493
Office and general	6,590	-	6,590
Bank charges	3,733	-	3,733
Bad debt	664	-	664
Earnings before income taxes	35,419	-	35,419
Income tax expense	19,388	-	19,388
Net income	**$ 16,031**	**-**	**$ 16,031**

There was no material impact on the LLC's statements of financial position or cash flows for the year ended December 31, 2019.

2. Summary of significant accounting policies (continued):

(n) Recent accounting pronouncements not yet adopted:

In February 2016, the FASB established Topic 842, Leases, by issuing Accounting Standards Update No. 2016-02, which requires lessors to classify leases as a sales-type, direct financing, or operating lease. Topic 842 was subsequently amended by ASU No. 2018-01, Land Easement Practical Expedient for Transition to Topic 842; ASU No. 2018-10, Codification Improvements to Topic 842, Leases; and ASU No. 2018-11, Targeted Improvements. A lease is a sales-type lease if any one of five criteria are met, each of which indicate that the lease, in effect, transfers control of the underlying asset to the lessee. If none of those five criteria are met, but two additional criteria are both met, indicating that the lessor has transferred substantially all the risks and benefits of the underlying asset to the lessee and a third party, the lease is a direct financing lease. All leases that are not sales type or direct financing leases are operating leases. The new guidance is effective for fiscal years beginning after December 15, 2019. The adoption of this standard is not expected to have a material impact on the LLC's consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, "Measurement of credit losses on financial instruments." The ASU requires measurement and recognition of expected credit losses for financial assets held by the LLC. The ASU requires entities to estimate an expected lifetime credit loss on financial assets ranging from short-term trade accounts receivable to long-term financings. The ASU is effective for the LLC beginning or after December 15, 2022, including interim periods in fiscal year 2022.

In May 2019, the FASB issued ASU No. 2019-05, "Financial Instruments—Credit Losses (Topic 326)." The ASU provides final guidance that allows entities to make an irrevocable one-time election upon adoption of the new credit losses standard to measure financial assets at amortized cost (except held-to maturity securities) using the fair value option. The ASU is effective for the LLC beginning or after December 15, 2022, including interim periods in fiscal year 2022.

In December 2019, the FASB issued ASU No. 2019-12, "Simplifying the Accounting for Income Taxes". This ASU removes certain exceptions for investments, intra-period tax allocations and interim calculations, and adds guidance to reduce complexity in accounting for income taxes. The ASU is effective for the LLC for fiscal years, and interim periods within those fiscal years, beginning January 1, 2021. Early adoption is permitted. The LLC is in the process of assessing the impact of this ASU on its consolidated results of operations, cash flows, financial position and disclosures. The LLC is currently evaluating the new guidance to determining the impact it will have on its consolidated financial statements.

3. Loans receivable:

	2019	2018
Total loans receivable	$ 53,202	$ 82,588
Less: allowance for doubtful accounts	-	(11,120)
	53,202	71,468
Less current portion of loans receivable	(25,166)	(27,616)
	$ 28,036	$ 43,852

All loans receivable are unsecure and bear interest at 9 to 15%. Repayment periods for the non-current portion range from 22-months to 36-months after the balance sheet date.

4. Leases receivable:

	2019	2018
Total leases receivable	$ 83,952	$ -
Less: current portion of lease receivable	(38,394)	-
	$ 45,558	$ -

All leases receivable are unsecure, and have a rate implicit in the lease between 5% and 12%. Repayment periods for the non-current portion range from 27-months to 34-months after the balance sheet date.

5. Equipment:

			2019	2018
	Cost	Accumulated amortization	Net book value	Net book value
Equipment held for leasing	$ 158,010	$ 83,948	$ 74,062	$ 128,220
	$ 158,010	$ 83,948	$ 74,062	$ 128,220

Assets not yet in use $nil (2018 – $13,387) relate to equipment purchased but are not yet leased to franchise partners as at December 31, 2019.

6. Deferred income tax assets:

Deferred income tax assets reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for income tax purposes. The components of the deferred income tax assets are as follows:

		2019		2018
Deferred income tax assets:				
Accrued professional fees	$	327	$	15,817
Equipment		-		182
Net deferred income tax assets	$	327	$	15,999

The ultimate realization of deferred income tax assets is dependent on the generation of future taxable income by the LLC during the period in which those temporary differences become deductible. Deferred income tax assets are carried at their estimated net realizable value. Management considers the scheduled realization of deferred income tax assets, projected future taxable income and tax planning strategies when assessing net realizable value. Carrying values of deferred income tax assets are subject to change in the event that management's estimates of taxable income through the carryforward period change.

7. Income taxes:

		2019		2018
Income taxes consist of:				
Provision for income taxes based on combined federal and state income tax rate of 21.55% (2018 - 21%)	$	7,633	$	3,468
Decrease in income taxes resulting from:				
Permanent differences		11,672		-
Temporary differences and other		83		(28)
		11,755		(28)
	$	19,388	$	3,440

The provision for income taxes differs from the amount computed by applying the statutory federal and state income tax rate of 21.55% (2018 - 21%) to income before income taxes. The differences are due to non-deductible expenses, changes in the state apportionment percentage, and true-up on deferred income tax balance.

8. Related party transactions:

	2019	2018
Management and administration fees	$ 437,780	$ 236,497
Sales Centre	314,502	148,824
Licensing fees	137,112	70,807
Ad Fund	104,836	49,609
	$ 994,230	$ 505,737

The LLC and Shack Shine Inc. entered into a license agreement (the "Agreement"). Under the Agreement, the LLC has been granted an exclusive license solely in the United States to grant sublicenses to third parties in accordance with a franchise agreement and to use certain intellectual property of Shack Shine Inc. amongst other things.

Amounts charged to the LLC by Shack Shine Inc. are pursuant to a transfer pricing agreement between Shack Shine Inc. and the LLC that sets out formulas and calculation methodologies believed by management to result in fees that approximate those that third party service providers or licensors would charge in similar situations.

Related party balances include:

- $416,433 (2018 - $106,257) payable to Shack Shine Inc.
- $416 (2018 - $90) payable to O2E Brands Inc.
- $nil (2018 - $97,869) receivable from 1-800-GOT-JUNK? LLC

Also included in accounts payable and accrued liabilities is $13,103 (2018 - $5,537) due to Shack Shine Inc.

The related party payables and receivables are unsecured, non-interest bearing, have no fixed terms of repayment, and are considered operating in nature.

The related party receivables and payables are all with companies that share a common shareholder.

9. Member's equity:

Since incorporation, the LLC has one membership unit with nominal value of $1. The membership unit is owned by Shack Shine Home Services (USA) Inc., a company incorporated under the laws of British Columbia, Canada.

10. Financial instruments:

(a) Fair value:

The carrying value of cash, accounts receivable, accounts payable and accrued liabilities, and due from/to related party, approximate their fair value due to the short-term maturities of these instruments.

The carrying value of loans receivable and leases receivable approximate their fair value based on prevailing market interest rates.

Management does not believe that the LLC's financial instruments are exposed to any significant foreign exchange risk.

The standard establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value.

These tiers include:

- Level 1 defined as quoted prices in active markets for identical instruments;
- Level 2 defined as observable prices in active markets for similar instruments, prices for identical or similar instruments in non-active markets, directly observable market inputs, or market inputs not directly observable but derived from or corroborated by observable market data; and
- Level 3 defined as unobservable inputs based on an entity's own assumptions.

(b) Interest rate risk:

All of the LLC's financial assets and liabilities are non-interest bearing with the exception of the loans receivable (note 4).

(c) Credit risk:

Management evaluates its customers to assess credit risk and believes it has made adequate provisions for uncollectible amounts.

11. Contingent liabilities:

The LLC may, from time to time, be subject to claims and legal proceedings brought against it in the normal course of business. Management believes that adequate provisions have been made in the accounts where required and that the ultimate resolution of such contingencies will not have a material adverse effect on the financial position of the LLC.

There are no outstanding claims or legal proceedings as at December 31, 2019.

12. Subsequent events:

Subsequent to December 31, 2019 the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impacts on the economy and our business are not known at this time. These impacts could include an impact on our ability to obtain financing, including support from our parent and related companies whose operations may also be impacted by the pandemic, impairments in the value of our long-lived assets, collectability of receivables, or potential future decreases in revenue or the profitability of our ongoing operations.

Events and transactions occurring subsequent to December 31, 2019, through to April 23, 2020, the date the financial statements were approved for issue, have been evaluated for potential recognition or disclosure in the accompanying consolidated financial statements. No events or transactions have been identified that should be recognized or disclosed in the accompanying consolidated financial statements.

Financial Statements
(Expressed in US dollars)

Shack Shine Home Services LLC

Years ended December 31, 2018 and 2017

KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITORS' REPORT

The Member Shack Shine Home Services LLC

Report on the Financial Statements

We have audited the accompanying financial statements of Shack Shine Home Services LLC, which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of net income, changes in member's equity (deficiency), and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Shack Shine Home Services LLC as of December 31, 2018 and 2017, and the results of their operations and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
March 6, 2019

SHACK SHINE HOME SERVICES LLC

Statements of Financial Position
(Expressed in US dollars)

December 31, 2018 and 2017

	Note	2018	2017
Assets			
Current assets:			
Cash		$ 38,686	$ 359
Accounts receivable (net of allowance for doubtful accounts: 2018 - nil (2017 - nil)		29,763	27,732
Prepaid expenses		138	54
Due from related party	7	97,869	16,372
Current portion of loans receivable	4	27,616	40,800
Income taxes recoverable		-	9,683
		194,072	95,000
Equipment	3	128,220	12,965
Loans receivable	4	43,852	50,200
Deferred income tax assets	5	15,999	1,615
		$ 382,143	$ 159,780
Liabilities and Member's Equity			
Current liabilities:			
Accounts payable and accrued liabilities	7	$ 82,811	$ 15,865
Deposits		42,033	21,983
Deferred revenue		123,000	46,643
Due to related party	7	106,347	68,236
Income taxes payable		8,141	-
		362,332	152,727
Member's equity:			
Member's equity	8	1	1
Retained earnings		19,810	7,052
		19,811	7,053
		$ 382,143	$ 159,780

Economic dependence (note 1)

Contingent liabilities (note 10)

Subsequent events (note 11)

See accompanying notes to financial statements.

Approved on behalf of the Board:

Director

SHACK SHINE HOME SERVICES LLC

Statements of Net Income
(Expressed in US dollars)

Years ended December 31, 2018 and 2017

	Note	2018	2017
Revenue:			
Franchise fees		$ 212,000	$ 56,000
Royalty fees		198,430	82,051
Lease revenue		30,024	-
Other		2,789	923
		443,243	138,974
Expenses:			
Management and administration fees	7	236,497	52,398
Licensing fees	7	70,807	26,113
Accounting and legal		48,392	44,259
Amortization		29,790	-
Salaries and benefits		28,477	-
Bad debt		11,120	6,495
Bank charges		1,495	826
Office and general		467	195
		427,045	130,286
Income before income taxes		16,198	8,688
Income tax (recovery) expense:	6		
Current		17,824	(5,703)
Deferred	5	(14,384)	4,557
		3,440	(1,146)
Net income		$ 12,758	$ 9,834

See accompanying notes to the financial statements.

SHACK SHINE HOME SERVICES LLC

Statements of Changes in Member's Equity (Deficiency)
(Expressed in US dollars)

Years ended December 31, 2018 and 2017

	Member's equity	Retained earnings (deficit)	Total member's equity (deficiency)
Balance, January 1, 2017	$ 1	$ (2,782)	$ (2,781)
Net income	-	9,834	9,834
Balance, December 31, 2017	1	7,052	7,053
Net income	-	12,758	12,758
Balance, December 31, 2018	$ 1	$ 19,810	$ 19,811

See accompanying notes to financial statements.

SHACK SHINE HOME SERVICES LLC

Statements of Cash Flows
(Expressed in US dollars)

Years ended December 31, 2018 and 2017

	2018	2017
Cash provided by (used in):		
Operating:		
Net income	$ 12,758	$ 9,834
Items not involving cash:		
Amortization	29,790	-
Deferred income tax (recovery) expense	(14,384)	4,557
Bad debt	11,120	6,495
	39,284	20,886
Changes in non-cash operating working capital:		
Accounts receivable	(13,151)	(2,959)
Prepaid expenses	(84)	(22)
Income taxes payable/recoverable	17,824	(9,683)
Due from related party	(81,497)	(11,265)
Loans receivable	19,532	(91,000)
Accounts payable and accrued liabilities	66,946	(26,055)
Deposits	20,050	12,867
Deferred revenue	76,357	30,818
Due to related parties	38,111	66,943
	183,372	(9,470)
Investing:		
Purchase of equipment	(145,045)	(12,965)
Increase (decrease) in cash	38,327	(22,435)
Cash, beginning of year	359	22,794
Cash, end of year	$ 38,686	$ 359
Supplemental disclosure:		
Income taxes paid	$ -	$ 3,980

See accompanying notes to financial statements.

1. Nature of operations:

Shack Shine Home Services LLC (the "LLC") was incorporated under the laws of the State of Washington on July 8, 2015 as a limited liability company. The LLC was created to sell Shack Shine Home Services franchise rights for the operation of businesses that provide residential and commercial window and gutter cleaning services throughout the United States of America. The LLC is dependent upon Shack Shine Home Services Inc. ("Shack Shine Inc."), a Canadian company under common control, for financial support.

As at December 31, 2018, the Company had 13 (2017 - six) operating franchises and sold 8 (2017 - three) during the year then ended.

2. Summary of significant accounting policies:

(a) Basis of presentation:

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

(b) Use of estimates:

The presentation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements as well as reported revenues and expenses for the periods being reported. Estimates include the valuation of accounts receivable and loans receivable, deferred income tax assets and contingent liabilities. Actual results may differ significantly from those estimates.

(c) Revenue recognition:

Royalty fees revenue is based on a fixed percentage of sales earned by franchise locations. Royalties are recorded as revenue as the fees are earned and become receivable from the franchisees and collection is reasonably assured.

Initial franchise fee deposits are deferred and not recognized as revenue until all material services or conditions related to the sale have been substantially completed. Substantial completion is deemed to occur when the franchise commences operations. Initial franchise fees collected which are subject to refund are deferred and not recognized as revenue until all refund provisions terminate or expire. Costs relating to initial franchise sales are expensed as incurred.

The LLC has retained substantially all of the risks and benefits of its equipment which is leased to franchisees and therefore accounts for these leases as operating leases. The LLC recognizes lease revenue on a straight-line basis over the term of the lease.

2. Summary of significant accounting policies (continued):

(d) Sales Centre and Ad Fund:

The Sales Centre schedules sales opportunities for individual franchisees. Franchisees contribute 6% of their gross revenue to the Sales Centre to cover the cost of maintaining and developing the Sales Centre and related software. These charges are recorded as the fees are earned and become receivable from the franchisees.

Ad Fund is used to finance marketing campaigns and promotional programs that Shack Shine Home Services Inc. undertakes on behalf of its franchisees to increase sales and enhance the reputation of the LLC and its franchise owners. Franchisees contribute 2% of their gross revenue to the Ad Fund and these contributions are recorded when the fees are earned and become receivable from the franchisees.

Costs related to supporting the Sales Centre and Ad Fund are incurred by Shack Shine Inc. Ad Fund and Sales Centre fees collected are remitted to Shack Shine Inc.

The LLC has evaluated its status as a principal or agent by assessing the gross versus net indicators for the above transactions. The LLC has concluded that it is acting as an agent in the Sales Centre and Ad Fund and records the revenue and expenditures on a net basis. The LLC is not considered the primary obligor, does not bear risk of loss and has no latitude in establishing prices on the services. Contributions received with respect to the Ad Fund and Sales Centre were $49,609 and $148,824 respectively (2017 - $20,514 and $61,539 respectively). Payments made to Shack Shine Inc. related to the Ad Fund and Sales Centre were $49,609 and $148,824 respectively (2017 - $20,514 and $61,539 respectively).

(e) Loans receivable:

Loans receivable are initially recorded at the amount to be received less, when material, a discount to reduce the loans receivable to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest rate method less a provision for impairment, if any.

(f) Accounts receivable:

Receivables are recorded at contractual prices. Accounts receivable generally reflect amounts due for ongoing royalty, Sales Centre, and Ad Fund fees. An allowance for doubtful accounts is maintained for estimated losses resulting from the inability of franchisees and other certain customers to make required payments.

2. Summary of significant accounting policies (continued):

(g) Income taxes:

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

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

The LLC recognizes interest and penalties related to certain income tax positions in income tax expense. The LLC had no provision for uncertain income tax positions or for interest or penalties related to uncertain tax positions at December 31, 2018 and 2017.

(h) Equipment:

Equipment are stated at cost less accumulated amortization. Amortization is provided over the estimated useful life of the asset on a straight-line basis using the following annual rates:

Asset	Rate
Equipment	33%

The Company assesses the carrying amount of equipment based on the net recoverable amounts determined on an undiscounted cash flow basis.

(i) Related party transactions:

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

(j) Foreign currency transactions:

The functional and reporting currency of the LLC is the United States (“U.S.”) dollar. The U.S. dollar is used as the functional currency as the U.S. dollar is the primary economic environment in which the LLC operates.

Monetary assets and liabilities denominated in foreign currencies are translated at the year end exchange rates. Revenue and expense items denominated in foreign currencies are translated using the monthly average exchange rate. Exchange gains and losses, if any, are recognized in the statement of income.

2. Summary of significant accounting policies (continued):

(k) Reacquired or repossessed franchise rights:

Upon reacquisition or repossession of franchise rights that constitute a cancellation by the LLC of the original sale, any refunds issued are accounted for as a reduction of revenue in the period that the franchise rights are reacquired or repossessed. Any deferred revenue remaining is written-off at the time of cancellation.

(l) Comparative information:

Certain comparative information has been reclassified to conform to the financial statement presentation adopted in the current year.

(m) Recent accounting pronouncements not yet adopted:

In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, "Revenue from Contracts with Customers" ("ASC 606"). The standard, as subsequently amended, is intended to clarify the principles for recognizing revenue for U.S. GAAP by creating a new Topic 606, "Revenue from Contracts with Customers". This guidance supersedes the revenue recognition requirements in ASC 605, "Revenue Recognition". The core principle of the accounting standard is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new guidance is effective for fiscal years beginning after December 15, 2018. The LLC is currently evaluating the new guidance to determining the impact it will have on its financial statements.

In November 2016, the FASB issued ASU No. 2016-18, "Statement of Cash Flows", Topic 230 "Restricted Cash" ("ASU 2016-18"), which requires companies to include amounts generally described as restricted cash and restricted cash equivalents in cash and cash equivalents when reconciling beginning-of-period and end-of-period total amounts shown on the statement of cash flows. This guidance will be effective for fiscal years beginning after December 15, 2018 and early adoption is permitted. The adoption of this standard is not expected to have a material impact on the LLC's financial statements.

In August 2016, the FASB issued ASU No. 2016-15, "Classification of Certain Cash Receipts and Cash Payment", which addresses eight cash flow classification issues. ASU 2016-15 is effective for fiscal years beginning after December 15, 2018, and interim periods within those years, and early adoption is permitted. Early adoption requires the adoption of all the amendments in the same period. The standard is to be applied through a retrospective transition method to each period presented. The LLC is currently evaluating the new guidance to determine the impact it will have on its financial statements.

2. Summary of significant accounting policies (continued):

(m) Recent accounting pronouncements not yet adopted (continued):

In February 2016, the FASB established Topic 842, Leases, by issuing Accounting Standards Update No. 2016-02, which requires lessors to classify leases as a sales-type, direct financing, or operating lease. Topic 842 was subsequently amended by ASU No. 2018-01, Land Easement Practical Expedient for Transition to Topic 842; ASU No. 2018-10, Codification Improvements to Topic 842, Leases; and ASU No. 2018-11, Targeted Improvements. A lease is a sales-type lease if any one of five criteria are met, each of which indicate that the lease, in effect, transfers control of the underlying asset to the lessee. If none of those five criteria are met, but two additional criteria are both met, indicating that the lessor has transferred substantially all the risks and benefits of the underlying asset to the lessee and a third party, the lease is a direct financing lease. All leases that are not sales-type or direct financing leases are operating leases. The new guidance is effective for fiscal years beginning after December 15, 2019. The LLC is currently evaluating the new guidance to determining the impact it will have on its financial statements.

3. Equipment:

			2018	2017
	Cost	Accumulated amortization	Net book value	Net book value
Equipment	$ 144,623	$ 29,790	$ 114,833	$ 12,965
Assets not yet in use	13,387	-	13,387	-
	$ 158,010	$ 29,790	$ 128,220	$ 12,965

Assets not yet in use are costs relating to equipment (2017 - nil) which were purchased but are not yet being utilized as at December 31, 2018.

4. Loans receivable:

	2018	2017
Total loans receivable	$ 82,588	$ 91,000
Less: allowance for doubtful accounts	(11,120)	-
	71,468	91,000
Less current portion of loans receivable	(27,616)	(40,800)
	$ 43,852	$ 50,200

All loans receivable are unsecure and bear interest at 9%. Repayment periods for the non-current portion range from 34-months to 37-months after the balance sheet date.

5. Deferred income tax assets*:*

Deferred income tax assets reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for income tax purposes.

	2018	2017
Deferred income tax assets:		
Accrued professional fees	$ 15,817	$ 1,615
Equipment	182	-
Net deferred income tax assets	$ 15,999	$ 1,615

The ultimate realization of deferred income tax assets is dependent on the generation of future taxable income by the LLC during the period in which those temporary differences become deductible. Deferred income tax assets are carried at their estimated net realizable value. Management considers the scheduled realization of deferred income tax assets, projected future taxable income and tax planning strategies when assessing net realizable value. Carrying values of deferred income tax assets are subject to change in the event that management's estimates of taxable income through the carry forward period change.

6. Income taxes:

	2018	2017
Income taxes consist of:		
Provision for income taxes based on combined federal and state income tax rate of 21% (2017 - 15%)	$ 3,468	$ 1,303
Decrease in income taxes resulting from:		
Permanent differences	-	(172)
Temporary differences and other	(28)	(2,277)
	(28)	(2,449)
	$ 3,440	$ (1,146)

The provision for income taxes differs from the amount computed by applying the statutory federal income tax rate of 21% (2017 - 15%) to income before income taxes. The differences are due to non-deductible expenses, changes in enacted tax rate and the movement in valuation allowance on losses available for carryforwards affecting the provision for income taxes.

The Tax Cuts and Job Act ("TCJA") was enacted on December 22, 2017, effective January 1, 2018. The TCJA reduced the United States federal corporate tax rate from 35% to 21%. Certain deferred tax assets were remeasured in 2017 based on the rates at which they are expected to reverse in the future. The effects of the rate change are included in temporary differences and other decreases above.

7. Related party transactions:

	2018	2017
Management and administration fees	$ 236,497	$ 52,398
Licensing fees	70,807	26,113
	$ 307,304	$ 78,511

The LLC and Shack Shine Inc. entered into a license agreement (the “Agreement”). Under the Agreement, the LLC has been granted an exclusive license solely in the United States to grant sublicenses to third parties in accordance with a franchise agreement and to use certain intellectual property of Shack Shine Inc. amongst other things.

Amounts charged to the LLC by Shack Shine Inc. are pursuant to a transfer pricing agreement between Shack Shine Inc. and the LLC that sets out formulas and calculation methodologies believed by management to result in fees that approximate those that third party service providers or licensors would charge in similar situations.

Related party balances include:

- $97,869 (2017 - $16,372) receivable from 1-800-GOT-JUNK? LLC
- $106,257 (2017 - $68,236) payable to Shack Shine Inc.
- $90 (2017 - nil) payable to O2E Brands Inc.

Also included in accounts payable and accrued liabilities is $5,537 (2017 - $1,934) due to Shack Shine Inc.

The related party payables and receivables are unsecured, non-interest bearing, have no fixed terms of repayment, and are considered operating in nature.

The related party receivables and payables are all with companies that share a common shareholder.

8. Member’s equity:

Since incorporation, the LLC has one membership unit with nominal value of $1. The membership unit is owned by Shack Shine Home Services (USA) Inc., a company incorporated under the laws of British Columbia, Canada.

9. Financial instruments:

Fair value:

The carrying value of cash, accounts receivable, accounts payable and accrued liabilities, and due from/to related party, approximate their fair value due to the short-term maturities of these instruments.

The carrying value of loans receivable approximate their fair value based on prevailing market interest rates.

Management does not believe that the LLC's financial instruments are exposed to any significant foreign exchange risk.

The standard establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value.

These tiers include:

- Level 1 defined as quoted prices in active markets for identical instruments;
- Level 2 defined as observable prices in active markets for similar instruments, prices for identical or similar instruments in non-active markets, directly observable market inputs, or market inputs not directly observable but derived from or corroborated by observable market data; and
- Level 3 defined as unobservable inputs based on an entity's own assumptions.

Interest rate risk:

All of the LLC's financial assets and liabilities are non-interest bearing with the exception of the loans receivable (note 4).

Credit risk:

Management evaluates its customers to assess credit risk and believes it has made adequate provisions for uncollectible amounts.

10. Contingent liabilities:

The LLC may, from time to time, be subject to claims and legal proceedings brought against it in the normal course of business. Management believes that adequate provisions have been made in the accounts where required and that the ultimate resolution of such contingencies will not have a material adverse effect on the financial position of the LLC.

There are no outstanding claims or legal proceedings as at December 31, 2018.

11. Subsequent events:

Events and transactions occurring subsequent to December 31, 2018, through to March 6, 2019, the date the financial statements were approved for issue, have been evaluated for potential recognition or disclosure in the accompanying financial statements. No events or transactions have been identified that should be recognized or disclosed in the accompanying financial statements.

Financial Statements
(Expressed in US dollars)

Shack Shine Home Services LLC

Year ended December 31, 2017 and 2016

KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITORS' REPORT

The Member
Shack Shine Home Services LLC:

Report on the Financial Statements

We have audited the accompanying financial statements of Shack Shine Home Services LLC, which comprise the statement of financial position as of December 31, 2017, and the related statements of net income, changes in member's equity (deficiency), and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent Member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Shack Shine Home Services LLC as of December 31, 2017, and the results of their operations and their cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Comparative Information

The financial statements of Shack Shine Home Services LLC as at and for the eleven months ended December 31, 2016 were audited by another auditor who expressed an unmodified opinion on those financial statements on March 6, 2017.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
March 8, 2018

SHACK SHINE HOME SERVICES LLC

Statement of Financial Position
(Expressed in US dollars)

December 31, 2017, with comparative information for 2016

	Note	2017	2016
Assets			
Current assets:			
Cash		$ 359	$ 22,794
Accounts receivable (net of allowance for doubtful accounts: (2017 - $nil; 2016 – $nil))		27,732	31,268
Prepaid expenses		54	32
Income taxes recoverable		9,683	-
Due from related party	5	16,372	5,107
Current portion of loans receivable	6	40,800	-
		95,000	59,201
Deferred income tax assets	3	1,615	6,172
Loans receivable	6	63,165	-
		$ 159,780	$ 65,373
Liabilities and Member's Equity (Deficiency)			
Current liabilities:			
Accounts payable and accrued liabilities	5	$ 15,865	$ 41,920
Deposits		21,983	9,116
Deferred franchise fees		46,643	15,825
Due to related party	5	68,236	1,293
		152,727	68,154
Member's equity (deficiency):			
Member's equity	7	1	1
Retained earnings (deficit)		7,052	(2,782)
		7,053	(2,781)
		$ 159,780	$ 65,373

Economic dependence (note 1)

Contingent liabilities (note 9)

Subsequent events (note 10)

See accompanying notes to financial statements.

Approved on behalf of the Board:

Director

SHACK SHINE HOME SERVICES LLC

Statement of Net Income
(Expressed in US dollars)

	Note	For the year ended December 31, 2017	For the eleven months ended December 31, 2016
Revenue:			
Royalty fees		$ 82,051	$ 24,837
Initial franchise fees		56,000	143,750
Other		923	75
		138,974	168,662
Expenses:			
Management and administration fees	5	52,398	9,734
Accounting and legal		44,259	44,809
Licensing fees	5	26,113	102,795
Bad debt		6,495	-
Bank charges		826	415
Office and general		195	97
Franchise development fees	5	-	3,905
		130,286	161,755
Income before income taxes		8,688	6,907
Income tax (recovery) expense	4		
Current		(5,703)	8,020
Deferred	3	4,557	(6,172)
		(1,146)	1,848
Net income		$ 9,834	$ 5,059

See accompanying notes to the financial statements.

SHACK SHINE HOME SERVICES LLC

Statement of Changes in Member's Equity (Deficiency)
(Expressed in US dollars)

Year ended December 31, 2017, with comparative information for period ended December 31, 2016

	Member's equity	Retained earnings (Deficit)	Total member's equity (deficiency)
Balance, January 31, 2016	$ 1	$ (7,841)	$ (7,840)
Total net income	-	5,059	5,059
Balance, December 31, 2016	1	(2,782)	(2,781)
Total net income	-	9,834	9,834
Balance, December 31, 2017	$ 1	$ 7,052	$ 7,053

See accompanying notes to financial statements.

SHACK SHINE HOME SERVICES LLC

Statement of Cash Flows
(Expressed in US dollars)

	For the year ended December 31, 2017	For the eleven months ended December 31, 2016
Cash provided by (used in):		
Operating:		
Net income	$ 9,834	$ 5,059
Items not involving cash:		
Current income tax	(5,703)	8,020
Deferred income tax	4,557	(6,172)
Bad debt	6,459	-
Income taxes paid	(3,980)	(8,020)
Changes in non-cash operating working capital:		
Accounts receivable	(2,959)	(31,268)
Prepaid expenses	(22)	(32)
Due from related party	(11,265)	(5,107)
Loans receivable	(103,965)	-
Accounts payable and accrued liabilities	(26,055)	36,218
Deposits	12,867	9,116
Deferred franchise fees	30,818	15,825
Due to related party	66,943	(100,815)
Decrease in cash	(22,435)	(77,176)
Cash, beginning of period	22,794	99,970
Cash, end of period	$ 359	$ 22,794

See accompanying notes to financial statements.

1. Nature of operations:

Shack Shine Home Services LLC (the "LLC") was incorporated under the laws of the State of Washington on July 8, 2015 as a limited liability company. The LLC was created to sell Shack Shine Home Services franchise rights for the operation of businesses that provide residential and commercial window and gutter cleaning services throughout the United States of America. The LLC is dependent upon Shack Shine Home Services USA Inc., its parent company, for financial support.

2. Summary of significant accounting policies:

(a) Basis of presentation:

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

The financial statements were approved for issue by the member on March 8, 2018.

(b) Use of estimates:

The presentation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements as well as reported revenues and expenses for the periods being reported. Estimates include the valuation of accounts receivable and loans receivable, deferred income tax assets and contingent liabilities. Actual results may differ significantly from those estimates.

(c) Revenue recognition:

Royalty fees revenue is based on a fixed percentage of sales earned by franchise locations. Royalties are recorded as revenue as the fees are earned and become receivable from the franchisees and collection is reasonably assured.

Initial franchise fee deposits are deferred and not recognized as revenue until all material services or conditions related to the sale have been substantially completed. Substantial completion is deemed to occur when the franchise commences operations. Initial franchise fees collected which are subject to refund are deferred and not recognized as revenue until all refund provisions terminate or expire. Costs relating to initial franchise sales are expensed as incurred.

(d) Sales Centre and Ad Fund:

The Sales Centre schedules sales opportunities for individual franchisees. Franchisees contribute 6% of their gross revenue to the Sales Centre to cover the cost of maintaining and developing the Sales Centre and related software. These charges are recorded as the fees are earned and become receivable from the franchisees.

2. Summary of significant accounting policies (continued):

(d) Sales Centre and Ad Fund (continued):

Ad Fund is used to finance marketing campaigns and promotional programs that the LLC undertakes on behalf of its franchisees to increase sales and enhance the reputation of the LLC and its franchise owners. Franchisees contribute 2% of their gross revenue to the Ad Fund and these contributions are recorded when the fees are earned and become receivable from the franchisees.

Costs related to supporting the Sales Centre and Ad Fund are incurred by Shack Shine Home Services (USA) Inc. (“Shack Shine (USA) Inc."), the LLC’s Canadian parent company. Ad Fund and Sales Centre fees collected are remitted to Shack Shine (USA) Inc.

The LLC has evaluated its status as a principal or agent by assessing the gross versus net indicators for the above transactions. The LLC has concluded that it is acting as an agent in the Sales Centre and Ad Fund and records the revenue and expenditures on a net basis. The LLC is not considered the primary obligor, does not bear risk of loss and has no latitude in establishing prices on the services. Contributions received with respect to the Ad Fund and Sales Centre were $20,514 and $61,539 respectively (2016 - $4,284 and $12,853 respectively). Payments made to Shack Shine (USA) Inc. related to the Ad Fund and Sales Centre were $20,514 and $61,539 respectively (2016 - $4,284 and $12,853 respectively).

(e) Loans receivable:

Loans receivable are initially recorded at the amount to be received less, when material, a discount to reduce the loans receivable to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest rate method less a provision for impairment, if any.

(f) Accounts receivable:

Receivables are recorded at contractual prices. Accounts receivable generally reflect amounts due for ongoing royalty, Sales Centre, and Ad Fund fees. An allowance for doubtful accounts is maintained for estimated losses resulting from the inability of franchisees and other certain customers to make required payments.

(g) Income taxes:

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

2. Summary of significant accounting policies (continued):

(g) Income taxes (continued):

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

The LLC recognizes interest and penalties related to certain tax positions in income tax expense. The LLC had no provision for uncertain tax positions or for interest or penalties related to uncertain tax positions at December 31, 2017 and 2016.

(h) Related party transactions:

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

(i) Foreign currency transactions:

The functional and reporting currency of the LLC is the United States dollar. The U.S. dollar is used as the functional currency as U.S. dollars are the primary economic environment in which the LLC operates.

Monetary assets and liabilities denominated in foreign currencies are translated at the year end exchange rates. Revenue and expense items denominated in foreign currencies are translated using the monthly average exchange rate. Exchange gains and losses, if any, are recognized in the statement of income.

(j) Reacquired or repossessed franchise rights:

Upon reacquisition or repossession of franchise rights that constitute a cancellation by the LLC of the original sale, any refunds issued are accounted for as a reduction of revenue in the period that the franchise rights are reacquired or repossessed. Any deferred revenue remaining is written-off at the time of cancellation.

(k) New accounting pronouncements adopted in the current year:

In November 2015, the FASB issued ASU 2015-17, “Balance Sheet Classification of Deferred Taxes”, which simplifies the presentation of deferred tax assets and liabilities, along with related valuation allowance, by classifying them as a net noncurrent deferred tax asset or liability for each jurisdiction. This standard is effective for years beginning after December 15, 2016 with early adoption permitted. This guidance was adopted retrospectively resulting in a reclassification of the deferred tax asset balance from current to noncurrent for the current and comparative periods.

2. Summary of significant accounting policies (continued):

(l) Recent accounting pronouncements not yet adopted:

In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, "Revenue from Contracts with Customers" ("ASC 606"). The standard, as subsequently amended, is intended to clarify the principles for recognizing revenue for U.S. GAAP by creating a new Topic 606, "Revenue from Contracts with Customers". This guidance supersedes the revenue recognition requirements in ASC 605, "Revenue Recognition". The core principle of the accounting standard is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU No. 2015-14 Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date, issued in August 2015, deferred the effective date to fiscal years beginning after December 15, 2018 for the LLC, with early adoption permitted. The LLC is currently evaluating the new guidance to determining the impact it will have on its financial statements.

In August 2016, the FASB issued ASU No. 2016-15, "Classification of Certain Cash Receipts and Cash Payment", which addresses eight cash flow classification issues. ASU 2016-15 is effective for fiscal years beginning after December 15, 2017, and interim periods within those years, and early adoption is permitted, including in an interim period. Early adoption requires the adoption of all the amendments in the same period. The standard is to be applied through a retrospective transition method to each period presented. The LLC is currently evaluating the new guidance to determine the impact it will have on its financial statements.

In November 2016, the FASB issued ASU No. 2016-18, "Statement of Cash Flows", (Topic 230): "Restricted Cash" ("ASU:2016-18"), which requires companies to include amounts generally described as restricted cash and restricted cash equivalents in cash and cash equivalents when reconciling beginning-of-period and end-of-period total amounts shown on the statement of cash flows. This guidance will be effective on January 1, 2018 and early adoption is permitted. The adoption of this standard is not expected to have a material impact on the LLC's financial statements.

3. Deferred income tax assets*:*

Deferred income tax assets reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for income tax purposes.

	2017	2016
Deferred income tax assets:		
Professional fees	$ 1,615	$ -
Deferred revenue	-	6,172
Net deferred income tax assets	$ 1,615	$ 6,172

The ultimate realization of deferred income tax assets is dependent on the generation of future taxable income by the LLC during the period in which those temporary differences become deductible. Deferred income tax assets are carried at their estimated net realizable value. Management considers the scheduled realization of deferred income tax assets, projected future taxable income and tax planning strategies when assessing net realizable value. Carrying values of deferred income tax assets are subject to change in the event that management's estimates of taxable income through the carry forward period change.

4. Income taxes:

	For the year ended December 31, 2017	For the eleven months ended December 31, 2016
Income taxes consist of:		
Provision for income taxes based on combined federal and state income tax rate of 15% (2016 - 39.0%)	$ 1,303	$ 2,694
Decrease in income taxes resulting from:		
Temporary differences and other	(2,449)	(12)
Utilization of loss carryforwards	-	(834)
	(2,449)	(846)
	$ (1,146)	$ 1,848

The provision for income taxes differs from the amount computed by applying the statutory federal income tax rate of 15% (2016 - 39.0%) to income before income taxes. The differences are due to non-deductible expenses, changes in enacted tax rate and the movement in valuation allowance on losses available for carryforwards affecting the provision for income taxes.

4. Income taxes (continued):

During the year carryforward non-capital losses of $nil (2016 - $2,139) were utilized to reduce taxable income.

The TCJA was enacted on December 22, 2017. The TCJA reduce the United States federal corporate tax rate from 35% to 21%. Certain deferred tax assets were remeasured based on the rates at which they are expected to reverse in the future. The effect of the rate change are included in temporary differences and other decreases above.

5. Related party transactions:

	For the year ended December 31, 2017	For the eleven months ended December 31, 2016
Management and administration fees	$ 52,398	$ 9,734
Licensing fees	26,113	102,795
Franchise development fees	-	3,905
	$ 78,511	$ 116,434

The LLC and Shack Shine Homes Services Inc. entered into a license agreement (the "Agreement"). Under the Agreement, the LLC has been granted an exclusive license solely in the United States to grant sublicenses to third parties in accordance with a franchise agreement and to use certain intellectual property of Shack Shine Homes Services Inc. amongst other things.

Amounts charged to the LLC by Shack Shine Homes Services Inc. are pursuant to a transfer pricing agreement between Shack Shine Inc. and the LLC that sets out formulas and calculation methodologies believed by management to result in fees that approximate those that third party service providers or licensors would charge in similar situations. In the prior year, franchise development expenses during a period were allocated based on the number of franchisees signed in the US relative to total franchisees signed during that period. Franchise operations, finance, information technology and all other administration costs were allocated based on the number of franchisees operating in the US relative to all franchisees operating. During the current year, the transfer pricing agreement was amended and such costs are now included in the management and administration fees.

5. Related party transactions (continued):

Related party balances include:

- $16,372 (2016 - $5,107) receivable from 1-800-GOT-JUNK? LLC
- $68,236 (2016 - $1,293) payable due to Shack Shine Home Services Inc.

Also included in accounts payable and accrued liabilities, is $nil (2016 - $12,500) due to O2E Brands Inc. and $1,934 (2016 - $Nil) due to Shack Shine Home Services Inc.

The related party payables and receivables are unsecured, non-interest bearing, have no fixed terms of repayment, and are considered operating in nature.

The related party receivables and payables are all with companies that share a common shareholder.

6. Loans receivable:

	2017	2016
Total loans receivable	$ 103,965	$ -
Less current portion of loans receivable	(40,800)	-
	$ 63,165	$ -

All loans receivable are unsecure, bear interest at 9%, and are repayable based on 10% of the gross revenues generated by the franchisee on a monthly basis. The current portion represents the estimated amount to be collected in subsequent fiscal year based on the expected operations of the franchisee. Repayment periods for the non-current portion range from 16-months to 27-months after the balance sheet date.

7. Member's equity:

Since incorporation, the LLC has one membership unit with nominal value of $1. The membership unit is owned by Shack Shine Home Services (USA) Inc., a company incorporated under the laws of British Columbia, Canada.

8. Financial instruments:

Fair value:

The carrying value of cash, accounts receivable, accounts payable and accrued liabilities, and due from/to related party, approximate their fair value due to the short-term maturities of these instruments.

The carrying value of loans receivable approximate their fair value based on prevailing market interest rates.

Management does not believe that the LLC's financial instruments are exposed to any significant foreign exchange risk.

The standard establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value.

These tiers include:

- Level 1, defined as quoted prices in active markets for identical instruments;
- Level 2, defined as observable prices in active markets for similar instruments, prices for identical or similar instruments in non-active markets, directly observable market inputs, or market inputs not directly observable but derived from or corroborated by observable market data; and
- Level 3, defined as unobservable inputs based on an entity's own assumptions.

Cash has been categorized as Level 1.

Interest rate risk:

All of the LLC's financial assets and liabilities are non-interest bearing with the exception of the loans receivable (note 6).

Credit risk:

Management evaluates its customers to assess credit risk and believes it has made adequate provisions for uncollectible amounts.

9. Contingent liabilities:

The LLC may, from time to time, be subject to claims and legal proceedings brought against it in the normal course of business. Management believes that adequate provisions have been made in the accounts where required and that the ultimate resolution of such contingencies will not have a material adverse effect on the financial position of the LLC.

There are no outstanding claims or legal proceedings as at December 31, 2017.

10. Subsequent events:

Events and transactions occurring subsequent to December 31, 2017, through to March 8, 2018, the date the financial statements were approved for issue, have been evaluated for potential recognition or disclosure in the accompanying financial statements. No events or transactions have been identified that should be recognized or disclosed in the accompanying financial statements.

EXHIBIT F

Guarantee, Postponement and Covenants

GUARANTEE, POSTPONEMENT AND COVENANTS

THIS AGREEMENT is effective as of _____, 20__ (the "**Effective Date**").
BETWEEN:

_____, a **[single/married]** person, of _____

(the "**Guarantor**")

AND:

SHACK SHINE HOME SERVICES LLC, a Washington limited liability company having its head office at 301 – 887 Great Northern Way, Vancouver, B.C. V5T 4T5

(the "**Franchisor**")

WHEREAS:

A. By a Franchise Agreement made effective the effective date hereof (the "**Franchise Agreement**"), the Franchisor granted a licence to _____ (the "**Franchisee**") for the establishment and operation of a retail business offering exterior home detailing and related services under the name "SHACK SHINE".

B. In order to induce the Franchisor to enter into the Franchise Agreement with the Franchisee, the Guarantor has agreed to execute and deliver this Agreement.

C. The Guarantor, who is a shareholder (directly or indirectly), director, officer, member or partner of the Franchisee and thereby benefits from the Franchise Agreement and stands to benefit from the grant of the licence to the Franchisee, has agreed to execute and deliver this Agreement.

THIS AGREEMENT WITNESSES that in consideration of the Franchisor entering into the Franchise Agreement and other good and valuable consideration (the receipt and sufficiency whereof is hereby acknowledged by the Guarantor), the Guarantor covenants and agrees with and in favor of the Franchisor as follows:

PART 1 - GUARANTEE

1. The Guarantor warrants that the facts contained in Recitals A, B, and C are correct.

2. The Guarantor shall at all times during the term of the Franchise Agreement and during any exercised extension or renewal of the term of the Franchise Agreement and until all of the terms, covenants and conditions of all agreements and dealings between the Franchisee and the Franchisor have been fully and completely performed by the Franchisee or otherwise discharged by the Franchisor:

   (a) guaranty the full and punctual payment and performance of all present and future obligations, liabilities, covenants and agreements required to be observed and performed or paid or reimbursed by the Guarantor under or relating to the Franchise Agreement, plus

all costs, expenses and fees (including the reasonable fees and expenses of the Franchisor's counsel) in any way relating to the enforcement or protection of Franchisor's rights hereunder, including without limitation, (i) royalty, minimum royalty, marketing royalty, amounts owing for products and inventory purchased by the Franchisee, rent, additional rent, monies, charges and other amounts of any kind whatsoever payable by the Franchisee to the Franchisor pursuant to any agreements or dealings between the Franchisee and the Franchisor, and (ii) the prompt and complete performance of any and all terms, covenants and conditions on the part of the Franchisee to be kept, observed and performed under any agreements or dealings between the Franchisee and the Franchisor, including without limitation the terms, covenants and conditions on the part of the Franchisee to be kept, observed and performed under the Franchise Agreement; and

(b) indemnify and save harmless the Franchisor from any loss, costs or damages arising out of any failure by the Franchisee to observe or perform any and all of the terms, covenants and conditions contained in the Franchise Agreement,

(collectively the "**Obligations**").

3. The Guarantor covenants and agrees with the Franchisor as follows:

(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 any other agreement between the Franchisee and the Franchisor, 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 the Franchisor may have against the Franchisee or any other person who may be liable to the Franchisor in respect of the Obligations before being entitled to claim against the Guarantor, and the Guarantor renounces all benefits of discussion and division;

(b) the liability of the Guarantor to the Franchisor is for the full amount of the Obligations, without apportionment, limitation or restriction of any kind, and is absolute, unconditional and irrevocable by the Guarantor and will not be affected by any act, omission, law or circumstance that would reduce, release or prejudice its liability under this Agreement, or might constitute a legal or equitable defence to or a discharge, limitation or reduction of the Guarantor's liability under this Agreement, and the Guarantor expressly and unconditionally waives any right to terminate this Agreement;

(c) no dealings between the Franchisor and the Franchisee of any kind, including without limitation any amendment of any agreement between the Franchisee and the Franchisor (including without limitation 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 and the Franchisor may take, abstain from taking or perfecting, vary, exchange, renew, discharge, give up, realize on or otherwise deal with securities and guarantees in such manner as the Franchisor may see fit, and the Franchisor may apply all moneys received from the Franchisee or others or from securities or guarantees upon such parts of the Obligations as the Franchisor may see fit and change any such application in whole or in part from time to time;

(d) 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;

(e) 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 that the Franchisee has failed to perform;

(f) 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, will affect the guarantee, postponement, covenant and other agreements herein contained;

(g) the provisions herein contained 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, completely and indefeasibly performed by the Franchisee or otherwise discharged by the Franchisor, and the Guarantor shall not be released from any liability under this Agreement so long as there is any claim of the Franchisor against the Franchisee arising out of the Obligations that has not been fully performed, settled or discharged nor shall this Agreement 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

(h) in the event of any payment by or recovery from the Guarantor under this Agreement, 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 indefeasible 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.

4. Until all Obligations of the Franchisee have been indefeasibly 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

5. The Guarantor defers, postpones and subordinates in the manner hereinafter set forth all debts and liabilities, whether direct or indirect, absolute or contingent, whether now or at any time hereafter owing by the Franchisee to the Guarantor, including without limitation all loans, interest, 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.

6. So long as the provisions of this Agreement continue in effect:

(a) 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;

(b) any money received by the Guarantor in payment of any of the Guarantor's Claims shall be received and held in trust by the Guarantor;

(c) all dividends, compositions, proceeds of securities, securities valued or payments received by the Franchisor from the Franchisee or others or from estates in respect of the guaranteed liabilities shall be regarded, for all purposes, as payments in gross without any right on the part of the Guarantor to claim the benefit thereof in reduction of the liability under this Agreement; and

(d) the Guarantor shall not claim any set-off or counterclaim against the Franchisee in respect of any liability of the Franchisee to the Guarantor, claim or prove in the bankruptcy or insolvency of the Franchisee in competition with the Franchisor. The Guarantor hereby waives any and all present or future right to be subrogated to the Franchisor, and hereby releases any and all present or future right to enforce any such subrogated claims until all Obligations of the Franchisee have been indefeasibly satisfied in full. The Guarantor hereby agrees at any time and from time to time, upon request by the Franchisor and at the expense of the Guarantor, to execute such further documents and instruments as may be necessary to implement and give effect to this waiver of rights of subrogation and release, including without limitation any documents or instruments as may be necessary to allow the Franchisor, the Franchisee or any other person to rely upon or to enforce this waiver of rights of subrogation and release.

PART 3 – PERSONAL COVENANTS

7. 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 each of the terms, covenants, and conditions contained in the Franchise Agreement, including without limitation, the following provisions of the Franchise Agreement, as if the Guarantor personally was the Franchisee: Section 3 (Fees), Section 6 (Services and Products), Section 7.1 (Standards of Operation), Section 8.5 (Inspection and Audit Rights), Section 10 (Marketing), Section 12 (License Granted to Franchisee), Section 13 (Operations Manual), Section 14 (Further Obligations of Franchisee), Section 18 (Franchisee's Obligations Upon Expiration or Termination), Section 20 (Assignment or Transfer), Section 21 (Non-Competition), Section 22 (Indemnity) and Section 23.6 (Payment of Taxes).

8. Without limiting the generality of Section 7 or other provisions of this Agreement, the Guarantor shall neither use nor permit any of its agents or other representatives to use for any purpose inconsistent with the Franchise 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 the Guarantor has acquired through or as a result of its relationship with the Franchisor including, without limitation, any contents of this Agreement, the Franchise Agreement and the Operations

Manuals (as defined in the Franchise Agreement) unless such information becomes public knowledge through no fault of the Guarantor.

9. Without limiting the generality of Section 7 or other provisions of this Agreement:

(a) except as expressly permitted by the Franchise Agreement or by any other written agreement between the Franchisor and the Guarantor, the Guarantor agrees that during the term of the Franchise Agreement and any exercised extension or renewal of the term of the Franchise Agreement, the Guarantor shall not directly or indirectly, either alone or in any relationship with any other person, firm, corporation, partnership, joint venture or other business organization, whether as an employee, consultant, principal, agent, member, partner, shareholder, director, officer, guarantor, indemnitor, creditor, supplier, landlord, sublandlord or in any other capacity whatsoever, carry on, engage in, franchise, license, advise, supervise, manage, supply, loan money to, guarantee or indemnify the duties or obligations of, or be otherwise financially concerned or interested in any other person, firm, corporation, partnership, joint venture or other entity engaged in or concerned with or interested in any Competitive Business. For the purposes of this Agreement, "**Competitive Business**" means any business that offers exterior home detailing services, including power or pressure washing, gutter cleaning, exterior window cleaning, installation of seasonal lights, and related services and products;

(b) except as expressly permitted by the Franchise Agreement or by any other written agreement between the Franchisor and the Guarantor, the Guarantor agrees that for a period of eighteen (18) months after expiration or termination of the Franchise Agreement the Guarantor shall not directly or indirectly, either alone or in any relationship with any other person, firm, corporation, partnership, joint venture or other business organization, whether as an employee, consultant, principal, agent, member, partner, shareholder, director, officer, guarantor, indemnitor, creditor, supplier, landlord, sublandlord or in any other capacity whatsoever, compete with the System (or any similar system owned by the Franchisor, or one of its Affiliates, at the date of expiration or termination of the Franchise Agreement) or carry on, engage in, franchise, license, advise, supervise, manage, supply, loan money to, guarantee or indemnify the duties or obligations of, or be otherwise financially concerned or interested in any other person, firm, corporation, partnership, joint venture or other entity engaged in or concerned with or interested in any Competitive Business located: (i) at the Franchised Location, (ii) within the Territory, (iii) within any territory of another duly authorized franchisee of the Franchisor which is in existence at the date of expiration or termination of the Franchise Agreement; or (iv) within the metropolitan area in which the Territory is located, as more particularly described in Schedule B of the Franchise Agreement;

(c) notwithstanding anything else contained in this Agreement and the Franchise Agreement, the non-competition obligations contained in Sections 9(a) and 9(b) of this Agreement do not apply to shares owned or held by the Guarantor in the capital stock of any company that is traded on a stock exchange as long as the Guarantor does not either individually or collectively with the Franchisee own more than 5% of the issued and outstanding shares of such company;

(d) this Section 9 shall continue to be binding upon the Guarantor in the case of any permitted assignment of the Franchise Agreement or any sale of the Franchised Business. This Section 9 shall survive the expiration or termination of this Agreement and the Franchise Agreement;

(e) the Guarantor acknowledges that by reason of the unique nature and considerable value of the Marks (as defined in the Franchise Agreement) and the business reputation associated with the Franchisor and the System (as defined in the Franchise Agreement), including methods of operating, format and related proprietary rights and by reason of the Franchisee's and the Guarantor's knowledge of and association and experience with the System, the provisions of this Section 9 are reasonable and commensurate for the protection of the legitimate business interests of the Franchisor, its affiliates and franchisees. In the event any portion of the covenants in this Section 9 violates laws affecting the Guarantor, or is held invalid or unenforceable in a final judgment to which Franchisor and Guarantor are parties, then the maximum legally allowable restriction permitted by law shall control and bind Franchisee. The Franchisor may, by written notice to the Guarantor, reduce one or more of the temporal, territorial or scope of restricted activities aspects of non-competition provided in this Section 9; and

(f) the Guarantor acknowledges that a breach of the non-competition obligations set out in this Section 9 will result in loss to the Franchisor for which the Franchisor could not be adequately compensated in damages by a monetary award. Accordingly, the Guarantor agrees that in the event of a breach of this Section 9, the Franchisor shall, in addition to all of the remedies available to the Franchisor at law or in equity, be entitled as a matter of right to a restraining order, injunction (including an interim injunction), decree of specific performance or otherwise, without the need to post any bond or other security in connection therewith, to ensure compliance by the Guarantor with the provisions of this Section 9 and preservation of the Franchisor's proprietary rights.

PART 4 – GENERAL

10. This Agreement is binding upon the Guarantor and his or her respective heirs, personal representatives and assigns, and inures to the benefit of the Franchisor, its successors and assigns. The Franchisor may assign this Agreement 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 shall 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. The Guarantor may not assign nor delegate any of the Obligations.

11. This Agreement shall be in addition to and not in substitution for any other guarantees or other securities that the Franchisor may now or hereafter hold in respect of the Obligations and the Franchisor shall be under no obligation to marshal in favour of the Guarantor any other guarantees or other securities or any moneys or other assets that the Franchisor may be entitled to receive or may have a claim upon, and no loss of or in respect of or unenforceability of any other guarantees or other securities that the Franchisor may now or hereafter hold in respect of the guaranteed liabilities, whether occasioned by the fault of the Franchisor or otherwise, shall in any way limit or lessen the Guarantor's liability.

12. No alteration or amendment hereof or waiver of any provision of this Agreement shall be binding on the Franchisor, unless it is in writing signed by a duly authorized officer of the Franchisor.

13. In the event that there is more than one Guarantor, or if the Guarantor should be comprised of more than one legal entity, their liability hereunder shall be both joint and several. A breach hereunder by one such entity or Guarantor shall be deemed to be a breach by both or all.

14. This Agreement embodies all the agreements between the parties hereto relative to the guarantee, assignment and postponement by the Guarantor under this Agreement and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein, and it is specifically agreed that the Franchisor shall not be bound by any representations or promises made by the Franchisee to the Guarantor. Possession of this instrument by the Franchisor shall be conclusive evidence against the Guarantor that the instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with and this Agreement shall be operative and binding notwithstanding the non-execution thereof by any proposed signatory.

15. This Agreement shall be interpreted and construed in accordance with, and governed by, the laws that govern the Franchise Agreement.

16. The Guarantor agrees that the provisions of Sections 23.14 (Arbitration), 23.15 (Injunctive Relief), 23.16 (Prevailing Party), 23.18 (Class Actions), and 23.25 (Time of Essence) are applicable to this Agreement and are incorporated herein by reference.

17. The Guarantor acknowledges that he or she has obtained or had the opportunity to obtain independent legal advice before signing this Agreement.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

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

GUARANTOR:	**FRANCHISOR:**
	SHACK SHINE LLC, a Washington limited liability company
By: _____	By: _____
	(authorized signatory)
Dated: _____	Dated: _____

Spousal Consent

I understand that my spouse, **[name of spouse]** has signed a Guarantee, Postponement and Covenants ("Guarantee") with respect to the franchise granted to **[name of Franchisee]** by SHACK SHINE LLC ("Franchisor") pursuant to a Franchise Agreement. The Guarantee is an obligation binding upon the separate property assets and income of my spouse and is also binding upon the community property of our marital community. I have read and I understand the terms of the Guarantee. I further understand that under the terms of the Guarantee, if my spouse defaults under the Guarantee, Franchisor may collect from the community property owned by my spouse and me. Such community property includes the income of the marital community and the assets of the marital community. I acknowledge that the Guarantee is a community obligation, and I consent to my spouse's participation in the Guarantee. Except to the extent of my interest in the community property and as long as my statements herein remain accurate, I understand that my signature below does not make me personally liable under the Guarantee or give Franchisor the right to collect against my separate property. I agree and warrant to the Franchisor that during the time that the Guarantee of my spouse, that I will not convert any of our community property, or any of my spouse's separate property, to my separate property and that any such conversions shall be void. **[**I have reviewed the financial statement that my spouse has provided to the Franchisor and acknowledge and confirm the accuracy of my spouse's representations contained in said statement as to the community and separate nature of the assets and liabilities set forth therein.**]**

_____

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 continued unless expressly provided to the contrary in writing and signed by the parties.

ARTICLE XII - ATTACHMENT

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

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

ARTICLE XIII - FUTURE ADVANCES

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

ARTICLE XIV - NOTICES

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

(a) served personally by leaving it with the party to whom it is to be communicated;

(b) communicated by facsimile to the party to whom it is to be communicated; or

(c) sent by reputable overnight courier.

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

ARTICLE XV - INTERPRETATION

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

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

ARTICLE XVI - AMENDMENT

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

ARTICLE XVII - GENERAL

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

17.2 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
NATIONAL ACCOUNT SERVICE AGREEMENT

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

WHEREAS:

A. Franchisor and Franchisee have entered into a franchise agreement dated as of the date noted on the signature page hereto (the "**Franchise Agreement**") whereby Franchisee has been granted the right to carry on a Franchised Business in the SHACK SHINE franchise system (the "**System**").

B. The existence of multiple franchisees in the System creates opportunities to enter into agreements 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 Franchisor will have the authority to negotiate and manage National Accounts on behalf of the System as a whole, whether acting as agent or as principal (the "**Program**").

Now therefore, Franchisor and 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.*** Franchisor and any of its affiliates, may enter into National Account agreements as agent or as general contractor as follows:

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

(b) Where Franchisor or its affiliate 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 Franchisee, provided that Franchisee services such National Account in accordance with the terms and conditions of the particular National Account agreement and is otherwise in compliance with the obligations of client expectations set by Franchisor from time to time.

3. ***National Account Terms***. Franchisor and any of its affiliates, may enter into National Account agreements upon any terms it determines, in good faith, to be commercially viable for the System, including, without limitation:

(a) The provision of discounts off of regular retail pricing to the National Account, 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, the provision of regularly scheduled service, or the use of specialized equipment or vehicles.

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

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

(g) The requirement that 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. ***Services to National Accounts.*** Franchisee acknowledges and agrees that:

(a) Franchisor reserves the right to solicit or permit other franchisees or third parties designated by Franchisor to solicit customers located anywhere in the Territory in order to develop them as National Accounts;

(b) Franchisor, and any of its affiliates, may enter into National Account agreements for services to be provided within or outside of the Territory;

(c) unless the Franchise Agreement expressly provides otherwise, Franchisor has the sole and exclusive right to supply (in whole or in part) or designate any other entity (including, without limitation, Franchisee, other System franchisees or affiliates of Franchisor) to supply the services to National Accounts, whether the services are delivered to a location inside or outside of the Territory; and

(d) Franchisor may, but is not required to (unless the Franchise Agreement expressly provides otherwise), request Franchisee to provide the services to a National Account with premises located within the Territory in exchange for a payment to be made by Franchisor to Franchisee in an amount to be determined by Franchisor at the time of Franchisor's request.

(e) If Franchisee timely accepts Franchisor's request and begins to provide services to a National Account with premises located within the Territory, Franchisee shall have the right to continue providing services to that National Account until Franchisee withdraws, its right is terminated, or the Program is discontinued, as provided in section 7 of this Agreement; provided, however, that nothing shall restrict the right of Franchisor and its affiliates, as applicable, to negotiate or modify the terms of the agreement or arrangement with any such National Account that Franchisee is providing services to.

5. ***ANS Jobs; Travel Costs.*** Franchisor may, but is not required to, request Franchisee to provide the services to a National Account in an area not serviced by any franchisee in the System (an "**ANS Job**"). If Franchisee performs an ANS Job, Franchisee shall be paid a flat mileage rate, determined by Franchisor in

its sole discretion from time to time, for distance traveled to the ANS Job, in addition to any applicable fee for the ANS Job so performed. The distance traveled shall be measured as a return trip from the closest outside edge of Franchisee's nearest Subterritory to the ANS Job location.

6. ***Special Equipment.*** If the terms of the applicable National Account agreement so require, Franchisee may obtain special equipment to perform a job for that National Account on the condition that Franchisee obtains written approval from Franchisor prior to obtaining such special equipment. Franchisee will be entitled to claim the cost of obtaining such special equipment from the National Account, either directly in the case of direct billed accounts or through Franchisor in the case of centrally billed accounts. In the case of claims for special equipment costs made through Franchisor, Franchisor will reimburse Franchisee for such costs when Franchisor is paid such special equipment costs by the applicable National Account.

7. ***Acknowledgements.*** Franchisee acknowledges and agrees to the following:

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

(b) Franchisor's policies and procedures with respect to the provision of services to National Accounts may change from time to time as detailed in the Operations Manual.

(c) Franchisor and its affiliates have sole responsibility for and authority to negotiate, modify and agree to any terms of any National Account agreement or arrangement. Franchisee will not purport to make any modifications or additions to any National Account agreement or arrangement, nor attempt to negotiate any additional or different terms from those agreed to by Franchisor or its affiliates, as the case may be.

(d) Franchisor and its affiliates, as the case may be, own all National Account customer data. Franchisee will not contact any National Account for marketing or any other purposes or make any other use of the National Account customer data without the consent of Franchisor.

(e) Franchisee may elect to withdraw from the Program upon 30 days' written notice to Franchisor, provided that Franchisee acknowledges that withdrawal from the Program will result in Franchisee being precluded from servicing any National Account, and that Franchisor will continue to be allowed to offer other franchisees or other third parties the opportunity to service National Accounts anywhere, including within any part of the Territory, without liability or compensation payable to Franchisee.

(f) Franchisee may elect to withdraw from servicing a particular National Account, by submitting such election to the Franchisor in writing, in the event that:

i. Franchisee's aggregate gross margin for that National Account falls below 35% for a fourth consecutive month; or

ii. Franchisee cannot meet the service standards applicable to that National account.

Once Franchisor accepts such election, Franchisee will no longer be eligible to perform services for that National Account until such time as Franchisee applies to Franchisor in writing to service such National Account and Franchisor, in its sole discretion, accepts such application in writing. Any such application will include a description of the circumstances that have changed such that Franchisee has changed its position vis-à-vis that National Account.

(g) Franchisor may at any time and without prior notice terminate Franchisee from the Program as a whole, or from the right to service one or more particular National Accounts, if Franchisee:

i. commits a default under the Franchise Agreement, whether or not such default amounts to a material default under the terms of the Franchise Agreement;

ii. fails to service any National Account strictly in accordance with the terms of service applicable to that National Account;

iii. fails to obtain and provide evidence to Franchisor of having obtained the required insurance coverage; or

iv. fails to comply with the service obligations in the Franchise Agreement to any of Franchisee's customers, whether a National Account or otherwise.

(h) In the event that Franchisor terminates Franchisee's participation in the Program or Franchisee's right to service one or more National Accounts, Franchisee may send a written request to Franchisor for reinstatement to the Program or for authorization to service the National Account(s), as the case may be. It is a condition precedent to Franchisor's consideration of such request that Franchisee has fully cured the reason for termination. If the reason for termination included Franchisee's failure to meet the National Account(s)'s service obligations, Franchisee must submit to Franchisor along with the request for reinstatement a written plan detailing how Franchisee will meet all applicable National Account service obligations.

(i) In the event that Franchisor terminates Franchisee's participation in the Program or Franchisee's right to service one or more National Accounts, or Franchisee refuses to service one or more National Accounts, pursuant to this Agreement or otherwise, Franchisor may allow another franchisee in the System or a third party, in its sole discretion, to provide service to any National Account for which Franchisee's rights to service that account have been terminated or that Franchisee has refused to service without liability or compensation payable to Franchisee.

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

(k) In addition to any other available remedy, Franchisor may withhold partial or complete payment from Franchisee for any centrally-billed National Account work where Franchisee fails to comply with the terms of the Franchise Agreement or the applicable National Account agreement and that failure results in:

i. partial or non-payment for the work by the National Account; or

ii. Franchisor or its affiliates incurring cost to remedy such failure.

In such case, Franchisor may withhold the amount of the non- or partial-payment, and, or alternatively, the cost, as applicable, from Franchisee.

(l) Franchisor may withhold applicable Royalties and Sales Center. Marketing & Technology Fees (or their equivalents under the Franchise Agreement) (together, "**Fees**") on National Account

work or any other amounts owing to Franchisor from any payments to Franchisee on account of services provided to a National Account.

(m) Franchisor may assign this Agreement to any of its affiliates from time to time.

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

8. ***Credit Check Responsibility.*** Franchisor will conduct credit checks on all centrally-billed National Accounts and will provide to Franchisee a list of best practices in relation to performing credit checks. Franchisee will perform credit checks on all direct-billed National Accounts. If Franchisee, acting reasonably, determines that a direct-billed National Account is an unacceptable credit risk, Franchisee may refuse to perform work for that National Account.

9. ***Risk of Non-Payment for National Account Work – Centrally Billed Accounts.*** Subject to sections 11 and 12 of this Agreement, in the case of National Accounts that by their terms are to be centrally billed by Franchisor, in the event that Franchisor is not paid in full for National Account work within 180 days of submitting demand for payment, Franchisor will notify Franchisee of such non-payment and Franchisor will withdraw from Franchisee's bank account one half of the job total amount that remains unpaid less any Royalties paid by Franchisee on the job total. In the event that Franchisor is paid any amount for such unpaid National Account work at any time after Franchisor has withdrawn an amount from Franchisee's bank account pursuant to this provision, Franchisor will as soon as practicable notify Franchisee of such payment and pay to Franchisee half of the total of such payment received less any and all Fees and any other amounts owing on the amount of such payment.

10. ***Risk of Non-Payment for National Account Work – Direct Billed Accounts.*** Subject to sections 11 and 12 of this Agreement, in the case of National Accounts that by their terms are to be directly billed by Franchisee:

(a) If the National Account job is to be performed less than five (5) business days after having been put on Franchisee's schedule, in the event that Franchisee is not paid in full for National Account work within 180 days of submitting demand for payment, Franchisee will notify Franchisor of such non-payment and Franchisor will deposit into Franchisee's bank account one half of the job total amount that remains unpaid. In the event that Franchisee is paid directly any amount for such unpaid National Account work at any time after Franchisor has deposited an amount to Franchisee pursuant to this provision, Franchisee will as soon as practicable notify Franchisor of such payment and pay to Franchisor half of such payment received plus any and all Fees and any other amounts owing on the amount of such payment.

(b) If the National Account job is to be performed five (5) business days or more after having been put on Franchisee's schedule, and Franchisee performs the job, in the event that Franchisee is not paid in full for that National Account work, Franchisee may apply for a Cost of Goods Sold ("**COGS**") rebate on the conditions that:

i. no amounts have been owing to Franchisee from that National Account for more than 30 days prior to the date of the job, and

ii. Franchisee provides to Franchisor all of the following:

(1) A completed then-current bad debt template;
(2) A copy of the original invoice for the job;

(3) Notification to the National Account account manager in writing once the amount is ten (10) days past due;
(4) Evidence of a minimum of 90 days of collection efforts;
(5) Evidence of the National Account customer's bankruptcy, if applicable; and
(6) Total COGS for the job and all related receipts.

Once Franchisor approves Franchisee's COGS rebate, Franchisor will pay to Franchisee all Royalties paid by Franchisee to Franchisor for that job as well as 50% of the following amount: COGS minus the Royalties paid. In the event that Franchisee is paid any amount for such unpaid National Account work at any time after Franchisor has paid any amount to Franchisee pursuant to this provision, Franchisee will as soon as practicable notify Franchisor of such payment and repay to Franchisor any and all amounts paid by Franchisor to Franchisee pursuant to this provision.

11. ***Non-Payment for National Account Work due to Franchisee Default.*** Notwithstanding section 9 or 10 of this Agreement, if any non-payment for National Account work is a result of Franchisee's, its employees', or agents' failure to comply with the applicable terms of the National Account agreement or other wrongful or negligent act, Franchisor will have no liability to make any payment to Franchisee related to such work and Franchisor may exercise any and all remedies for such failure, wrongful act and, or alternatively, negligence, pursuant to this Agreement or otherwise, including but not limited to withdrawing from Franchisee's bank account the full amount of any amounts paid to Franchisee by Franchisor for that work.

12. ***Proof of Collection Efforts.*** Prior to making any payment pursuant to section 9 or 10 of this Agreement, Franchisor may request that Franchisee provide proof, or additional proof, of demand, attempts at collection, and non-payment in a form satisfactory to Franchisor. In the event that Franchisee fails to provide such information, or such information is not satisfactory to Franchisor, Franchisor will have no obligation to make any payment to Franchisee pursuant to section 9 or 10 of this Agreement.

13. ***Term.*** This Agreement shall commence on the Effective Date (defined below) and shall automatically expire upon the expiration or earlier termination of the Franchise Agreement, or the date on which the Franchisee executes a new franchise agreement for the Territory, whichever is earlier.

14. ***Incorporation of Other Franchise Agreement Provisions.*** To the extent the Franchise Agreement is silent on a specific subject, or a conflict exists between a provision of this Agreement and a provision of the Franchise Agreement, the provision of this Agreement shall control. The sections of the Franchise Agreement related to the following matters that apply to Franchisor or Franchisee, or both, and their respective rights and obligations thereunder, are hereby incorporated into this Agreement by reference and shall apply in the same manner to their respective rights and obligations under this Agreement: Assignment and Transfer; Indemnity; Interest on Overdue Amounts; Application of Payments; No Set-Off By Franchisee; Parties as Independent Contractors; Conformity with Laws; Payment of Taxes; Waiver; Amendments; Further Assurances; Severability; Governing Law; Arbitration (and any other Dispute Resolution); Injunctive Relief; Prevailing Party; Limitation on Claims; Class Actions; Cost of Enforcement; Survival; No Warranties or Representations; Time of Essence; and Notices.

[Signature Page Follows]

ACKNOWLEDGED AND AGREED

The parties hereby agree to the terms of this SHACK SHINE National Account Service Agreement effective as of _____ (the "**Effective Date**").

SHACK SHINE LLC:

By: _____
(authorized signatory)

Franchisee:
_____

By: _____
(authorized signatory)

Franchise Agreement Date:
_____

EXHIBIT I

State Specific Addenda

STATE SPECIFIC ADDENDA
TO FRANCHISE DISCLOSURE DOCUMENT
AND FRANCHISE AGREEMENT

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

CALIFORNIA

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

The following modifications are 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__.

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 initial pre-opening obligations to you under the Franchise Agreement.

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).

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

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.

ACKNOWLEDGMENT:

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.

FRANCHISOR:

SHACK SHINE HOME SERVICES LLC

By:_____
Title:_____
Date Signed:_____

FRANCHISEE:

_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

HAWAII

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

The following modifications are 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 is 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 following Risk Factor is added to the State Cover Page:

AS OF DECEMBER 31, 2019, WE HAVE A MEMBER'S EQUITY OF $35,842. 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 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.

ACKNOWLEDGMENT:

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.

FRANCHISOR:

SHACK SHINE HOME SERVICES LLC

By:_____
Title:_____
Date Signed:_____

FRANCHISEE:

_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

ILLINOIS

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

The following modifications are 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__.

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.

Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside the State of Illinois is void. However, arbitration may take place outside of Illinois.

Franchisees' rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

ACKNOWLEDGMENT:

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.

FRANCHISOR:

SHACK SHINE HOME SERVICES LLC

By:_____
Title:_____
Date Signed:_____

FRANCHISEE:

_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

KANSAS

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

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.

FRANCHISOR:

SHACK SHINE HOME SERVICES LLC

By:_____
Title:_____
Date Signed:_____

FRANCHISEE:

_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

MARYLAND

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

The following modifications are 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__.

This Addenda is an amendment to the franchise disclosure document, the Franchise Agreement and the Franchisee Disclosure Questionnaire and Certification. The following modifications are made to the franchise disclosure document, the Franchise Agreement and the Franchisee Disclosure Questionnaire:

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 and the Franchisee Disclosure Questionnaire are 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 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."

ACKNOWLEDGMENT:

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.

FRANCHISOR:

SHACK SHINE HOME SERVICES LLC

By:_____
Title:_____
Date Signed:_____

FRANCHISEE:

_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

MICHIGAN DISCLOSURE PAGE

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

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

The following modifications are 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__.

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.

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

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a general release. The disclosure document and Franchise Agreement are modified accordingly, to the extent required by Minnesota law.

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

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

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

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

Pursuant to Minn. Stat. Sec. 80C.12, Subd. 1(g), to the extent required by law, the Franchise Agreement and Item 13 of the disclosure document are amended to state that we will protect your right to use the primary trademark, service mark, trade name, logotype or other commercial symbol or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of our primary trade name.

ACKNOWLEDGMENT:

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.

FRANCHISOR:

SHACK SHINE HOME SERVICES LLC

By:_____
Title:_____
Date Signed:_____

FRANCHISEE:

_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

NEW YORK

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

The following modifications are 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__.

1. The following information is added to the cover page of the Franchise Disclosure 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 NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending

action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the disclosure document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the "Summary" sections of Item 17(c), titled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee":

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the "Summary" section of Item 17(j), titled "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.

8. The following is added to the end of the "Summary" section of Item 17(v), titled "Choice of forum," and Item 17(w), titled "Choice of law":

The foregoing 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.

ACKNOWLEDGMENT:

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.

FRANCHISOR:

SHACK SHINE HOME SERVICES LLC

By:_____
Title:_____
Date Signed:_____

FRANCHISEE:

_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

NORTH DAKOTA

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

The following modifications are 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__.

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.

ACKNOWLEDGMENT:

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.

FRANCHISOR:

SHACK SHINE HOME SERVICES LLC

By:_____
Title:_____
Date Signed:_____

FRANCHISEE:

_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

RHODE ISLAND

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

§ 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

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

The following modifications are 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__.

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.

ACKNOWLEDGMENT:

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.

FRANCHISOR:

SHACK SHINE HOME SERVICES LLC

By:_____
Title:_____
Date Signed:_____

FRANCHISEE:

_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

VIRGINIA

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

The following modifications are 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 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.

ACKNOWLEDGMENT:

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.

FRANCHISOR:

SHACK SHINE HOME SERVICES LLC

By:_____
Title:_____
Date Signed:_____

FRANCHISEE:

_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

WASHINGTON

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

The following modifications are 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__.

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 any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

ACKNOWLEDGMENT:

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.

FRANCHISOR:

SHACK SHINE HOME SERVICES LLC

By:_____
Title:_____
Date Signed:_____

FRANCHISEE:

_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

By:_____
Title:_____
Date Signed:_____

WISCONSIN

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

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.

EXHIBIT J

Franchisee Disclosure Questionnaire and Certification

FRANCHISEE DISCLOSURE QUESTIONNAIRE AND CERTIFICATION

Please complete the attached questionnaire as you work through the process of becoming a SHACK SHINE franchisee. When you have completed the questionnaire, please sign the certification that appears on the last page.

The overall purpose of the information collected by this questionnaire is to determine whether any statements or promises were made to you by employees or representatives of Shack Shine Home Services LLC that Shack Shine Home Services LLC has not authorized, and that may be untrue, inaccurate or misleading. With that purpose in mind, you will find the questions with regard to statements that may have been made to you during the application process.

In addition, questions relating to statements made to you during the application process, you will also find questions relating to the dates that certain documents (such as the Franchise Disclosure Document or Franchise Agreement) were received, or dates on which payments were made. *When purchasing a franchise, the timing of the receipt of documents, payments of franchise fees and other events are very important*. Also, questions relating to your understanding of the Shack Shine Franchise Agreement are contained in the questionnaire.

For ease of reference, we refer to the agreement into which you are entering with Shack Shine Home Services LLC (Franchise Agreement) as the "**Shack Shine Agreement**." Shack Shine Home Services LLC will be referred to as "we", "us" or "Company."

Please provide us with the completed Franchise Disclosure Questionnaire at the time you sign your Shack Shine Agreement. Please send the Franchise Disclosure Questionnaire, along with the Shack Shine Agreement, to us at: 301 - 887 Great Northern Way, Vancouver, B.C., Canada V5T 4T5.

QUESTIONNAIRE

Please review each of the following questions and statements carefully and provide honest and complete responses to each:

The Franchise Disclosure Document

1. Did your receive a copy of Company's Franchise Disclosure Document at least 14 calendar days prior to signing the Shack Shine Agreement or making any payment to Company?

   Yes ___ No ___

   If "No", please comment:

   _____
   _____
   _____

2. Did you give Company a signed and accurate receipt for the copy of the Franchise Disclosure Document?

   Yes ___ No ___

3. Have you received and personally reviewed our Disclosure Document we provided to you?

   Yes ___ No ___

4. Do you understand all of the information contained in the Disclosure Document?

   Yes ___ No ___

   If "No", what parts of the Disclosure Document do you not understand? (Attach additional pages, if necessary.)

   _____
   _____
   _____
   _____
   _____
   _____
   _____
   _____

The Shack Shine Agreement

5. Have you received and personally reviewed the Shack Shine Agreement and each exhibit, addendum and schedule attached to it?

   Yes ___ No ___

6. Do you understand all of the information contained in the Shack Shine Agreement and each exhibit and schedule attached to it?

   Yes ___ No ___

   If "No", what parts of the Shack Shine Agreement do you not understand? (Attach additional pages, if necessary.)

   _____
   _____
   _____
   _____
   _____
   _____
   _____

General Considerations

7. Have you discussed the benefits and risks of operating the franchised business with an attorney, accountant or other professional advisor and do you understand those risks?

   Yes ___ No ___

8. Do you understand that the success or failure of your business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, government incentives and laws, lease terms and other economic and business factors?

   Yes ___ No ___

Communications with Shack Shine Home Services LLC

9. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of the franchised business that we or our franchisees operate?

   Yes ___ No ___

10. Has any employee or other person speaking on our behalf made any statement or promise concerning a franchised business that is contrary to, or different from, the information contained in the Disclosure Document?

Yes ___ No ___

11. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a franchised business?

Yes ___ No ___

12. Has any employee or other person speaking on our behalf made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document?

Yes ___ No ___

13. If you have answered "Yes" to any of questions 7 through 10, please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to each of these questions, please leave the following lines blank.

_____
_____
_____
_____
_____
_____
_____
_____
_____

14. Do you understand that in all dealings with you, our officers, directors, employees and agents act only in a representative capacity and not in an individual capacity and these dealings are solely between you and us?

Yes ___ No ___

CERTIFICATION

Your answers are important to us and we will rely on them.

By signing this certification, you are representing that you have responded truthfully to the above questions.

Please provide us with the completed Franchise Disclosure Questionnaire and Certification at the time you sign your Shack Shine Agreement. Please send the Franchise Disclosure Questionnaire, along with the Shack Shine Agreement, to us at: 301 - 887 Great Northern Way, Vancouver, B.C., Canada V5T 4T5.

_____
Name of Franchisee/Applicant

Date: _____ , 20___

_____
Signature

_____
Name and Title of Person Signing

EXHIBIT K

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 RELEASE on _____, 20__.

Executed and delivered in the presence of:

[Franchisee]

_____
Witness

_____
By:

EXHIBIT L

Forms of Financing Agreements

FINANCING AGREEMENT

This Financing Agreement is entered into and made effective _____by and between **SHACK SHINE HOME SERVICES LLC**, a Washington limited liability company ("**Franchisor**"), and _____, an _____ ("**Franchisee**").

WHEREAS, the Franchisor and the Franchisee have entered into a franchise agreement dated _____ for the operation of a Franchised Business in the _____ area (the "**Franchise Agreement**");

WHEREAS, the Security Agreement was granted by the undersigned to secure all obligations owing by the Franchisee under the Franchise Agreement (collectively, the "**Security**");

WHEREAS, the Franchisee shall pay $_____ in Initial Fees and $10,000 in Initial Marketing Expense (collectively, the "**Franchisee Initial Fees**") under the Franchise Agreement;

WHEREAS, the Franchisor has agreed to finance the Franchisee Initial Fees (the "**Loan**"), and the Franchisee has agreed to repayment of the Loan upon the terms and conditions set out herein;

NOW, THEREFORE, the parties agree as follows:

1. All capitalized terms not otherwise defined herein, will have the meaning given to them in the Franchise Agreement.

2. Interest on the Loan shall be $_____, representing ___% of the Franchise Initial Fees.

3. The Franchisee shall pay to the Franchisor the total sum of $_____, which includes interest on the Loan payable pursuant to Section 2 of this Agreement, in monthly installments on the 15th day of each month. The amount of each installment shall be equal to an amount which is 10% of the Gross Revenue earned in the prior month.

4. The Franchisor will reimburse the Franchisee $_____ representing the interest paid on the Loan in the event that the Franchisee's total Gross Revenue is equal to or higher than $585,000 within 24 months of the Scheduled Opening Date of Franchised Business.

5. Any portion of the Loan, including all interest payable, may be prepaid by the Franchisee to the Franchisor at any time, without notice or penalty.

6. The Security granted pursuant to the Franchise Agreement shall secure the obligations owing by the Franchisee to the Franchisor under this Financing Agreement.

7. The Loan, including all interest payable, will, at the option of the Franchisor become immediately due and payable by the Franchisee, upon the occurrence of any of the following events:

(a) the Franchisee's failure to make any of the scheduled payments set out in paragraph 3 above; or

(b) a Default occurs under the Franchise Agreement.

In the event of enforcement by the Franchisor of its remedies under this Financing Agreement, the Franchisee shall pay all reasonable costs and expenses incurred by the Franchisor.

8. All other provisions of the Franchise Agreement shall remain in full force and effect, except that where this Financing Agreement may be in conflict with the provisions of the Franchise Agreement, this Financing Agreement shall govern.

9. This Financing Agreement is governed by, and will be construed and enforced in accordance with, the laws of the province in which the Franchised Business is located, and that the Franchisee and the Franchisor irrevocably and unconditionally attorn to the exclusive jurisdiction of the courts of that province and waive any right to object to any proceedings being brought in those courts.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Financing Agreement on the day and year first above written.

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

FORM OF LEASE

This Open-End Master Lease Agreement (the "Agreement") is entered into by and between Alamo Leasing Company, ("Lessor"), and the undersigned together with its subsidiaries and affiliates (the "Customer"). If more than one party executes this Agreement as Customer, each shall be jointly and severally liable hereunder.

1. LEASE; DISCLAIMER. Lessor hereby agrees to lease to Customer and Customer hereby agrees to lease from Lessor one or more vehicles (each a "Vehicle" and together, the "Vehicles") for use in its business. Customer shall order a Vehicle or Vehicles for lease by placing a noncancelable Vehicle order with Lessor which shall be confirmed by the issuance of a completed order form by Lessor delivered to the Customer and which shall be executed by the Customer and returned to Lessor (a "Vehicle Order"). Customer's Vehicle Order shall authorize Lessor to purchase such Vehicle subject to the then current warranty of the manufacturer. Lessor hereby assigns the manufacturer's warranty to Customer for the Lease Term or the warranty terms, whichever first expire. **CUSTOMER AGREES THAT LESSOR IS NOT THE MANUFACTURER, DESIGNER OR DISTRIBUTOR OF THE VEHICLES AND THAT EACH VEHICLE (INCLUDING ANY SPECIFIED MODIFICATION OR INSTALLATION OF ACCESSORIES OR EQUIPMENT) IS OF A DESIGN SPECIFIED BY CUSTOMER (OR BY APPLICABLE LAW) AND SUITABLE FOR ITS PURPOSES.**

LESSOR MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO a) ANY VEHICLE INCLUDING, BUT NOT LIMITED TO THE MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF A VEHICLE; THE DESIGN, QUALITY OR CAPACITY OF A VEHICLE; OR COMPLIANCE OF A VEHICLE WITH APPLICABLE LAW OR b) THE ACCOUNTING TREATMENT OF THIS AGREEMENT OR THE TIMING OF THE ACCRUALS OF THE RENTALS HEREUNDER FOR FINANCIAL STATEMENT OR TAX PURPOSES. CUSTOMER ACKNOWLEDGES AND AGREES THAT LESSOR IS AN INDEPENDENT CONTRACTOR AND DOES NOT ACT IN THE CAPACITY OF A FIDUCIARY OF CUSTOMER, AND THAT IT WILL OBTAIN TAX AND ACCOUNTING ADVICE FROM ITS OWN PROFESSIONALS.

2. DELIVERY. Customer shall take delivery within five (5) business days of notice that the Vehicle is available. If Customer fails to do so, Lessor may, for purposes of beginning rental charges, treat such fifth (5th) business day as the date of acceptance. Customer shall inspect a Vehicle at the location of delivery for conformity to the Vehicle Order. Customer's removal of the Vehicle from such location shall constitute acceptance of the Vehicle. Without in any way limiting or modifying Lessors rights or increasing Lessor's liability under this Agreement including, without limitation, the disclaimers in Section 1, if a Customer directs Lessor to acquire one or more vehicles from a specific third party vendor (s) (each a "Vendor"), whether from the Vendor's inventory or a factory order and whether new or previously owned, then Customer assumes all risks of doing business with the Vendor including and without limitation any Vendor's claim as to merchantability or fitness of the acquired vehicle for a particular purpose; the design quality or capacity of the vehicle or its compliance with any applicable law. Further, if Customer requests that Lessor, prior to delivery to Customer, deliver one or more Vehicles to an upfitter, body company, installer or other third party and/or obtain certain equipment or parts from a specific Vendor (each a "Vendor "), then Customer assumes all risks of doing business with the Vendor, including without limitation, the Vendor's creditworthiness. In addition, any vehicle or equipment ordered by Lessor, on behalf of the Customer from such Vendors, which is rejected as unacceptable or no longer needed by the Customer, either prior to or after Lessor has paid the Vendors invoice, then Customer shall arrange for the Vendor to void any unpaid invoice or reimburse Lessor fully for any amounts already paid. If the Vendor fails to reimburse Lessor within ten (10) days Customer agrees it shall reimburse Lessor for such amounts and look solely to the Vendor for settlement.

3. TERM OF AGREEMENT. This Agreement shall commence on the Effective Date noted below, and continue until canceled or terminated by either party upon thirty (30) days' written notice to the other. Notwithstanding termination, this Agreement shall remain in effect with respect to each Vehicle then leased and each Vehicle Order processed by Lessor until all terms and conditions of this Agreement and the related Schedule A for each Vehicle attached hereto from time to time (each a "Lease Schedule" and together, the "Lease Schedules") are satisfied.

4. LEASE TERM. The noncancelable minimum lease term for each Vehicle (a "Lease Term") shall not be less than three hundred sixty seven (367) days beginning upon Customer's acceptance. Thereafter, the Lease Term may be renewed monthly for the lesser of the mutually agreeable Maximum Lease Term noted on the Rate Schedule or the amortization term set in the respective Vehicle Order and the related Lease Schedule. Customer acknowledges that it is responsible for its own determination of the proper lease term period for purposes of its FASB 13 or similar analysis.

5. OPERATION. The Customer shall operate the Vehicles in the United States only and shall operate and maintain the Vehicles in strict conformity with all federal, state, county and municipal statutes, ordinances and regulations and shall not permit the Vehicles to be used for the transportation of hazardous substances or the unlawful transportation of any persons or property including, without limitation, alcoholic beverages or narcotics. When applicable, should the Customer be a "Motor Carrier," the Customer shall ensure compliance with the Vehicle Identification and placarding requirements of said laws, using its own US DOT identification number on the Vehicle. The Customer shall comply and cause all persons operating the Vehicles to comply with all statutes,

ordinances and regulations which may be applicable to the registration, leasing, insurance, use and operation of the Vehicles, including operators' licensing requirements, and with all conditions of the policies of insurance on the Vehicles, and shall prepare and furnish to the Lessor all documents, returns or forms legally required thereunder. The Customer agrees that whenever any statute, ordinance or regulation requires installation of any accessories or equipment, the Customer will comply with all such requirements and will accept such equipment for all new Vehicles at the time such Vehicles are acquired by the Lessor for the Customer. Customer agrees to repair the Vehicles and to maintain them in safe and good mechanical condition all according to the standards and requirements of the manufacturer's warranty. All additions to a Vehicle become the property of Lessor and shall, unless otherwise directed by the Lessor, be surrendered with the Vehicle.

6. TITLING; REGISTRATION; NET LEASE. Unless otherwise required by law, all Vehicles shall be registered in the name of the Lessor during the entire Lease Term, and any certificates of title required shall likewise be in the name of the Lessor. Customer shall provide Lessor prior written notice of any change of address or location of Vehicles or Customer's place of business. Customer covenants that it will pay all costs, expenses, fees, charges, fines, violations and taxes incurred in connection with the Vehicle's titling, registration, delivery, purchase, sale, rental and modification, and arising from the operation or use of the Vehicle during its Lease Term. If Lessor pays any of the foregoing amounts, Customer shall promptly reimburse Lessor and pay the then current administrative charge noted in the Rate Schedule attached hereto.

7. RENTAL CHARGES. Customer will pay monthly rental for each Vehicle in accordance with the terms of the Lease Schedule for such Vehicle, as well as all other charges provided for in this Agreement and the related Lease Schedule, Rate Schedule and Vehicle Order. Monthly rental charges shall begin on the first (1st) day of the calendar month following Customer's acceptance of the Vehicle. Customer agrees that, from the time of acceptance of the Vehicle by Customer to the time when the first full monthly rental charges are payable, Customer will pay interim rental in an amount equal to the monthly rental charge pro-rated on a daily basis based on the actual number of days in the month. Monthly rental charges end on the last day of the month prior to sale. Customer agrees to pay interim rental on each Vehicle for the month of sale until the date of surrender of the Vehicle in accordance with paragraph 9 in an amount equal to the monthly rental charge pro-rated on a daily basis based on the actual number of days in the month. Interim rental payments do not reduce Book Value. Customer will pay, as additional rent, interim interest from the date Lessor is invoiced for any vehicle through the date of acceptance of the vehicle per the interim financing terms provided in the Rate Schedule. Customer agrees that Customer's obligation to pay monthly rental and other amounts shall be unconditional and that Customer shall not be entitled to any reduction of, or setoff against, such amounts.

8. PAYMENT TERMS. Time is of the essence. Monthly rental payments will be due and payable, in advance, on the first (1st) day of each calendar month. Lessor issues monthly invoices to all its customers; however, Customer is responsible for timely making monthly rental payments regardless of whether Lessor sends an invoice to Customer. Payments shall be made in U.S. dollars by Lessor initiated ACH direct debit, electronic transfer from a Customer bank account to an account specified by Lessor or other means expressly permitted by Lessor. Payment credit is subject to final payment by the institution on which the item of payment was drawn. No restrictive endorsements shall be valid or binding. Late payments will be charged in the amount of the lesser of one and one-half (1½%) percent or the highest legal interest rate per month or fraction thereof. It is the intent of Lessor that it not receive directly or indirectly any amount in excess of that amount which may be legally paid. Any excess charges will be credited to Customer or, upon request of Customer, refunded. Customer agrees to carefully review each invoice or other statement provided by Lessor. If Customer identifies a billing error, Customer will advise Lessor promptly, and in such event, Lessor's sole liability and Customer's exclusive remedy shall be appropriate adjustments in Customer's account. All charges are based upon Lessor's standard operating routines, existing business policy and computer systems capabilities.

9. SURRENDER OF VEHICLES. At the end of the minimum Lease Term, or at any time thereafter, Customer may, upon ten (10) days' written notice to Lessor, deliver the Vehicle identified in the notice to Lessor at a mutually agreed location. Prior to surrender of Vehicles, Customer may solicit offers payable in certified funds from prospective purchasers on an "as is, where is" basis, without warranty by or recourse to Lessor; provided, that Customer will not continue to use any such Vehicle after its sale; and provided further, that the sale, if it takes place before the expiration of the Maximum Lease Term, is not to another automobile leasing company. Surrender of the Vehicle shall not be effective until Lessor or its agent has actual physical possession of the Vehicle and has received all license plates, registration certificates, documents of title, odometer and damage disclosures and other documentation necessary for the sale of the Vehicle. If, upon Customer request, Lessor accepts an offer to purchase a Vehicle from a Customer or a purchaser identified by Customer and Lessor does not take actual physical possession of the Vehicle, neither surrender nor sale shall be deemed to occur until Lessor delivers the certificate of title and receives payment. Any personal property in a Vehicle upon surrender shall be deemed abandoned and may be disposed of by Lessor without liability to Lessor. Once a Vehicle is fully depreciated, a fee in the amount noted in the Rate Schedule will be assessed and payable by the Customer as an extended lease charge and will continue until the Customer terminates the lease.

10. SALE OF VEHICLES. Lessor or its servicing agent shall solicit from prospective purchasers wholesale cash bids for the Vehicles. Such Vehicles shall be sold in a commercially reasonable manner. From the sales proceeds of any Vehicle sold under this Agreement (and any third party owned vehicles), Lessor shall deduct all direct sales expenses paid or incurred by Lessor as well as Lessor's then current sale fee and its servicing agent's then current sale fee, the balance remaining to constitute the "Net Proceeds" which, subject to the provisions of paragraph 11, shall be payable to Lessor. If Lessor or its servicing agent manages the sale of any vehicle owned by Customer or a third party, Customer agrees that the sale of such vehicle shall be subject to the indemnity herein and to pay the then current sale fee.

11. TERMINAL RENTAL ADJUSTMENT. As an incentive to the Customer to maintain the value of each Vehicle by good maintenance, repair and careful use during its Lease Term, the parties agree that the enhancement or reduction in value shall be compensated as follows:

a. **Refund of Rental**. If the Net Proceeds exceed the Book Value (as defined in the Rate Schedule) of the Vehicle, Lessor shall retain an amount equal to the Book Value and remit or credit the excess to Customer as a refund of rental.

b. **Rental Charge**. If the Net Proceeds are less than the Book Value, Customer shall pay Lessor the amount of the difference. However, if the Net Proceeds are less than the Guaranteed Residual (defined below), this rental charge is limited to the amount of the difference between the Guaranteed Residual and the Book Value. The Guaranteed Residual is twenty (20%) percent of the Capitalized Cost at the end of the minimum Lease Term and thereafter, twenty (20%) percent of the Book Value as of the end of the prior month.

12. INSURANCE. Customer shall maintain the following coverages during the Lease Term of each Vehicle with an insurance company acceptable to Lessor and deliver to Lessor a certificate thereof:

a. Automobile liability insurance with an Additional Insured endorsement as specified by Lessor and with minimum limits of coverage as Lessor may require, but in no event less than $1 million combined single limit per occurrence or less than $5 million for Vehicles capable of transporting more than eight (8) passengers. No self-insured retention or deductible is permissible.

b. Comprehensive and collision insurance with a Loss Payee endorsement as specified by Lessor and with coverage for the actual cash value of each Vehicle and subject to a mutually agreeable deductible. Customer shall bear all risk of loss, damage or destruction to the Vehicle (which may exceed actual cash value), however caused, from the time of acceptance until surrender to Lessor.

c. Conditions. All insurance policies shall provide for thirty (30) days' prior written notice to Lessor of any cancellation or reduction in coverage. Customer authorizes Lessor to endorse Customer's name to insurance checks related to the Vehicles.

13. **INDEMNITY. CUSTOMER WILL INDEMNIFY AND DEFEND LESSOR (INCLUDING ANY OF ITS AFFILIATES AND AGENTS) AGAINST ANY LOSS, LIABILITY, OR CLAIM DIRECTLY OR INDIRECTLY RELATING TO THE LEASE, MAINTENANCE, USE, CONDITION, (INCLUDING BUT NOT LIMITED TO PATENT OR LATENT DEFECTS WHETHER OR NOT DISCOVERABLE, PRODUCT LIABILITY CLAIMS OR CONDITION OF THE VEHICLE AT SURRENDER), OR SURRENDER OF ANY VEHICLE BETWEEN THE TIME OF DELIVERY TO CUSTOMER AND THE TIME OF SURRENDER. IF LESSOR SELLS ANY VEHICLE TO CUSTOMER, ANY OF ITS EMPLOYEES OR A PURCHASER FROM WHOM CUSTOMER OBTAINS AN OFFER, CUSTOMER'S COVENANT OF INDEMNITY WITH RESPECT TO SUCH VEHICLE SHALL CONTINUE. THIS INDEMNITY IS ABSOLUTE AND UNCONDITONAL AND INCLUDES CLAIMS OF NEGLIGENCE, STRICT LIABILITY, AND BREACH OF WARRANTY, BUT DOES NOT EXTEND TO CLAIMS OR LIABILITY ARISING FROM WILLFUL MISCONDUCT OF LESSOR OR ITS AGENTS OR EMPLOYEES. THIS INDEMNITY SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.**

14. NATURE OF AGREEMENT. The parties intend the lease of Vehicles hereunder to be a true lease**.** Without prejudice to the intention of the parties that this Agreement be a lease, Customer hereby grants Lessor a security interest in the Vehicles and all proceeds, accessions, documents, instruments, accounts, chattel paper, equipment, subleases, security deposits and general intangibles related thereto to secure all obligations of Customer to Lessor under this Agreement (and the related Lease Schedules, Rate Schedule and Vehicle Orders) or any other agreement. Customer further grants Lessor its power of attorney to act as agent and attorney-in-fact of Customer in respect to titling and registration of a Vehicle or otherwise noting Lessor's interest. A photocopy or other reproduction of this Agreement shall be sufficient as a financing statement. The Customer shall promptly execute and deliver to the Lessor such further documents and take such further action as the Lessor may require in order to more effectively carry out the intention and purposes of this Agreement.

15. MISCELLANEOUS. If Customer executes a business use certification with respect to the Vehicles leased under this Agreement, both Lessor and Customer agree to report all Vehicle leases as leases for U.S. income tax purposes. Customer has no right, title or interest in and to any Vehicle leased hereunder except as lessee. Lessor has the right to mark the Vehicle at any time stating its interest as owner and to receive and retain rebates, discounts and other compensation directly or

indirectly from manufacturers, suppliers and vendors with respect to the Vehicles leased hereunder. Lessor may engage third parties to refer business to Lessor. If this Agreement or any other agreement between Customer and Lessor results from such a referral, Lessor may pay, and shall be solely liable for, payment of any broker fee, commission or other compensation related thereto. Customer agrees that it is not now and will not in the future be listed on any watch list maintained by the U.S. Treasury Department and shall comply with the Patriot Act and international trade control and money laundering laws, as applicable.

If Customer performs work under a prime contract, or any subcontract, with the United States government, and as a result, Executive Order 13658 is applicable to Customer, then Executive Order 13658 establishing a Minimum Wage for Contractors, and its implementing regulations, including the applicable contract clause, are incorporated by reference into this contract (or any subcontracts hereto) as if fully set forth in this contract. See Appendix A to 29 C.F.R. Part 10 (available at http://webapps.dol.gov/FederalRegister/HtmlDisplay.aspx?DocId=27843&Month=10&Year=2014).

16. FINANCIAL INFORMATION; VEHICLE ORDER ACCEPTANCE. The creditworthiness of Customer and any guarantor is a material condition to this Agreement. Customer shall provide Lessor with financial information reasonably requested by and satisfactory to Lessor each year of this Agreement. Nothing herein shall be construed to require Lessor to accept any order for a vehicle from Customer.

17. DEFAULT; REMEDIES.

a. Default. If Customer shall fail to make monthly rental or other payments within fifteen (15) days of the due date or maintain insurance coverage as herein required or after ten (10) days' written notice shall fail to perform or observe any of its other covenants, conditions or obligations under this Agreement, or Customer or any guarantor shall (i) make an assignment for the benefit of creditors, or suffer a receiver or trustee to be appointed, or file or suffer to be filed any petition under any bankruptcy or insolvency law of any jurisdiction; or (ii) discontinue business; or (iii) cease its corporate, partnership or legal existence or die; or (iv) be in default under any other agreement it may have with Lessor or any parent, subsidiary or affiliate of Lessor; or (v) undergo a change in controlling ownership; or (vi) suffer a material adverse change in operating or financial condition which impairs Customer's ability to perform its obligations hereunder or Lessor's title to or rights in the Vehicles; or (vii) make any representation or warranty herein, or in any document delivered to Lessor in connection herewith (including, without limitation, financial information) or filed with any governmental entity and obtained by Lessor in connection herewith, which shall prove to be false or misleading in any material respect; then in such event, Customer shall be in default under this Agreement. A default under the terms of this Agreement shall constitute a default under any other agreement Customer has with Lessor or any parent, subsidiary or affiliate of Lessor.

b. Remedies. In the event of default by Customer, Lessor shall have the right to: (i) repossess any or all Vehicles leased hereunder wherever they may be found (and for that purpose Lessor or its agents may enter upon any premises of or under the control of Customer) without canceling this Agreement; (ii) collect the present value of the monthly rental due for the remainder of the Lease Term or any renewal term from Customer; (iii) collect the full rental due for the period prior to any sale of Vehicles; (iv) recover all expenses incurred to repossess said Vehicles together with reasonable attorneys' fees for enforcement of Lessor's rights; (v) collect any charges relating to the pick-up and transportation of the Vehicles; (vi) collect any charges relating to the disposition of the Vehicles; (vii) offer to sell the vehicle to any guarantor and if refused, sell the Vehicles to another party and recover amounts due under paragraph 11; and (viii) offset any amounts due to Customer against amounts due to Lessor. In addition, Lessor shall have the right to cancel this Agreement and shall retain all rights and remedies available at law or in equity; all such rights and remedies to be cumulative and not exclusive.

18. **LIMITATION OF DAMAGES. EXCEPT WITH RESPECT TO CUSTOMER'S OBLIGATIONS OF INDEMNITY, EACH PARTY AGREES THAT: ITS SOLE AND EXCLUSIVE REMEDY FOR ANY MATTER OR CAUSE OF ACTION RELATED DIRECTLY OR INDIRECTLY TO ANY CLAIM RELATED TO THE SUBJECT MATTER HEREOF BY THE OTHER PARTY TO THIS AGREEMENT SHALL BE A CONTRACT ACTION; DAMAGES SHALL BE LIMITED TO ACTUAL AND DIRECT DAMAGES INCURRED; AND NO INDIRECT, CONSEQUENTIAL, ENHANCED COMPENSATORY OR PUNITIVE DAMAGES WILL BE CLAIMED.** Notwithstanding the foregoing, the Lessor shall not be liable for any damages or costs incurred by the Customer due the Lessor's failure to perform any provisions hereof resulting from fire or other casualty, riot, strike, or other labor difficulty, governmental regulation or restriction or any other cause beyond the Lessor's control.

19. ASSIGNMENTS. Customer shall not assign, sublet, lien, encumber, or transfer any interest in any of the Vehicles leased hereunder or any interest in this Agreement (or the related Lease Schedules, Rate Schedule and Vehicle Orders) to any party without the written consent of Lessor, which consent will not be unreasonably withheld. Any such consent by Lessor shall not, unless otherwise agreed in writing, relieve Customer of its

obligations and liabilities under this Agreement and any related Lease Schedule, Rate Schedule and Vehicle Order. Lessor may assign all or any part of its right, title and interest in this Agreement (including the Lease Schedules, Rate Schedule and Vehicle Orders) or the Vehicles, including all receivables.

20. RELATED ENTITIES. In the event that Customer permits any Vehicles subject to this Agreement to be used or operated by any present or future subsidiary, parent or affiliate of Customer (each a "Related Entity"), Customer agrees that notwithstanding: (a) use or operation by a Related Entity; (b) any direction by Customer to Lessor to invoice a Related Entity; and (c) any payment made by a Related Entity with respect to any Vehicle, all such Vehicles shall at all times remain subject to the terms and conditions of this Agreement and Customer shall at all times remain liable for all of the duties and obligations (for payment or otherwise) under this Agreement. Any use or operation by a Related Entity of any Vehicle shall not, in any way, constitute a sale, assignment or transfer, sublease or other disposition of such Vehicle, or any interest therein, or of any rights granted to or obligations of Customer under this Agreement.

21. REPRESENTATIONS, WARRANTIES AND COVENANTS. The Customer represents and warrants to and covenants with the Lessor that: (a) the Customer has the form of business organization indicated below; (b) the Customer's chief executive office and address for purpose of notices hereunder is as listed below; (c) the Customer is duly organized and existing in good standing under the laws of the state listed below and is qualified to do business wherever necessary to carry on its present business and to own its property; (d) the Customer shall not change its form or state of organization without the Lessor's prior written consent, which consent will not be unreasonably withheld, and shall immediately notify the Lessor of any change of the Customer's organizational identification number issued by its state of organization or its chief executive office or notice address; (e) this Agreement has been duly authorized by all necessary action on the part of the Customer and does not contravene any law binding on the Customer, any provision of its certificate or articles of incorporation or by-laws, or certificate or articles of organization or operating agreement, or partnership certificate or agreement or any other agreement among the shareholders, members or partners of the Customer, or any agreement, indenture, or other instrument to which the Customer is a party or by which it may be bound; (f) this Agreement has been duly executed and delivered by authorized officers, members, managers or partners of the Customer and constitutes a legal, valid and binding obligation of the Customer enforceable in accordance with its terms; (g) the Customer has not and will not create, incur or permit to exist any lien, encumbrance or security interest on or with respect to the Vehicles (except those of persons claiming by, through or under the Lessor or to any guarantor or an affiliate of any guarantor in the context of a franchise relationship); (h) the Vehicles will be used primarily in the conduct of the Customer's business and will remain registered at the location shown on the applicable Lease Schedule unless otherwise agreed in writing by Lessor; (i) there are no pending or threatened actions or proceedings before any court or administrative agency, and no circumstances exist which may lead to such an action, which could materially adversely affect the Customer's financial condition or operations; and (j) all financial and other information provided by the Customer or at the Customer's direction is, and such information hereafter furnished will be, true, correct and complete in all material respects.

22. INFORMATION SHARING. Customer (including any Related Entity) authorizes Lessor to disclose information about Customer or any Related Entity that Lessor may at any time possess to any affiliate or third party vendor from whom the Customer received, directly or indirectly, goods or services, whether such information was supplied by Customer to Lessor or otherwise obtained by Lessor.

23. LEGAL NOTICES. Customer shall give full cooperation in the prosecution and defense of any action brought by or against Lessor or its insurance carrier. If any action is commenced for damages resulting from the use in any way of a Vehicle, Customer shall notify Lessor of the action and forward within ten (10) days after receipt of a copy any summons or other process received in connection with the action. The Customer shall notify the Lessor of every lien, encumbrance, or levy placed against a Vehicle within twenty four (24) hours after it is placed.

24. EARLY TERMINATION. Upon thirty (30) days' prior written notice thereof to the Lessor, the Customer shall have the right, but not the obligation, to terminate the lease of a Vehicle hereunder which has been in service under this Agreement for not less than three hundred sixty seven (367) days as evidenced by the date of delivery shown on the related Lease Schedule. Such written notice shall specify the Vehicle which the Customer intends to surrender. In addition to all other costs, expenses and charges due and payable to the Lessor upon the termination of each Vehicle, upon the Customer's election to terminate the Lease of a Vehicle under this paragraph 24, the Customer shall also be obligated to pay to the Lessor:

a. the monthly rental for a minimum term of three hundred sixty seven (367) days less the amounts previously paid by the Customer prior to the early termination;

b. a yield maintenance fee equal to one (1) month's rental for the Vehicle; and

c. an interest equalization adjustment as defined in the Rate Schedule.

25. LEASE INTEGRATION. This Agreement, together with each Rate Schedule, Lease Schedule, addendum and Vehicle Order, constitutes a single unitary, non-severable lease agreement between Lessor and Customer for all Vehicles leased by the Customer from Lessor and governed by this Agreement and each Rate Schedule, Lease Schedule and Vehicle Order.

26. **WAIVER OF JURY TRIAL. BOTH PARTIES TO THIS AGREEMENT HEREBY WAIVE ANY AND ALL RIGHT TO ANY TRIAL BY JURY IN ANY ACTION OR PROCEEDINGS ARISING DIRECTLY OR INDIRECTLY HEREUNDER.**

27. **GOVERNING LAW. THIS AGREEMENT SHALL NOT BE EFFECTIVE UNTIL SIGNED BY LESSOR IN NEW HAMPSHIRE, AND SHALL, UPON SUCH EXECUTION, BE DEEMED EFFECTIVE AS OF THE EFFECTIVE DATE. THE LAWS OF THE STATE OF NEW HAMPSHIRE SHALL GOVERN ALL QUESTIONS OR DISPUTES RELATING TO THE VALIDITY, INTERPRETATION, PERFORMANCE, ENFORCEMENT, OR EFFECT OF THIS AGREEMENT, WITHOUT REGARD TO CHOICE OF LAW PRINCIPLES.THE CUSTOMER HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW HAMPSHIRE AND THE FEDERAL DISTRICT COURT FOR THE DISTRICT OF NEW HAMPSHIRE FOR THE PURPOSES OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF ITS OBLIGATIONS HEREUNDER, AND EXPRESSLY WAIVES ANY OBJECTIONS THAT THE CUSTOMER MAY HAVE TO THE VENUE OF SUCH COURTS.**

28. ODOMETER DISCLOSURE STATEMENT. Federal law (and State law, if applicable) requires that Customer as lessee disclose, and Customer shall disclose, the mileage of each Vehicle to Lessor in connection with the transfer of ownership of the Vehicle. Failure to complete an odometer disclosure statement or making a false statement may result in fines and/or imprisonment

29. MODIFICATIONS. This Agreement, its exhibits, Lease Schedules, Rate Schedules, Vehicle Orders, addenda and amendments contain the entire understanding of the parties and merge all oral understandings. Customer may issue purchase orders for administrative convenience, but such purchase orders are subject to the terms and conditions of this Agreement and shall not amend or supplement it. Any modifications, changes, or amendments may be made only in a writing duly signed by Customer and Lessor. Failure of either party to enforce any right shall not be deemed a waiver of such right

THIS AGREEMENT AND EACH SCHEDULE HERETO, THE MOTOR VEHICLES AND EQUIPMENT IDENTIFIED IN THIS AGREEMENT, AND ALL RIGHTS OF ALAMO LEASING COMPANY, INC. UNDER THIS AGREEMENT AND EACH SCHEDULE HERETO, CONSTITUTE COLLATERAL GRANTED TO CITIZENS BANK, N.A., AS COLLATERAL AGENT (THE "COLLATERAL AGENT") UNDER THE PLEDGE AND COLLATERAL ASSIGNMENT OF MOTOR VEHICLE AND EQUIPMENT LEASES DATED AS OF JULY 28, 2015, AS AMENDED, BETWEEN ALAMO LEASING COMPANY, INC. AND THE COLLATERAL AGENT (OR, IF APPLICABLE, A SUCCESSOR COLLATERAL AGENT). THIS AGREEMENT HAS BEEN ASSIGNED TO COLLATERAL AGENT AS SECURITY FOR THE LENDERS.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by duly authorized representatives.

("Customer")

By: _____

Title: _____

(President, Vice President, Treasurer, or provide certificate of authority)

a _____ [Customer state of formation], [type of entity]

Notice Address:

ALAMO LEASING COMPANY

By: _____

Title: Authorized Signatory

Address: 2010 NW Military Hwy., San Antonio, Bexar County, Texas 78213

GUARANTOR: **RBDS Rubbish Boys Disposal Service Inc.**

The undersigned acknowledges and agrees that Customer's obligations under the Agreement are Obligations (as such term is defined in that certain Continuing Guaranty heretofore executed and delivered by the undersigned to Lessor) guaranteed by the undersigned and that the Customer under this Agreement is a "Customer" under such Continuing Guaranty.

By: _____

EFFECTIVE DATE: _____

1. Customer certifies under penalty of perjury that it intends the Vehicles leased pursuant to this Agreement to be used more than 50% in the trade or business of Customer; and
2. Customer has been advised that Lessor and not Customer will be treated as the owner of the Vehicles for Federal Income Tax purposes**.**

(Customer)

By: _____

Title: _____

(President, Vice President, Treasurer, or provide certificate of authority)

EXHIBIT M

Commercial Rights Amendment to Franchise Agreement

COMMERCIAL RIGHTS
AMENDMENT TO FRANCHISE AGREEMENT

THIS COMMERCIAL RIGHTS AMENDMENT AGREEMENT ("**Amendment Agreement**") made as of the ___ day of _____, 20__ (the "**Amendment Effective Date**"),

AMONG:

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

AND:

> **[NAME OF FRANCHISEE]**, a company incorporated under the laws of the State of [state] with its office located at [street address, city, state]
>
> ("**Franchisee**")

AND:

> **[NAME OF GUARANTOR]**, a [single/married] person having an address at [street address, city, state]
>
> ("**Guarantor**")

WHEREAS:

A. Franchisor and Franchisee entered into a franchise agreement made effective as of _____, 20__ (the "**Franchise Agreement**") whereby Franchisee acquired the right and license to establish and operate a franchised SHACK SHINE business (the "**Franchised Business**") within the Territory identified in Schedule B of the Franchise Agreement.

B. In connection with the Franchise Agreement, Guarantor entered into a guarantee, postponement and covenants agreement made effective as of _____, 20__ in favour of Franchisor (the "**Guarantee**") whereby Guarantor agreed to unconditionally guarantee the performance of all of Franchisee's obligations pursuant to the terms of the Franchise Agreement.

C. Franchisee acknowledges that the primary focus of the SHACK SHINE franchise system is the sale of the Services and the Products to Residential customers. Notwithstanding this, Franchisor is prepared to grant Franchisee the right to sell the Services and the Products to Commercial customers on the terms and conditions set forth herein.

D. Franchisor, Franchisee and Guarantor have agreed to amend the Franchise Agreement on the terms and conditions set forth herein.

NOW THEREFORE in consideration of the mutual covenants and agreements in this Amendment Agreement and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties), the parties hereby covenant and agree as follows:

1. **Defined Terms** – Words having initial capital letters in this Amendment Agreement will have the same meaning as ascribed to them in the Franchise Agreement, unless the context of this Amendment Agreement otherwise requires.

2. **Amendment to Franchise Agreement** – The Franchise Agreement is hereby amended as of the Amendment Effective Date as follows:

(a) by inserting the following new Subsection 2.1(a1) immediately after Subsection 2.1(a) and immediately before Subsection 2.1(b):

"(a1) to offer, in connection with the Franchised Business, the Services and the Products to Commercial customers with premises located within the Territory. For the purposes of this Agreement, "**Commercial**" means where Services or Products are requested by an individual or a corporate entity for performance at a multi-unit residential building, a commercial building, or a mixed residential and commercial use building, located within the Territory;"

(b) by deleting the first sentence in Section 2.3 and replacing it with:

"The grant and license contained in this Agreement is non-exclusive and gives Franchisee the right to establish and operate the Franchised Business at the Franchised Location and to sell the Services and the Products to persons with Residential or Commercial property located within the Territory, provided that the Services shall only be provided and the Products shall only be sold at premises located within the Territory."

(c) by deleting Subsection 2.3(a) and replacing it with:

"(a) [INTENTIONALLY DELETED];"

(d) by deleting the first sentence in Section 2.4 and replacing it with:

"Franchisor reserves the right to solicit or permit other franchisees or third parties designated by Franchisor to solicit customers located anywhere in the Territory, whether Residential or Commercial, in order to develop them as National Account Customers."

(e) by deleting the second-to-last sentence in Section 2.4 and replacing it with:

"For the purposes of this Section 2.4 and this Agreement, "**National Account Customers**" means a customer, a group of customers or an entity acting on behalf of a customer group or customers (under common ownership or control), whether Residential or Commercial, with premises, residences, offices, franchises or stores or who is otherwise conducting business both inside and outside of the Territory and for which the Franchisor has arranged to provide the Services or the Products at multiple locations inside or outside of the Territory."

(f) by deleting the first sentence in Section 3.3 and replacing it with:

"The term "**Gross Revenue**" as used in this Agreement means the entire amount of the sale price, whether for cash, credit, payment in kind (valued at fair market value) or otherwise, of all sales from or in connection with the operation of the Franchised Business (including, but not limited to, the sale of any Services or Products from or in connection with the operation of the Franchised Business, whether to Residential or Commercial customers)."

(g) by deleting Section 3.5 and replacing it with:

"3.5 ***Minimum Royalty***. If at the end of any calendar year of operations of the Franchised Business, the total of all Royalties that Franchisor has received from Franchisee in connection with the sale of Services and Products to Residential customers during that year is less than the Minimum Royalty for that year as set out in Schedule B, then Franchisee shall pay to Franchisor the amount that the Minimum Royalty for that year exceeds the total of all Royalties actually paid for that year in connection with the sale of Services and Products to Residential customers by Franchisee. Amounts payable in respect of such difference, if any, shall be payable on or before January 15th of the following year, and shall be paid by the same means as the Royalty is payable under Section 3.4. For certainty, Royalties paid by Franchisee in connection with the sale of Services and Products to Commercial customers shall be excluded and shall not be considered for the purposes of this Section 3.5."

(h) by inserting the following new Section 5.6 immediately after Section 5.5:

"5.6 ***Dedicated Vehicle for Residential Services***. Franchisee shall ensure that, at all times, no less than one Vehicle is dedicated exclusively for use in connection with providing Services and Products to Residential customers of the Franchised Business."

(i) by inserting the following at the end of Subsection 7.1(e):

"(whether at Residential or Commercial premises);"

(j) by inserting the following new Section 14.11 immediately after Section 14.10:

"14.11 ***Minimum Annual Residential Requirement***. Franchisee shall ensure that, during the period from the Amendment Effective Date to the end of the calendar year in which the Amendment Effective Date occurs, and in each calendar year thereafter, the portion of Gross Revenue derived from the sale of the Services and the Products to Residential customers is no less than the Minimum Annual Residential Requirement identified in Schedule B."

(k) by inserting the following new Subsections 17.3(p) and (q) immediately after Subsection 17.3(o):

"(p) Franchisee at any time failing to ensure that no less than one Vehicle is dedicated exclusively for use in connection with providing the Services and the Products to Residential customers of the Franchised Business; and

(q) Franchisee failing to meet the Minimum Annual Residential Requirement during the period from the Amendment Effective Date to the end of the calendar year in which the Amendment Effective Date occurs, or in any calendar year thereafter."

(l) by inserting the following new Subsection 17.6(d1) immediately after Subsection 17.6(d) and immediately before Subsection 17.6(e):

"(d1) terminate Franchisee's right to offer the Services and the Products to Commercial customers effective immediately upon providing written notice of such termination to Franchisee. Upon such termination, Franchisee shall have no right to offer or provide the Services or the Products to Commercial customers whatsoever, and Franchisor shall reserve, for itself and its Affiliates, all rights to offer and provide the Services and the Products to Commercial customers anywhere inside or outside of the Territory, through Franchisor or Affiliate-owned outlets, other franchised businesses or third parties;"

(m) by inserting the following immediately after the definition of "Minimum Royalty" in Schedule B:

"Minimum Annual Residential Requirement (Section 14.12): "**Minimum Annual Residential Requirement**" means:

(a) during the period from the Amendment Effective Date to the end of the calendar year in which the Amendment Effective Date occurs, $200,000 per Subterritory, to be pro-rated based on the Amendment Effective Date to the end of the calendar year; and

(b) except as otherwise specified in any renewal agreement, in each calendar year thereafter (including any calendar year during any Renewal Term), $200,000 per Subterritory."

3. **Continuing Agreements** – Franchisor, Franchisee and Guarantor acknowledge and agree that the Franchise Agreement and the Guarantee are not being terminated and that the obligations of Franchisor, Franchisee and Guarantor, pursuant to the terms and conditions of the Franchise Agreement, this Amendment Agreement, the Guarantee and any other written agreements among Franchisor, Franchisee and Guarantor continue in full force and effect.

4. **Binding Effect** – This Amendment Agreement will inure to the benefit of and be binding upon the parties and their respective heirs, executors, administrators, personal representatives, successors and permitted assigns.

5. **Notices** – Any notice, consent, waiver, request for approval or other request, statement or communication that any party may be required or may desire to give to the other parties

under this Amendment Agreement must be in writing addressed and delivered to the other parties in accordance with Section 23.26 of the Franchise Agreement.

6. **Governing Law** – This Amendment Agreement shall be interpreted and construed under the laws of the State of Washington (without regard to, and without giving effect to, the application of Washington conflict of laws rules); provided that the Washington Franchise Investment Protection Act, RCW 19.100.010 *et seq.* (the "**Act**"), and the Washington Consumer Protection Act, 19.86.010 *et seq.*, shall not apply to the relationship between the parties unless the Territory or Subterritory is located in Washington State and those Washington State laws would apply in the absence of any contractual choice of law.

7. **Severability** – Any provision of this Amendment Agreement that is illegal or unenforceable will be ineffective to the extent of the illegality or unenforceability without invalidating the remaining provisions of this Amendment Agreement.

8. **Counterparts** – This Amendment Agreement may be executed and delivered in one or more counterparts or facsimile or electronic counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same document.

IN WITNESS WHEREOF each party by its duly authorized representative(s) has signed this Amendment Agreement as of the day and year first above written.

SHACK SHINE HOME SERVICES LLC

By:_____
Name:_____
Title:_____

[FRANCHISEE]

By:_____
Name:_____
Title:_____

_____
[GUARANTOR]

EXHIBIT N

State Effective Dates

State Effective Dates

The following states have franchise laws that 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 document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	February 23, 2020
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT O

Receipt Pages

RECEIPT

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If 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 agents for service of process.

The franchisor is Shack Shine Home Services LLC, located at 301 - 887 Great Northern Way, Vancouver, BC, Canada V5T 4T5. Its telephone number is 1-888-808-7751.

Issuance Date: April 23, 2020

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

Name	Principal Business Address	Telephone Number
Jeremy Ennis	301 - 887 Great Northern Way, Vancouver , BC Canada V5T 4T5	604-909-0651
Maxime Mercier	301 - 887 Great Northern Way, Vancouver , BC Canada V5T 4T5	416-319-9091
Cameron Wears	301 - 887 Great Northern Way, Vancouver , BC Canada V5T 4T5	866-266-5865

I received a disclosure document with an issuance date of April 23, 2020 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. Franchisee Disclosure Questionnaire and Certification
K. Form of General Release
L. Forms of Financing Agreements
M. Commercial Rights Amendment to Franchise Agreement
N. State Effective Dates
O. Receipts

PROSPECTIVE FRANCHISEE:

_____
(print name of entity)

_____
(signature)

_____
(print name and title)

DATE DISCLOSURE DOCUMENT RECEIVED: _____

_____
(state where entity formed)

KEEP THIS COPY FOR YOUR RECORDS

RECEIPT

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N. State Effective Dates
O. Receipts

PROSPECTIVE FRANCHISEE:

_____
(print name of entity)

_____
(signature)

_____
(print name and title)

DATE DISCLOSURE DOCUMENT RECEIVED: _____

_____
(state where entity formed)

RETURN THIS COPY TO US