FRANCHISE DISCLOSURE DOCUMENT
SKINNY WIMP MOVING FRANCHISE CORPORATION

A California corporation
2470 Stearns Street, #273
Simi Valley, California 93063
Telephone: (855) 313-5518
Email: lance@skinnywimpmoving.com
URL: www.skinnywimpmoving.com

Skinny Wimp Moving Co.
(855)313-5518
"Skinny on Price, Heavy on Quality"

RECEIVED
LA MAILROOM
JAN 06 2020
DEPARTMENT OF
BUSINESS OVERSIGHT

Skinny Wimp Moving Franchise Corporation, a California corporation, offers franchises for the operation of a business that will offer residential and commercial moving services, including packing and unpacking, and related services and products and junk removal services under the trade name **"Skinny Wimp"** and other related trademarks, service marks, logos and commercial symbols. We offer the rights for 3 different franchises in this Disclosure Document:

Single Territory Program. Under the Single Territory Program, you will sign a Franchise Agreement to operate one Skinny Wimp franchised business in a single protected territory. The total investment necessary to begin operations of one Skinny Wimp franchised business in a single protected territory ranges from approximately $70,375 to $356,725. This includes between $36,100 to $45,000 that must be paid to us or our affiliate.

Conversion Franchise Program. Under the Conversion Franchise Program, you will sign a Franchise Agreement and a Conversion Franchise Addendum to convert your existing independent residential and commercial moving business to a Skinny Wimp franchised business that you will operate in a single protected territory. The total investment necessary to begin operations of one Conversion Skinny Wimp franchised business in a single protected territory ranges from approximately $65,375 to $346,725. This includes between $31,100 to $35,000 that must be paid to us or our affiliate.

Area Development Program. Under the Area Development Program, we will assign you a defined area within which you must open and operate 2 to 4 Skinny Wimp franchised businesses within a specified period of time. The total investment necessary to begin operations of your first Skinny Wimp Single Territory franchised businesses under an Area Development Agreement ranges from approximately $90,675 to $399,725. This includes between $56,100 to $85,000 that must be paid to us or our affiliate.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read the 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 payments 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 Lance Clauson, 2470 Stearns Street, #273, Simi Valley, California 93063; Telephone: (855) 313-5518.

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 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.

THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS ~~AUGUST 8, 2018~~ SEPTEMBER 19, 2019.

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF THIS FRANCHISE WITH A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed on **Exhibit I** for information about the franchisor, or about franchising in your state.

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

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

1. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH SKINNY WIMP MOVING FRANCHISE CORPORATION BY MEDIATION AND LITIGATION ONLY IN VENTURA COUNTY, CALIFORNIA. OUT OF STATE MEDIATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO PARTICIPATE IN MEDIATION AND LITIGATION WITH SKINNY WIMP MOVING FRANCHISE CORPORATION IN CALIFORNIA THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT CALIFORNIA LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. IF YOU ARE MARRIED, YOUR SPOUSE AND FAMILY MEMBERS WHO LIVE IN THE SAME HOUSEHOLD (WITH THE EXCEPTION OF MINOR CHILDREN) MUST SIGN A PERSONAL GUARANTEE, MAKING HIM/HER JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE, WHETHER OR NOT SUCH SPOUSE HAS ANY OWNERSHIP INTEREST IN OR IS INVOLVED IN THE OPERATION OF THE FRANCHISE BUSINESS. THIS REQUIREMENT PLACES THE PERSONAL AND MARITAL ASSETS OF THE FRANCHISE OWNER(S) AND SPOUSE(S) AT RISK.

4. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM $70,375 to $356,725 UNDER THE SINGLE TERRITORY PROGRAM. THIS AMOUNT EXCEEDS THE STOCKHOLDER'S EQUITY OF ($~~1,090~~54,925) AS OF DECEMBER 31, ~~2017~~2018.

5. THE FRANCHISOR IS A DEVELOPMENT STAGE COMPANY WITH LIMITED FRANCHISE OPERATING HISTORY. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE.

6. ON MARCH 30, 2010, OUR CEO FILED BANKRUPTCY UNDER CHAPTER 7 OF THE UNITED STATES BANKRUPTCY CODE. YOU MIGHT CONSIDER THIS FACT WHEN PURCHASING THIS FRANCHISE.

7. WE MAY REDUCE THE SIZE OF YOUR TERRITORY IF MINIMUM PERFORMANCE IS NOT MET. PLEASE REFER TO ITEM 12.

8. THE FRANCHISOR'S FINANCIAL RESOURCES MIGHT NOT BE ADEQUATE TO FUND THE FRANCHISOR'S PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE AND PAY OPERATING EXPENSES.

9. YOU MUST MAKE MINIMUM ADVERTISING PAYMENTS, REGARDLESS OF YOUR SALES LEVELS. YOUR INABILITY TO MAKE THE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.

10. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

See the Next Page for State Effective Dates

STATE EFFECTIVE DATES

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

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective date:

California:	~~September 24, 2018~~
~~Minnesota:~~	~~August 16, 2018~~
~~Washington:~~	~~August 20, 2018~~

~~In all other states, the effective date of this Franchise Disclosure Document is the issuance date of August 8, 2018.~~

SKINNY WIMP MOVING FRANCHISE CORPORATION
FRANCHISE DISCLOSURE DOCUMENT
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EXHIBITS

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

Skinny Wimp Moving Franchise Corporation

Skinny Wimp Moving Franchise Corporation, a California corporation ("**Franchisor**"), was incorporated on October 7, 2015, and is the franchisor for Skinny Wimp moving businesses ("**Skinny Wimp Moving Businesses**"). To simplify the language in this Disclosure Document, "**Franchisor,**" "**we**" and "**us**" means Skinny Wimp Moving Franchise Corporation, and "**You**" or "**Franchisee**" means the business entity, person or persons who sign the Franchise Agreement. The names and addresses of our agents for service of process appear in **Exhibit J** to this Disclosure Document.

Franchisor's Parents, Predecessors and Affiliates

We have no predecessors or parent companies. Our affiliate, Skinny Wimps Moving Company, a California corporation (the "**Operating Company**"), was incorporated on January 6, 2015. The Operating Company has never offered franchises in this business or in any other line of business. Our affiliate, Skinny Wimp Call Center, LLC, an Arizona limited liability company, was organized on March 1, 2017 and provides Call Center services to franchises. Skinny Wimp Call Center, LLC has never offered franchises in this business or in any other line of business. We do not operate any Skinny Wimp Moving Businesses. We have offered our franchises for sale since April~~,~~ 2016 and neither we nor the Operating Company conduct any other business activities. We do not do business under any other names. Our principal business address and the principal business address of the Operating Company is 2470 Stearns Street, #273, Simi Valley, California 93063. Skinny Wimp Call Center, LLC's principal business address is 2090 E. University Drive, Suite 109, Tempe, Arizona.

Skinny Wimp Franchise

We have developed the Skinny Wimp system ("**Skinny Wimp System**") for the operation of residential and commercial moving businesses (a "**Franchised Business**") that operate under the trade name "**Skinny Wimp**" and other related trademarks, service marks, logos and commercial symbols (collectively, the "**Skinny Wimp Marks**"). Skinny Wimp Moving Businesses offer residential and commercial moving services, including packing and unpacking, and related services and products and junk removal services. Providing junk removal services is currently optional for our franchisees, but we reserve the right to require all franchisees to provide junk removal services in the future. We offer 3 separate franchises in this Disclosure Document, although we may not necessarily grant you the opportunity to purchase under any of these programs:

Single Territory Program

Under this program, you will sign a Franchise Agreement (**Exhibit A**) to operate one Franchised Business in a single protected territory (a "**Protected Territory**") from a business office (a "**Business Office**") in the Protected Territory that you choose and that we accept. We will establish your Protected Territory before we sign your Franchise Agreement and will set forth your Protected Territory in your Franchise Agreement. Your Protected Territory will have a minimum population of at least 400,000 persons.

Conversion Franchise Program.

Under this program, you will sign a Franchise Agreement (**Exhibit A**) and a Conversion Franchise Addendum (**Exhibit C**) to convert your existing independent residential and commercial moving business to a Skinny

Wimp Moving Business (a **"Conversion Franchised Business"**) that you will operate in a single Protected Territory from a Business Office in the Protected Territory.

Area Development Program.

Under this program, we will assign you a defined area (the **"Development Area"**) within which you, as an area developer (an **"Area Developer"**), must open and operate 2 to 4 Franchised Businesses in a number of Protected Territories within a specified period of time. The Development Area may be one city, one or more counties, or some other defined geographic area. You will sign an Area Development Agreement (**Exhibit B**), which will describe your Development Area and your development schedule and obligations. You and we will determine the Development Area, your Protected Territories and the number of Franchised Businesses that you will open and operate on a case-by-case basis before you sign your Area Development Agreement. You must sign a separate Franchise Agreement for each Franchised Business that you will open and operate under the Area Development Agreement. The Franchise Agreement for your first Franchised Business will be in the form attached as **Exhibit A** to this Disclosure Document and must be signed when you sign your Area Development Agreement. The Franchise Agreements you will sign for your additional Franchised Businesses will be signed after we accept the Business Office for each Franchised Business and will be our then current form of Franchise Agreement that we are then offering to new franchisees, which may contain terms and conditions that are materially different from the form of Franchise Agreement attached to this Disclosure Document as **Exhibit A**.

Competition

You will offer your services to residential and commercial customers. In general, the industry for moving services and junk removal is relatively non-seasonal, competitive, but quite fragmented. Your competition will come primarily from other moving businesses and/or junk removal businesses, which may include locally based, regional and national chains.

Special Industry Regulation

Moving companies and hauling companies are regulated by federal and state law. Most states have transportation agencies that oversee state laws. State laws can vary significantly from one state to the next. For example, California requires moving companies to register with the California Public Utilities Commission. The US Department of Transportation's Federal Motor Carrier Safety Administration administers federal laws relating to the moving industry and requires registration for interstate moves. There may also be restrictions on licensing for your drivers and your trucks, and you may have to obtain special permits related to junk hauling and dumping.

In addition, federal, state and local jurisdictions have enacted laws, rules, regulations and ordinances which may apply to the operation of your Franchised Business, including those that (i) set standards pertaining to employee health and safety; (ii) require compliance with EEOC, OSHA, discrimination, employment, and sexual harassment laws; and (iii) set standards and requirements for fire safety and general emergency preparedness. The Payment Card Industry Data Security Standard ("**PCI**") requires all companies that process, store, or transmit credit or debit card information to maintain a secure environment. PCI applies to all organizations or merchants, regardless of size or number of transactions, that accept, transmit, or store any cardholder data. You should investigate whether there are regulations and requirements that may apply in the geographic area in which you desire to operate your Franchised Business and should consider both their effect and cost of compliance.

You should consult with your attorney concerning these and other local laws and ordinances that may affect your Skinny Wimp Franchised Business.

ITEM 2
BUSINESS EXPERIENCE

President & Chief Executive Officer **Lance Clauson**

Mr. Clauson has been our President and Chief Executive Officer since our formation in October~~,~~ 2015 and has served as the President and Chief Operating Officer of the Operating Company since its formation in January~~,~~ 2015. Previously~~,~~ Mr. Clauson was the sole proprietor of a business operating under the name "Skinny Wimp Moving Co." from September~~,~~ 2012 until January~~,~~ 2015. Since December~~,~~ 1997, Mr. Clauson has also been the sole proprietor of a business operating under the name "Seaweed Surf Co." in Simi Valley, California.

ITEM 3
LITIGATION

State of Minnesota Determination, Consent Order No. 43291/DPK. On August 1, 2016, we entered into a Consent Order with the State of Minnesota Commissioner of Commerce (the "**Commissioner**"). The Commissioner alleged that we offered and sold a franchise in Minnesota prior to the registration of our Franchise Disclosure Document in Minnesota. We agreed in the Consent Order to offer our Minnesota franchisee the right to rescind its franchise agreement, to desist from selling franchises in Minnesota until our Franchise Disclosure Document was registered in Minnesota and to pay a civil penalty of $2,000.

Other than this one action, no litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

On March 30, 2010, Lance Clauson, our President and Chief Executive Officer, filed a voluntary petition for relief as a debtor under Chapter 7 of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the Central District of California. (In Re Lance T Clauson and Christina E Clauson, U.S. Bankruptcy Court for the Central District of California, Case No. 1:10-bk-13625-KT). The Court ordered a discharge of the debtor on October 14, 2010.

Other than this one bankruptcy action, no bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Single Territory Program

You must pay us an initial franchise fee (the "**Initial Franchise Fee**") of $35,000 on signing the Franchise Agreement. If you qualify as an "**Experienced Mover**" (defined as someone who has 3 years of experience in the operation of a residential or commercial moving business within the 3 year period immediately before the date he or she signs the Franchise Agreement) and wish to finance the Initial Franchise Fee you pay an Initial Franchise Fee of $40,000 which we will finance as described below and in Item 10. An Experienced Mover must own at least a 51% interest in the Franchised Business at all times and must manage the operation of the Franchised Business at all times.

If you are signing a Franchise Agreement on the renewal of an existing franchise, you will pay us a renewal fee in lieu of an Initial Franchise Fee when you sign the renewal Franchise Agreement as provided in your existing Franchise Agreement.

Conversion Franchise Program

For converting franchisees, you must pay us an Initial Franchise Fee (the **"Conversion Franchise Fee"**) of $30,000 when signing the Franchise Agreement and Conversion Franchise Addendum for your Conversion Franchised Business. We do not offer financing for the Conversion Franchise Fee.

Area Development Program

You must pay us a development fee (the **"Development Fee"**) of $10,000 for each Franchised Business you intend to open and operate under an Area Development Agreement when you sign the Area Development Agreement for 2 to 4 Franchised Businesses. You must sign the Franchise Agreement ~~also pay us the Initial Franchise Fee of $35,000~~ for your first Franchised Business and pay us an Initial Franchise Fee of $35,000 when you sign the Area Development Agreement. You will sign a separate Franchise Agreement for each additional Franchised Business you will open and operate under an Area Development Agreement. When you sign a Franchise Agreement for each additional Franchised Business, you must pay us an Initial Franchise Fee of $35,000 for each additional Franchised Business; however, we will credit $5,000 of your Development Fee against the Initial Franchise Fee for each additional Franchised Business, not to exceed a credit of $5,000 for any single Franchised Business, so you will only have to pay us $30,000 when you sign a Franchise Agreement for each additional Franchised Business. We do not offer financing for the Development Fee.

Moving Truck Lease or Purchase

After you sign your Franchise Agreement, you may elect to lease or purchase one or more used moving trucks from the Operating Company at your option. If you choose to do so, you will sign a Vehicle Lease Agreement in substantially the form attached to the Franchise Agreement as Exhibit E, or a Vehicle Purchase Agreement in substantially the form attached to the Franchise Agreement as Exhibit F, for each used truck as appropriate. No initial down payment will be required for any used moving trucks that you lease or purchase from the Operating Company.

Refunds, Different Fees and Financing

The Initial Franchise Fee, Conversion Franchise Fee and Development Fee are fully earned by us when paid and are not refundable under any circumstances. We use the proceeds from Initial Franchise Fees to defray a portion of our expenses in connection with the sale and establishment of franchises, such as: (i) costs related to developing and improving our services; (ii) expenses of preparing and registering this Disclosure Document; (iii) legal fees; (iv) accounting fees; (v) costs of obtaining and screening franchisees; and (vi) general administrative expenses. We may reduce, defer or waive the Initial Franchise Fee, Conversion Franchise Fee or Development Fee if and when we determine that doing so is warranted by a unique or compelling situation.

We will discount our Initial Franchise Fee by $10,000 for qualified U.S. veterans ("**Qualified Veterans**"). A Qualified Veteran must own at least a 51% interest in the Franchised Business and manage the operation of the Franchised Business at all times.

If you qualify as an Experienced Mover and wish to finance the Initial Franchise Fee under the Single Territory Program you pay an Initial Franchise Fee of $40,000 which we will finance. The Initial Franchise Fee is payable in monthly payments of $100 per month for the first 12 months, then $200 per month until paid in full. An Experienced Mover must own at least a 51% interest in the Franchised Business at all times, must have 3 years of experience in the operation of a residential or commercial moving business and must manage the operation of the Franchised Business at all times. This payment plan is only offered to qualified Experienced Movers under the Single Territory Program.

ITEM 6
OTHER FEES [1]

Name of Fee	Amount	Due Date	Remarks
Royalty Fees[2]	6% of Gross Revenue[2] ~~for if Royalty Fees are paid after the 10th day of each month. If Royalty Fees are paid on or before the 10th day of each month you may receive a discount as set forth in Note 2.~~	Royalty Fees are due on the 15th day of each month on the Gross Revenue of your Franchised Business during the preceding calendar month.	"**Gross Revenue**" includes all revenue less refunds, sales and use taxes, price adjustments, standard approved discounts and the value of all services you provide without compensation to charitable organizations we have approved. ("**Charity Moves**").
Booking Fee	$25-$150 per booking	As incurred	We reserve the right to charge you a booking fee if we book a move for you. If we book a move for you, we will charge between $25 and $150 per booking, based on the size of the booking. The amount paid to us will be credited toward your Royalty Fee at the end of each month a booking is made for you.
Marketing Fees	1% of Gross Revenue.	On the 15th day of each month on the Gross Revenue of your Franchised Business during the preceding calendar month.	The Marketing Fee is in addition to the 5% of Gross Revenue that you must spend on local marketing and promotion of your Franchised Business each month ("**Local Marketing Expenditure**").

Name of Fee	Amount	Due Date	Remarks
Local Marketing Expenditure	$1,300 per month during months 1 -12 of operations of your Franchised Business and the greater of 5% of Gross Revenue or $2,000 each month thereafter.	As incurred.	This amount is not paid to us; however, ~~Y~~you must pay the Marketing Fund the difference between the amount that you actually spent on the required Local Marketing Expenditure if you fail to spend the required Local Marketing Expenditure.
Cooperative Marketing Fees	As determined by us and 50% or more of the participating Skinny Wimp Moving Businesses in the Cooperative Marketing Program, not to exceed 2% of Gross Revenue.	As we designate.	You must contribute to the Cooperative if we establish a Cooperative Marketing Program in the Marketing Coverage Area where your Franchised Business is located. Your contributions will be credited against your required Local Marketing Expenditure.
Call Center Service Fees	6% of Gross Revenue.	On the 15th day of each month on the Gross Revenue of your Franchised Business during the preceding calendar month. These fees are payable by direct debit authorization.	Call Center Services are the centralized intake and response services we provide for the benefit of all Skinny Wimp Franchisees.
Technology Service Fees	The greater of 1% of Gross Revenue or $500 per month.	On the 15th day of each month on the Gross Revenue of your Franchised Business during the preceding calendar month.	Technology Service Fees are subject to adjustment on 60 days prior written notice if our costs to provide the Technology Services increase during the Term.
Purchases from Franchisor or its Affiliates	Will vary.	In accordance with the terms offered to similarly situated Skinny Wimp Franchisees.	We may establish the credit terms or require you to pay for orders on a cash-in-advance or cash-on-delivery basis.

Name of Fee	Amount	Due Date	Remarks
Interest and Late Charges	$200 plus 1-1/2% on the amount outstanding per month, not to exceed the maximum interest rate allowed by law (currently, 10% annually in California), from the date payment was due until paid in full.[43]	Continues to accrue until paid.	Payable if any payment to us is unpaid because of insufficient funds or if any sums due to us are not paid promptly when due.
Administrative Assessments	$100 for the first violation, $200 for the second violation and $300 for the third and each subsequent violation.	On demand.	Administrative Assessments are levied to reimburse us for our administrative efforts to process your reporting violations.
Additional Initial Training Fees	$2,500 per additional trainee plus your out-of-pocket expenses, including transportation, food and lodging.	On demand.	We will provide an Initial Training Program for up to 2 of your supervisorial or managerial personnel. If you send more than 2 of your supervisorial or managerial personnel to the Initial Training Program, you must pay this Additional Initial Training Fee for each additional trainee.
Additional/Remedial Training Program Fees	Our daily fee, currently $400, for each day and for each of our representatives who provides the Additional Training Programs plus your out-of-pocket expenses, including transportation, food and lodging.	On demand.	We have the right to require you and your general manager or other supervisorial or managerial personnel to attend additional and remedial training programs, at our discretion.

Name of Fee	Amount	Due Date	Remarks
On-Site Assistance	You must reimburse us for our out-of-pocket expenses, including transportation, food and lodging, and pay us our then-current daily training fee (currently $400).	On demand.	We will provide on-site training and opening assistance free of charge for up to 10 days after you schedule your first move. This fee is payable only for days of on-site assistance that we provide in addition to 10 days of opening assistance.
Manual Replacement Fee	$500.	On demand.	Payable if you misplace the Manuals or fail to return them to us upon demand.
Proprietary Software Fees	$200 per month.	15th day of each month.	If we develop proprietary software, we will license it to you. The monthly fee will be subject to change on 30 days prior written notice.
Inspection Fee	$500 per re-inspection.	On demand.	Payable if we must revisit your Franchised Business for another inspection after you have already been notified of any deficiency or unsatisfactory condition at your Franchised Business.
National Account Administrative Fee	Not to exceed 4% of the Gross Revenue you receive from a National Account Program customer.	On the 15th day of each month on the Gross Revenue received from the National Account during the preceding calendar month.	Payable if you service a National Account.
Insurance	Amount of unpaid premiums and our out of pocket expenses.	On demand.	Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you.
Transfer Fee	$10,000	Before transfer.	Payable if you transfer your Franchise Agreement or Area Development Agreement.
Liquidated Damages	An amount equal to twice the total Royalty Fees paid (or if unpaid, payable) by you during the 12 months immediately before the effective date of termination.	Within 30 days following the date of termination.	Payable only if you default and we terminate your Franchise Agreement.

Name of Fee	Amount	Due Date	Remarks
Default Reimbursement	Our costs and expenses arising from your default.	Within 5 days after you cure your default or on demand if the default is not cured.	Payable only if you default under your Franchise Agreement.
Audit	Cost of audit (estimated to be $1,000 - $5,000) plus 1.5% per month (18% per year), but not exceeding the maximum legal rate, which is currently 10% in California.[23]	On demand.	Payable if an audit shows an understatement of 3% of Gross Revenue or more.
Interim Management Fee	To be determined.	As incurred.	If you are in default under your Franchise Agreement, and we elect to assume interim management of your Franchised Business during the pendency of any cure period or in lieu of immediately terminating your Franchise Agreement, we have the right to charge you a reasonable fee for our management services.
Post-Termination Gross Revenue Fee	6% of all revenue derived from the operation of a Competitive Business.	15th day of each month on the Post Termination Gross Revenue of the Competitive Business during the preceding month.	Payable if you operate a Competitive Business after the expiration, termination or assignment of your Franchise Agreement.
Renewal Fee	$5,000.	When you deliver a renewal notice to us for your Franchise Agreement.	This $5,000 renewal fee will be in lieu of the Initial Franchise Fee payable when you renew your Franchise Agreement.
Gross-Up Fees	Varies with circumstances.	Upon demand.	To ensure that we receive the full amount of Royalty Fees, you must pay us the amount of all taxes we must pay to governmental agencies on revenue we earn or collect based upon your use of our intellectual property or other intangibles or based upon the existence of your Franchise Agreement.

Name of Fee	Amount	Due Date	Remarks
New Product and Supplier Testing Fees	Reasonable cost of inspection and actual cost of testing; $1,000 must be paid as a deposit.	As incurred with the $1,000 fee paid as a deposit before facility inspection.	We have the right to require our representatives to inspect the supplier's facilities. You must pay us a fee for the reasonable cost of the inspection and testing.
Annual Conference Fee	$500.	On demand at least 30 days before the date of the Annual Franchise Conference, whether or not you attend the Annual Franchisee Conference.	If we hold an Annual Franchise Conference for all Skinny Wimp Franchisees, you must pay us a Franchise Conference Fee in the amount of $500 to reimburse us for a portion of the direct costs to provide the Annual Franchise Conference.
Relocation Fee	$2,500.	When we approve your request to relocate your Business Office.	Once opened, your Business Office may be relocated only with our prior written approval, and with the payment of the Relocation Fee.
Vehicle Lease Payments	Varies.	1st day of each month.	If you choose to lease a used moving truck from the Operating Company, you will pay the Operating Company 7% of the Gross Revenue of the Franchised Business or a fixed flat amount that will be determined when you sign your Vehicle Lease Agreement, whichever is greater.
Vehicle Purchase Payments	Varies.	1st day of each month.	If you choose to purchase a used moving truck from the Operating Company, you will pay the Operating Company $25 or 7% of the Gross Revenue of the Franchised Business, whichever is greater.
Late Fees for Vehicle Lease or Purchase Payments	$100.	Upon demand.	Payable to the Operating Company if you choose to purchase or lease a used moving truck from the Operating Company and if any monthly vehicle lease or purchase payment is postmarked after the 1st day of the month in which it is due.
Private Offering Fee (Franchise Agreement and Area Development Agreement)	$10,000 or such greater amount as is necessary to reimburse us for our reasonable costs and expenses with reviewing the proposed offering.	Before offering.	Payable for each proposed private offering of securities, partnership or other ownership interests in Franchisee and is in addition to any Transfer Fee under any Franchise Agreement and/or Area Development Agreement.

NOTES:

1. Unless otherwise noted above, all fees are uniformly imposed by and payable to us and are payable by electronic funds transfer or other automatic payment mechanism we designate and are non-refundable.

~~2. You may qualify for a discount on your Royalty Fees based on your monthly Gross Revenue. This discount is only available if you are in good standing under your Franchise Agreement and your Royalty Fees are paid on or before the 10th day of each month. If your Royalty Fees are paid after the 10th day of the month, your Royalty Fees will be 6% of your monthly Gross Revenue. Our discounts on Royalty Fees are as follows:~~

~~Monthly Gross Revenue~~	~~Royalty Fees~~
~~$0-$14,999~~	~~6%~~
~~$15,000 - $19,999~~	~~5.7%~~
~~$20,000 - $29,000~~	~~5.4%~~
~~$30,000 - $39,999~~	~~5.1%~~
~~$40,000 - $49,999~~	~~4.8%~~
~~$50,000 - $59,999~~	~~4.5%~~
~~$60,000 - $69,999~~	~~4.2%~~
~~$70,000 - $79,999~~	~~3.9%~~
~~$80,000 and above~~	~~3.6%~~

~~3~~2. **"Gross Revenue"** means the total of all revenues derived from sales of products or services of any nature or kind whatsoever arising from the operation of your Franchised Business during the term of your Franchise Agreement, as well as the proceeds from any business interruption insurance related to the non-operation of the Franchised Business, and whether evidenced by cash, services, property, barter, or other means of exchange, and whether or not payment is received at the time of sale or if any revenues become uncollectible, and includes, without limitation (i) your sale of products and/or services or third-parties sale of products and/or services on your behalf that are sold or required to be sold under the terms of your Franchise Agreement, no matter from what location or business the sales are generated; (ii) the proceeds from any business interruption insurance and/or damages or settlement amounts you receive for lost revenue of your Franchised Business; (iii) all revenue generated from commissions, rebates, or affiliated programs; and (iv) except for Charity Moves, the value of any products and/or services you provide without compensation in an amount equal to the price that you would normally charge customers for those products and/or services. Gross Revenue excludes (a) the amount of bona fide refunds paid to customers; (b) the amount of any sales or use taxes you actually pay to any governmental authority; (c) any price adjustments or set-offs you make without our prior written consent; (d) any discounts you give to your customers, unless the discount is based on a standard discount program we previously approved in writing; and (e) the value of any Charity Moves. Currently, we approve most charitable organizations listed by the Internal Revenue Service as exempt under Internal Revenue Code Section 501(c)(3) for Charity Moves.

43. Interest begins from the date of the underpayment.

ITEM 7
ESTIMATED INITIAL INVESTMENT

SINGLE TERRITORY FRANCHISE

YOUR ESTIMATED INITIAL INVESTMENT

Type Of Expenditure	Amount		Method Of Payment	When Due	To Whom Payment Is To Be Made
	Low	High			
Lease, Utility Deposits, Fees, and Licenses [1]	$125	$725	Cash	As incurred before you begin business	City, County, State
Business Office Leasehold/Construction; Business Office Furniture and Fixtures [2]	$100	$1,500	As arranged	As incurred before you begin business	Vendors and Contractors
Business Office Rent and Security Deposits [3]	$200	$1,500	Cash	At signing of lease	Landlord
Business Office Equipment, Telephone Systems, Computers, Hardware and Software [4]	$500	$2,500	As arranged	As incurred	Vendors and Designated Suppliers
Moving Trucks [5]	$0	$200,000	As arranged	As arranged	Truck Dealers and/or the Operating Company
Paint and Signage for Moving Trucks [6]	$3,500	$7,500	As arranged	As incurred before you begin business	Designated Suppliers
Equipment and Hand Tools [7]	$2,200	$6,500	Cash	As incurred before you begin business	Designated Suppliers
Moving Supplies [8]	$1,100	$5,000	Cash	As incurred before you begin business	Us; Designated Suppliers
Professional Fees [9]	$900	$2,000	As arranged	As incurred before you begin business	Accountant, Attorney, Bookkeeper
Insurance Deposit [10]	$750	$8,500	Cash	As incurred before you begin business	Insurance Carriers

Type Of Expenditure	Amount		Method Of Payment	When Due	To Whom Payment Is To Be Made
	Low	High			
Training Expenses [11]	$1,000	$6,000	As arranged	As incurred before you begin business	Vendors
Grand Opening Marketing [12]	$10,000	$25,000	As arranged	30 days before you begin business and 60 days following opening	Designated Supplier
Initial Franchise Fee [13]	$35,000	$40,000	As arranged; $25,000 for Qualified Veterans	At signing	Us
ADDITIONAL FUNDS (3 months) [14]	$15,000	$50,000	Cash	As incurred	
Grand Total [15]	**$70,375**	**$356,725**			

CONVERSION FRANCHISE

YOUR ESTIMATED INITIAL INVESTMENT

Type Of Expenditure	Amount		Method Of Payment	When Due	To Whom Payment Is To Be Made
	Low	High			
Lease, Utility Deposits, Fees, and Licenses [16]	$125	$725	Cash	As Incurred before you begin business	City, County, State
Business Office Leasehold/Construction; Furniture, Fixtures and Equipment [16]	$100	$1,500	As arranged	As incurred before you begin business	Vendors and Contractors
Business Office Rent and Security Deposits [16]	$200	$1,500	Cash	At signing of Lease	Landlord
Business Office Equipment, Telephone Systems, Computers, Hardware and Software [16]	$500	$2,500	As arranged	As incurred	Vendors and Designated Suppliers
Trucks [5]	$0	$200,000	As arranged	As arranged	Truck Dealers and/or the Operating Company

Type Of Expenditure	Amount		Method Of Payment	When Due	To Whom Payment Is To Be Made
	Low	High			
Paint and Signage for Trucks [6]	$3,500	$7,500	As arranged	As incurred before you begin business	Designated Suppliers
Equipment and Hand Tools [16]	$2,200	$6,500	Cash	As incurred before you begin business	Designated Suppliers
Moving Supplies [8]	$1,100	$5,000	Cash	As incurred before you begin business	Us; Designated Suppliers
Professional Fees [9]	$900	$2,000	As arranged	As incurred before you begin business	Accountant, Attorney, Bookkeeper
Insurance Deposits [16]	$750	$8,500	Cash	As incurred before you begin business	Insurance Carriers
Training Expenses [11]	$1,000	$6,000	As arranged	As incurred before you begin business	Vendors
Grand Opening Marketing [12]	$10,000	$25,000	As arranged	30 days before you begin business and 60 days following opening	Designated Supplier
Initial Franchise Fee [13]	$30,000	$30,000	As arranged; $20,000 for Qualified Veterans	At signing	Us
ADDITIONAL FUNDS (3 months) [14]	$15,000	$50,000	Cash	As incurred	Landlord, Designated Suppliers & Employees
Grand Total [15]	**$65,375**	**$346,725**			

AREA DEVELOPMENT AGREEMENT
YOUR ESTIMATED INITIAL INVESTMENT (2-4 FRANCHISED BUSINESSES)

Type Of Expenditure	Amount		Method Of Payment	When Due	To Whom Payment Is To Be Made
	Low	High			
INITIAL INVESTMENT TO OPEN 1st FRANCHISED BUSINESS					
Initial Investment 1st Unit [17]	$70,375	$356,725	See above	See above	See above
Development Fees [13]	$20,000	$40,000	Cash	At signing	Us
Additional Professional Fees [9]	$300	$3,000	Cash	As incurred	Legal & State
Grand Total [14]	**$90,675**	**$399,725**			

Unless otherwise noted above, all fees are uniformly imposed by and payable to us by electronic funds transfer or other automatic payment mechanism we designate and are non-refundable. You authorize us to debit from your designated primary business checking or savings operating account all funds due and payable to us or our affiliate. Except as provided in Item 5 and Item 10, we currently do not offer financing for any purpose, but reserve the right to do so in the future. We do not guarantee your note, lease or other obligation.

1. These estimates include equipment lease deposits, sales tax deposits or bonds, business licenses fees and utility deposits. You must also satisfy all requirements of applicable law for operating a moving business within the Protected Territory in which you intend to operate. The requirements for operating a moving company vary from state to state, with some states having rigorous and expensive licensing requirements. These requirements may include obtaining licenses from local authorities and/or licenses from applicable state or federal agencies. You may incur legal fees to acquire your authority. You should review the legal requirements for operating a moving business in the area in which you anticipate you will be licensed and obtain an estimate of the costs and expenses you will incur before you sign our Franchise Agreement. If you add junk removal services you may have additional license and permit requirements.

2. These estimates are for the costs for leasehold improvements and furniture and fixtures for your Business Office. These costs may include a general contractor's fee, contractor's insurance, materials and supplies, tools, labor and subcontractor fees, and other expenses to construct your leasehold improvements. Your Business Office must conform to applicable federal, state, county, city, local laws, ordinances, codes, rules and regulations and meet our requirements for the trade dress appearance of a Skinny Wimp Moving Business. Construction and remodeling costs vary widely depending upon the location, condition and configuration of your Business Office, lease terms and the local real estate market.

3. We do not prescribe specific standards for the location of your Business Office, the size of your Business Office, the furnishing of your Business Office or the interior or exterior of your Business Office. You may not operate your Franchised Business from your home. These estimates assume that your Business Office will be a leased, unimproved, unfinished space in a commercial business park that will be rented and that the landlord will require 2 – 3 months of prepaid rent and/or a security deposit. Each landlord has its own requirements. You must also have space available to park your trucks. A typical Business Office will be 600 to 1,500 square feet. Lease payments usually range from $200 to $1,500 per month.

4. These estimates include computer hardware and software systems, accounting applications, global positioning system devices (GPS), telephone systems, Internet access and the like. You must obtain and maintain a voice telephone number for the operation of your Franchised Business. All telephone numbers used in the operation of your Franchised Business must be provided to us in writing before you begin to operate your Franchised Business and thereafter during the term of your Franchise Agreement. You may not use the telephone numbers for the Business Office or any other business offices for any other business or purpose other than the operation of your Franchised Business. You must notify us if you obtain additional or substitute telephone numbers for your Franchised Business during the term of your Franchise Agreement and all additional and substitute telephone numbers will be subject to the requirements in your Franchise Agreement. We will hold the sole right to, and interest in, all telephone numbers and associated directory listings for your Franchised Business and the Skinny Wimp Marks. We have the right to require you, in our discretion, to use specific 800 telephone numbers or similar numbers in the marketing and operation of your Franchised Business or to forward all calls to any of your telephone numbers to a specific 800 telephone number or similar numbers.

5. You must own or lease 2 - 3 trucks when you begin operations. You may also be required to obtain a specified number of additional trucks within a specified time period after opening. The actual number of trucks and required additional trucks will be specified in your Franchise Agreement. The number of trucks may vary based on your experience, the demographics of the Protected Area, the density of the population in your Protected Area, and other conditions that we will take into account. All trucks must meet our specifications for size, appearance, and performance and the size, placement and appearance of the Skinny Wimp Marks on the exterior of your moving trucks and other equipment. At your option, you may lease or purchase one or more used moving trucks from the Operating Company. If you choose to do so, you will sign a Vehicle Lease Agreement in substantially the form attached to the Franchise Agreement as Exhibit E, or a Vehicle Purchase Agreement in substantially the form attached to the Franchise Agreement as Exhibit F, for each used truck as appropriate. No initial down payment will be required for any used moving trucks that you lease or purchase from the Operating Company. If you wish to purchase any used trucks from any other source, they must be approved by us before you purchase them. New trucks generally cost between $70,000 and $90,000 each. Used trucks generally cost between $40,000 and $60,000 each. You will either purchase and finance or lease your trucks. If you purchase and finance the trucks, you will generally be required to pay approximately 20% down (between $14,000 and $36,000 for 1 - 2 new trucks and between $8,000 and $24,000 for 1 - 2 used trucks) and be permitted to finance the balance over 3 - 5 years. Your monthly payments will vary depending on the cost of the trucks, the financing period and the interest rate you will pay. If you lease the trucks, your down payment will range from $14,000 to $36,000 and your monthly payments will range from $1,500 to $4,500. If you purchase your trucks for cash, your initial investment will be higher than our estimates. The number of moving trucks and other equipment that we may require you to obtain may not be uniformly imposed on all Skinny Wimp Franchisees. Differences in the number of moving trucks and other required equipment may be based on your experience, the demographics of the Protected Territory, the density of the population in the Protected Territory, and other related factors. You must obtain our prior written consent to the size, placement and appearance of the Skinny Wimp Marks on the exterior of moving trucks and other equipment.

6. Your trucks must be painted in the color that we specify. You must also letter your trucks in accordance with local ordinances and our requirements. This estimate is for the painting and signage costs for 2 trucks. If you have more or fewer trucks, your costs will be higher or lower, as the case may be.

7. Our required equipment and hand tools are specified in our Manuals. The required tools include dollies, pads, straps, and other items.

8. These estimates include appliance dollies, boxes, box dollies, floor protection, furniture dollies, moving pads, tie-down webbing and tools and Skinny Wimp branded containers, equipment, uniforms, clothing, accessories and promotional merchandise.

9. This estimate includes legal review and negotiation of the lease for your Business Office and accounting assistance in setting up your books. Additional Legal Fees in the Area Development chart above reflect additional legal costs you may incur as a result of signing an Area Development Agreement.

10. The figures are estimated down payments for your required insurance. The low estimate assumes that you will have 2 trucks. The high estimate assumes that you will have more than 2 trucks. In some cases, you may have to pay the entire annual premium in a lump sum, or you may pay your premiums quarterly or semi-annually. You must obtain the amounts and types of coverage which meet our minimum specifications.

11. This estimate includes the cost of sending your principal owner (**"Principal Owner"**) and general manager or other supervisorial or managerial personnel to attend our 8 day Initial Training Program in Simi Valley, California approximately 3 to 6 weeks before you begin operation of your Franchised Business. Your Principal Owner is an owner of the Franchised Business who will serve as primary operator of the Franchised Business, serve as your authorized representative, and act as your representative in all matters with us, as your liaison with us and your other owners, and who will have the authority to act on your behalf during the term of your Franchise Agreement without the participation of any other owner. You must arrange and pay for the transportation, meals and lodging of your supervisorial or managerial employees who attend our Initial Training Program. We do not charge a tuition fee for the Initial Training Program; however, you will be responsible for any salaries, meals, lodging, other living expenses and transportation costs incurred by your supervisorial or managerial employees while attending the Initial Training Program. This estimate also includes the pre-opening training salaries for your managers and employees at the Franchised Business.

12. At least 60 days before the opening of your Franchised Business, you must submit a grand opening required plan (**"Grand Opening Plan"**) to us, which outlines your proposal for grand opening marketing and promotion of your Franchised Business. You must obtain our written consent to the Grand Opening Plan before you implement it. You must modify the Grand Opening Plan as we request, and, thereafter, you may not make any substantial changes to the Grand Opening Plan without our advance written consent. You must, during the period beginning 30 days before the scheduled opening of your Franchised Business and continuing for 60 days after your Franchised Business opens for business, spend at least $10,000 to conduct grand opening marketing and promotion according to the Grand Opening Plan we approved. Within 30 days of the Grand Opening for your Franchised Business, you must submit evidence to us of the grand opening expenditures.

13. Initial Franchise Fee is $35,000 for one Franchised Business. Qualified Experienced Movers who wish to finance the Initial Franchise Fee must pay an Initial Franchise Fee of $40,000 which we will finance. The $40,000 Initial Franchise Fee is payable in monthly payments of $100 per month for the first 12 months, then $200 per month until paid in full. The Initial Franchise Fee is described in Item 5 of this Disclosure Document. An Initial Franchise Fee we finance will become all due and payable, if not yet paid in full, on the expiration date or termination date of an Experienced Mover's Franchise Agreement. With this exception, we generally do not provide financing for the Initial Franchise Fee. We may do so if we determine that it is warranted by a unique or compelling situation. Please see Item 10 of this Disclosure Document for further information.

If you sign an Area Development Agreement, you must pay us a Development Fee of $10,000 for each Franchised Business you intend to open and operate under an Area Development Agreement when you sign the Area Development Agreement for 2 to 4 Franchised Businesses. You must also pay us the Initial Franchise

Fee of $35,000 for your first Franchised Business when you sign the Area Development Agreement. You will sign a separate Franchise Agreement for each additional Franchised Business you will open and operate under an Area Development Agreement. When you sign a Franchise Agreement for each additional Franchised Business, you must pay us an Initial Franchise Fee of $35,000 for each additional Franchised Business; however, we will credit $5,000 of your Development Fee against the Initial Franchise Fee for each additional Franchised Business, not to exceed a credit of $5,000 for any single Franchised Business, so you will only have to pay us $30,000 when you sign a Franchise Agreement for each additional Franchised Business.

14. You must, at all times, maintain adequate reserves and working capital sufficient for you to fulfill all of your obligations under your Franchise Agreement and to cover the risks and contingencies of the Franchised Business for at least 3 months. The estimates provided above include estimated employee wages, the costs for 3 months of inventory, rent, financing expenses or lease payments for your trucks, Business Office expenses and other miscellaneous expenses incurred before opening and during the first 3 months of operations. These estimates do not take into account all other recurring monthly operating expenses. These amounts are the minimum recommended levels to cover operating expenses, including employees' salaries for 3 months. However, we cannot guarantee that those amounts will be sufficient. Additional working capital may be required if sales are low or fixed costs are high. The disclosure laws require us to include this estimate of all costs and expenses to operate your Franchised Business during the "**initial phase**" of your business, which is defined as a 3 month period or longer period if "**reasonable for the industry**." We are not aware of any established longer "**reasonable period**" for the residential and commercial moving industry, so our disclosure covers a 3 month period. We make no guarantee, and do not intend to imply, that 3 months is a "break even" point for you to recover your initial investment in your Franchised Business. We make no representation regarding how long it will take you to recover your initial investment or to become profitable.

15. We relied on the experience of our franchisees, if and to the extent that they shared this information with us, and our experience in operating our Company-Owned Businesses in developing these estimates. You should review these estimates carefully with a business advisor before making any decision to purchase the franchise.

16. You will, in most cases, already have computers, office equipment and supplies, licenses, trucks, and moving equipment and hand tools when you convert an existing moving business to a Conversion Franchised Business. If you add junk removal services you may have additional license and permit requirements. You will likely have established your expenses for rent and related occupancy charges for your Business Office which are not included in this item. You will not, in most cases, be required to post additional deposits as part of the conversion process. You will, in most cases, already have insurance coverage in effect for your existing business. If you purchase a Conversion Franchise, you may have to increase your limits on some of your insurance policies and/or purchase additional coverage that you did not carry for your existing moving business if your insurance does not satisfy our standard requirements. You can incur expenses for legal and accounting fees, Initial Franchise Fees, additional trucks and other items related to the conversion of your existing moving business if you purchase a Conversion Franchise.

17. The Initial Investment for your first Franchised Business is taken from the chart above, titled Estimated Initial Investment Single Unit Franchised Business.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Except as described below, you have no obligation to purchase or lease from us or from suppliers approved by us or according to specifications we issue:

Designated Suppliers.

You must purchase all "**Designated Supplies & Equipment**" and "**Skinny Wimp Branded Products**" (as defined below) only from suppliers that we have accepted and approved ("**Designated Suppliers**"), which may include us or an affiliate, because they have demonstrated to us their ability to supply products and services for Franchised Businesses meeting our specifications as to brand names, models, contents, quality, compliance with governmental standards and regulations, reliability with respect to delivery and consistency in the quality of their products or services. Each supplier we approve must comply with our usual and customary requirements regarding insurance, indemnification, and non-disclosure, and satisfy us that it will supply products and services meeting our specifications that we determine are in the best interest of the Skinny Wimp System.

"**Designated Supplies & Equipment**" includes moving trucks, satellite-based global positioning systems, appliance dollies, boxes, box dollies, floor protection, furniture dollies, moving pads, tie-down webbing, tools, clothing and novelty items, some of which may be "**Skinny Wimp Branded Products**". "**Skinny Wimp Branded Products**" are products that bear the Skinny Wimp Marks, and include containers, equipment, uniforms, clothing, accessories and promotional merchandise. You must buy Skinny Wimp Branded Products only from us, the Operating Company or our Designated Suppliers.

We will provide you with our Manuals and various supplemental bulletins and notices that will contain the specifications, standards and restrictions for your purchase of Designated Supplies & Equipment. We will also provide you with a list of Designated Suppliers that we may update from time to time. You must operate your Franchised Business in strict compliance with the standard procedures, policies, rules and regulations contained in the Manuals. We are currently not the only approved Designated Supplier for any products. None of our officers own an interest in any Designated Supplier or approved suppliers other than us and the Operating Company.

Call Center Services and Technology Services.

You must use our "**Call Center Services**" which are the centralized intake and response system we provide for all Skinny Wimp Franchisees. Our Call Center will receive and distribute requests for Skinny Wimp Authorized Services and may respond to calls and emails during business hours and afterhours in certain circumstances and provide other similar services. You must also use our "**Technology Services**" which are the services we provide for the development, maintenance and support of the operating systems, computer hardware and software systems, accounting applications, credit card systems, payroll systems, global positioning systems (GPS), applicant tracking systems (ATS), the Extranet, reply card processors, estimate requests developed by the website, online training programs, telephone systems, email, Internet access and other communication methods, secure websites, networks and other or different components that we may designate and that you must use in the operation of your Franchised Business.

Non-Proprietary Products.

We may designate certain non-proprietary furnishings, equipment, uniforms, supplies, packaging, forms, computer hardware, software, modems and peripheral equipment and other products, supplies, services and equipment for your Franchised Business ("**Non-Proprietary Products**") that you may purchase from any established vendor, including Designated Suppliers. You may use, offer and sell only those Non-Proprietary Products that we expressly authorize. We have the right to limit items to a particular brand or brands.

Computer Equipment.

You must purchase, lease or license all computer hardware and software we designate for your Franchised Business at your expense. You must maintain and update all computer hardware and software as we require.

Rebates.

We may, from time to time, receive rebates from Designated Suppliers based on the aggregate volume of items ordered from the Designated Suppliers by the Operating Company and Skinny Wimp Franchisees. You will not be entitled to receive any portion of these rebates. We do not currently receive rebates based on purchases by franchisees. In addition, we may negotiate certain arrangements (including price terms) for the purchase of supplies from Designated Suppliers. We do not provide material benefits to franchisees (for example, renewal or granting additional franchises) based upon their purchase of particular products or services or use of particular suppliers. There are currently no purchasing or distribution cooperatives for the System. For the fiscal year ended December 31, 2107, we did not receive any rebates from Designated Suppliers, but may do so in the future.

Recommended Suppliers.

If you wish to procure any products or services from a supplier other than us or a Designated Supplier, you must obtain our approval. You must identify the proposed supplier, its name and address and the products or services you desire to purchase from that supplier. We may require you to deliver a sample of their products. Our specifications and standards for supplier approval are generally available upon written request. If product specifications for the item are not in the Manuals, we will furnish the general, but not manufacturing, specifications for the products to you at your request. We may condition our approval on the supplier agreeing in writing not to disclose any confidential information regarding us or our operations, to comply faithfully with our specifications for the products or services it sells, to sell any materials bearing our marks only to our franchisees, or on the supplier demonstrating to our reasonable satisfaction that it is able to supply products or services meeting our specifications on a continuing basis, and that the supplier is, and will continue to be, of good standing in the business community with regard to its financial soundness and the reliability of its products and services. We also have the right to require, as a condition of approval, that our representatives are permitted to inspect a supplier's facilities and that you deliver to us and/or to an independent, certified laboratory designated by us, all information, specifications, and samples that we reasonably designate for testing. You must pay us a fee not to exceed the actual cost of the inspection and the test. In addition to product testing, a facility audit may be required, and you must pay us, in advance, a deposit of up to $1,000, before we begin any inspection. You will be responsible for any additional costs and expenses associated with the inspection of the facility. We will use our good faith efforts to notify you of our decision within 60 days after we receive your request for approval and all requested back-up information. You may not use a supplier unless we notify you of our approval in writing. We have the right to revoke a supplier's approval for failure to comply with our requirements and specifications. We will disapprove or withdraw our approval of any supplier by written notice to you. For the fiscal year ending December 31, ~~2017~~2018, our affiliate Skinny Wimp Call Center, LLC received ~~$129,449.09~~132,447 or 100% of its total revenue of ~~$129,449.09~~132,447 from franchisees in the form of Call Center fees. We derived no other revenue from franchisee's purchases or leases of required products/services from us or from our approved or designated suppliers.

Approximately 20% of your start-up expenses and 20% of your ongoing expenses will be for purchases from Designated Suppliers or purchases according to our specifications.

Insurance.

You must obtain and maintain throughout the term of your Franchise Agreement the types and amounts of insurance we require and you must provide us with proof of coverage and Certificates of Insurance upon demand. At a minimum, your insurance must include (i) commercial general liability insurance coverage in the amount of $1,000,000, per person/per occurrence for bodily injury and property damage combined with a general aggregate of $2,000,000, with products/completed operations coverage with an aggregate limit of $1,000,000, personal and marketing insurance with a limit of $1,000,000, fire damage coverage with a limit for any one fire of $50,000, and medical expense coverage with a limit for any one person of $5,000; (ii) motor moving truck liability coverage, which must include bodily injury and property damage, on all leased, owned, rented or borrowed motor moving trucks having a combined single limit of at least $1,000,000 resulting from each occurrence; additionally, if you are renting moving trucks, the business auto policy must include hired and non- owned liability coverage with a limit of $1,000,000 and hired car physical damage coverage with a limit of at least $75,000 or equal to the value stipulated in a truck/automobile rental agreement; (iii) cargo insurance coverage with a limit of $50,000 per truck, regardless of the size of the truck, in addition to insurance coverage for damage or loss to cargo while it is being moved, coverage while items are being loaded and unloaded or otherwise in your possession; (iv) umbrella policy (covering general liability, automobile and employer's liability) with a limit of $2,000,000; (v) business personal property insurance with a limit of at least $10,000 per Business Office; (vi) employee dishonesty insurance with a limit of at least $10,000, and third-party dishonesty bond insurance with a limit of at least $10,000; (vii) worker's compensation coverage that at least meets the minimum coverage available in the state where your Franchised Business is located, which must be provided as a benefit to your employees whether or not it is required by law;; and (viii) all other insurance coverage required by the applicable law in the state where your Franchised Business is located or that we otherwise require. We have the right to adjust the amounts of coverage required under these policies at any time and may require different or additional kinds of insurance in our business judgment. Also, we have the right to require Skinny Wimp Franchisees that exceed a specified revenue threshold to maintain additional insurance coverage. Optional insurance coverage includes Cyber-Event liability insurance, third-party employee dishonesty coverage, directors' and officers' liability coverage, fiduciary liability coverage, including plan purchaser protection, and third-party discrimination liability coverage.

Each policy must: (i) be written by insurers licensed and admitted to write coverage in the state in which your Franchised Business is located and with a rating of "A" or better as set forth in the most recent edition of Best's Key Rating Guide; (ii) name us and the Operating Company as additional insureds; and (iii) comply with our requirements at the time the policies are obtained. You and your insurers must agree to waive their rights of subrogation against us and you must provide us with evidence of the waiver upon demand. Your obligation to obtain and maintain insurance must not be limited in any way by any insurance that we maintain, nor must your obtaining and maintain this insurance relieve you of liability under the indemnity provisions in your Franchise Agreement. In addition, we have the right to require you to provide or require you to authorize your insurance carriers to provide us with monthly, quarterly, and/or annual reports of losses paid by your carriers on your behalf for losses suffered under your insurance policies and your worker's compensation experience modifications.

If you enter into the Vehicle Lease Agreement attached to the Franchise Agreement as Exhibit E, you must obtain and maintain throughout the term of your Franchise Agreement theft and accident insurance. At a minimum, your insurance must include a minimum combined single limit of $500,000 or separate limits for bodily injury (including personal injury) and death of not less than $100,000 per person and $300,000 per occurrence and property damage of not less than $50,000 or such other minimum limits as required by law in the jurisdiction in which you operate.

Credit Cards.

You are required to honor all credit, charge, courtesy and cash cards we approve. To the extent you store, process, transmit, or otherwise access or possess cardholder data in connection with offering and selling Authorized Skinny Wimp Services, you must maintain the security of cardholder data and adhere to the then-current Payment Card Industry Data Security Standards ("**PCI DSS**"), currently found at www.pcisecuritystandards.org for the protection of cardholder data throughout the term of your Franchise Agreement. You are responsible for the security of cardholder data in the possession or control of any subcontractors you engage to process credit cards. All subcontractors must be identified to and approved by us in writing prior to sharing cardholder data with the subcontractor. You must, if requested to do so by us, provide appropriate documentation to us to demonstrate compliance with applicable PCI DSS requirements by you and all identified subcontractors.

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement 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(s) In Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Article 5 of the Franchise Agreement; Sections 5.1-5.2 of the Area Development Agreement	Items 11 and 12
b. Pre-opening purchases/leases	Article 5 of the Franchise Agreement; Section 5.1 of the Area Development Agreement	Items 6, 7 and 8
c. Site development and other pre-opening requirements	Article 5 of the Franchise Agreement; Sections 2, 5.1-5.2, 5.4 and Exhibits A and B of the Area Development Agreement	Items 7, 8 and 11
d. Initial and ongoing training	Sections 6.1 - 6.4 and 7.25 of the Franchise Agreement	Items 6, 11 and 15
e. Opening	Section 5.2 of the Franchise Agreement	Item 11

Obligation	Section(s) In Agreement	Disclosure Document Item
f. Fees	Sections 4.1 – 4.5, 4.10 and 14.8 of the Franchise Agreement; Sections 4.1 – 4.2, and Exhibit A of the Area Development Agreement; Articles 4 and 17 of the Vehicle Purchase/Lease Agreements	Items 5, 6, and 7
g. Compliance with standards and policies/Manuals	Sections 6.5 and 7 of the Franchise Agreement; Articles 6 and 16 of the Area Development Agreement	Items 11 and 16
h. Trademarks and proprietary information	Article 9 of the Franchise Agreement; Articles7 and 8 of the Area Development Agreement	Items 11, 13, and 14
i. Restrictions on products/services offered	Article 8 of the Franchise Agreement; Section 6.2 of the Area Development Agreement	Items 8 and 16
j. Warranty and customer service requirements	Section 7.12 of the Franchise Agreement	Not Applicable
k. Territorial development and sales quotas	Sections 2.1, 2.3, 2.5, 2.6, and 6.1 of the Area Development Agreement	Item 12
l. Ongoing product/service purchases	Sections 7.6, 8, and 10.5 of the Franchise Agreement	Items 8 and 16
m. Maintenance, appearance and remodeling requirements	Sections 5.1, 7.19 and 7.22 of the Franchise Agreement	Items 7 and 11
n. Insurance	Article 13 of the Franchise Agreement; Article 6 of the Vehicle Lease Agreement	Items 6 and 10
o. Marketing	Article 10 of the Franchise Agreement	Items 6, 11 and 13
p. Indemnification	Section 18.4 of the Franchise Agreement; Section 14.4 of the Area Development Agreement; Article 11 of the Vehicle Lease Agreement	Items 12 and 17
q. Owner's participation/ management/staffing	Section 7.9 of the Franchise Agreement	Item 15
r. Records and reports	Article 12 of the Franchise Agreement	Items 6 and 17
s. Inspections and audits	Section 12.4 of the Franchise Agreement	Items 6 and 17
t. Transfer	Article 14 of the Franchise Agreement; Articles 9 and 10 of the Area Development Agreement	Items 6 and 17
u. Renewal	Article 3 of the Franchise Agreement	Items 6 and 17
v. Post-termination obligations	Article 17 of the Franchise Agreement; Article 12 of the Area Development Agreement	Items 6 and 17

Obligation	Section(s) In Agreement	Disclosure Document Item
w. Non-competition covenants	Article 15 of the Franchise Agreement; Article 13 of the Area Development Agreement; Section 9 of the Vehicle Purchase Agreement; Section 10 of the Vehicle Lease Agreement	Item 17
x. Dispute resolution	Article 19 of the Franchise Agreement; Article 15 of the Area Development Agreement	Item 17
y. Taxes & Permits	Sections 4.5, 7.14, and 7.27 of the Franchise Agreement; Section 8 of the Vehicle Lease Agreement; Section 11 of the Vehicle Purchase Agreement	Items 1, 7, and 11
z. Computer hardware and software	Section 7.7 of the Franchise Agreement;	Items 8 and 11
Other: Security Interest	Section 4.9 and Exhibit H of the Franchise Agreement	Item 10

ITEM 10
FINANCING

If you qualify as an Experienced Mover and wish to finance the Initial Franchise Fee under the Single Territory Program you pay an Initial Franchise Fee of $40,000 which we will finance interest free if as long as all principal payments are timely made. If we offer financing to a qualified Experienced Mover, you pay an Initial Franchise Fee of $40,000, and must sign our form of Promissory Note attached to the Franchise Agreement as Exhibit G and must grant us a security interest in the assets of the Franchised Business under our form of Security Agreement attached to the Franchise Agreement as Exhibit H. A qualified Experienced Mover must own at least a 51% interest in the Franchised Business at all times, must have 3 years of experience in the operation of a residential or commercial moving business within the 3 year period immediately before the date he or she signs the Franchise Agreement and must manage the operation of the Franchised Business at all times. The Initial Franchise Fee is payable in monthly payments of $100 per month for the first 12 months, then $200 per month until paid in full. An Experienced Mover's failure to pay any amounts owed to us when due, including any portion of the $40,000 Initial Franchise Fee that we finance, is a material breach of an Experienced Mover's Franchise Agreement. Additionally, we may charge interest on the unpaid principal balance at the rate of 8% per annum until the default is cured or the Promissory Note is paid in full, whichever occurs first. We have the right to demand immediate payment of the unpaid balance of the Initial Franchise Fee and/or to terminate your Franchise Agreement if you fail to pay all amounts when due in the time prescribed under the Franchise Agreement or Promissory Note. Upon default under the Promissory Note, an Experienced Mover waives presentment for payment, notice of dishonor and protest. The outstanding balance of the Initial Franchise Fee, if not yet paid in full, will become all due and payable on the expiration date or termination date of an Experienced Mover's Franchise Agreement. If we pursue collection of the outstanding balance of the Initial Franchise Fee, we have the right to require you to pay our attorneys' fees and other costs, if any.

If you are a partnership, limited liability company, or corporation, all of your partners, members, or shareholders must personally guarantee payment of the Initial Franchise Fee.

Payment of the Initial Franchise Fee is secured by a security interest in all leasehold improvements, fixtures, furnishings and equipment, inventory, supplies, and moving trucks located at or used in connection with your Franchised Business, whenever acquired, and all accounts, payment intangibles, attachments, accessories, additions, substitutions and replacements, all cash and non-cash proceeds derived from insurance or the disposition of the these assets, all rights to use the Skinny Wimp Marks and other proprietary rights, and all rights granted, owned or licensed to you under your Franchise Agreement for the use of the Skinny Wimp Marks and other proprietary rights. You may prepay the Initial Franchise Fee with no prepayment penalty. Neither we nor any affiliate receives any consideration for placing financing with a lender, should we do so. We do not intend to sell, assign or discount to a third party all or any part of a financing arrangement we provide to you.

Other than described above, we do not offer direct or indirect financing. We will not guarantee your note, lease, or other obligation.

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

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

Before Opening

We have the following obligations to you before you open your Franchised Business for business:

1. **Business Office Site Selection**. We do not prescribe specific standards for the location of your Business Office, the size of your Business Office, the furnishing of your Business Office, or the interior or exterior of your Business Office. You may not operate your Franchised Business from your home. You are solely responsible for selection of your Business Office, which will be subject to our review and acceptance. Upon signing a Franchise Agreement, you must promptly locate a proposed site for your Business Office. We may, without obligation, assist you in locating a proposed site, only after you sign your Franchise Agreement and pay the Initial Franchise Fee. We will provide you with our site criteria that include the factors we consider in accepting Business Office locations, such as general location and neighborhood, traffic patterns, parking, size, physical characteristics of existing buildings and lease terms. You may not construe any assistance we may provide, or our acceptance, as a guarantee or other assurance that the proposed Business Office will be successful. We will notify you in writing whether the proposed site is accepted or rejected as your Business Office within about 15 business days after we receive all of the information we require to evaluate the site. You must open your Franchised Business within 180 days after you sign your Franchise Agreement. We will not unreasonably withhold our consent to your request for additional time to locate your Business Office. (**Franchise Agreement, Sections 5.1 and 5.2**).

2. **Business Office Furnishings**. We will provide you with a copy of our specifications for the furnishings, trade dress and signs for your Business Office. You are responsible for the cost of construction and furnishing your Business Office. The Business Office must be identified by approved signage and be equipped with good quality furniture and furnishings. (**Franchise Agreement, Section 5.1**).

3. **Designated Supplies & Equipment and Designated Suppliers**. We will provide you with our Manuals and various supplemental bulletins and notices that will contain the specifications, standards and restrictions for your purchase of Designated Supplies & Equipment. We will also provide you with a list of

Designated Suppliers that we may update from time to time. (**Franchise Agreement, Sections 8.1, 8.2, 8.3 and 8.4**).

4. **Manuals**. After you sign your Franchise Agreement, we will loan you one copy of or otherwise provide you with access, by hard copy or via the intranet, to our Operations and Training Manuals ("**Manuals**") to use during the term of your Franchise Agreement. The Manuals contain our standard operational procedures, policies, rules, and regulations with which you must comply. We may, from time to time, update or change the Manuals in our sole discretion. (**Franchise Agreement, Section 6.5**). As of December 31, 2018, ~~O~~our Manuals contain ~~15~~ 10 pages. You will be given the opportunity to review the Manuals before you sign your Franchise Agreement. You must operate your Franchised Business in compliance with the terms of your Franchise Agreement and the Manuals. You alone will exercise day-to-day control over all operations, activities and elements of the Franchised Business, including over your employees. Under no circumstance will we do so or be deemed to do so. The various requirements, restrictions, prohibitions, specifications and procedures of the Skinny Wimp System with which you must comply under the Franchise Agreement and the Manuals do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Franchised Business, but only constitute standards to which you must adhere when exercising your control over the day-to-day operations of your Franchised Business consistent with our policies. (**Franchise Agreement, Section 7.1**).

5. **Initial Training Program**. Approximately 3 - 6 weeks prior to the date that you will actually begin to offer Skinny Wimp services, we will provide an Initial Training Program in the Skinny Wimp System and methods of operation (the "**Initial Training Program**") at our training facilities at our corporate office in Southern California for up to 2 supervisorial or managerial personnel that you select who must include your Principal Owner and general manager. We will provide training, instructors, a training manual, and other materials at no charge to you. (**Franchise Agreement, Sections 6.1 and 7.3**).

6. **Franchise Disclosure Document**. If you sign an Area Development Agreement, upon our acceptance of a site for your Business Office, we will give you a copy of our then-current Disclosure Document, if required by applicable law, together with a copy of our then-current Franchise Agreement for the Franchised Business. (**Area Development Agreement, Section 5.3**).

7. **Lease or Purchase of Moving Trucks**. At your option, you may lease or purchase one or more used moving trucks from the Operating Company. If you choose to do so, you will sign a Vehicle Lease Agreement in substantially the form attached to the Franchise Agreement as Exhibit E, or a Vehicle Purchase Agreement in substantially the form attached to the Franchise Agreement as Exhibit F, for each used truck as appropriate. (**Franchise Agreement, Section 8.6**).

Post-Opening Obligations

We have the following obligations to you during the operation of your Franchised Business:

1. **Consultation**. We may provide regular consultation and advice to you in response to inquiries from you regarding administrative and operating issues that you bring to our attention. We may make recommendations that we deem appropriate to assist your efforts. However, you alone will establish all requirements, consistent with our policies, regarding: (i) employment policies, hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees; (ii) the individuals to whom you will offer and sell your products and services; and (iii) the suppliers from whom you obtain any products

or services used in or at the Franchised Business for which we have not established Designated Suppliers. (**Franchise Agreement, Section 6.6**).

2. **Training Programs**. We may provide additional training programs (**"Additional Training Programs"**) and remedial training programs (**"Remedial Training Programs"**) for Skinny Wimp Franchisees. (**Franchise Agreement, Sections 6.2 and 6.3**).

3. **Designated Supplies & Equipment and Designated Suppliers**. We will provide you with our Manuals and various supplemental bulletins and notices that will contain the specifications, standards, and restrictions for your purchase of Designated Supplies & Equipment. We will also provide you with a list of Designated Suppliers that we may update from time to time. (**Franchise Agreement, Sections 8.1, 8.2, 8.3 and 8.4**).

4. **Inspection**. Our authorized representatives may inspect and check your moving jobs, your Business Office, equipment, moving trucks, books, records, tax returns, Department of Transportation driver log records, loss ratios, compliance safety and accountability records and assessments, motor vehicle records, other safety records, and any other records we deem relevant, and confer with you and your customers and supervisorial or managerial employees to determine if your Franchised Business is being operated in accordance with your Franchise Agreement, the Skinny Wimp System, and the Manuals. (**Franchise Agreement, Section 6.7**).

5. **Referrals**. We may distribute referrals and leads that arise from our website or 800 telephone number to all Skinny Wimp Franchisees, including you. If we do so, we have the right to distribute the referrals and leads in any manner and following any procedure that we deem reasonable and appropriate, in our discretion. (**Franchise Agreement, Section 6.8**).

6. **Assignment**. If you choose to sell your Franchised Business, we will train the proposed buyer as a condition to the granting of our consent to the sale. (**Franchise Agreement, Section 14.4.12**).

7. **National Accounts Programs**. We have the right, in our discretion, to establish and maintain a National Accounts Program under which we have the right to enter into arrangements with manufacturers, suppliers, or transport companies to have Skinny Wimp Moving Businesses provide residential and commercial moving services on a national or regional basis. (**Franchise Agreement, Section 2.6**).

8. **Call Center Services**. For the benefit of Skinny Wimp Franchisees, we will operate the centralized intake and response system (the **"Call Center"**) that will receive and distribute requests for Skinny Wimp Authorized Services and may include responses to calls and emails during business hours and afterhours in certain circumstances, and other similar services. (**Franchise Agreement, Section 6.10**).

9. **Technology Services**. We will develop, maintain, and support the operating systems, computer hardware and software systems, accounting applications, credit card systems, payroll systems, global positioning systems (GPS), applicant tracking systems (ATS), extranet, reply card processors, estimate requests developed by our website, online training programs, telephone systems, email, Internet access and other communication methods, secure websites, networks, and other or different components that we designate for use in the Skinny Wimp System. (**Franchise Agreement, Section 6.11**).

10. **~~On~~ On-Site Training and Assistance**. We will provide on-site training and assistance for up to 10 days after you schedule your first move and may provide additional on-site training and assistance for your

first Franchised Business and for any additional Skinny Wimp Moving Businesses that you operate. (**Franchise Agreement, Section 6.4**).

11. **Intranet**. We may establish a Skinny Wimp Intranet for our use and the use and of all Skinny Wimp Franchisees. (**Franchise Agreement, Section 7.20**).

12. **Annual Franchise Conference**. We may hold an Annual Franchise Conference for all Skinny Wimp Franchisees. (**Franchise Agreement, Section 7.25**).

13. **Recommended Suppliers**. We may review the applications of recommended suppliers, test their products, and inspect their facilities if we are asked to approve suppliers recommended to us by Skinny Wimp Franchisees. (**Franchise Agreement, Section 8.2**).

14. **Purchases from Us or our Affiliates**. We and our affiliates may be Designated Suppliers of Designated Supplies & Equipment and/or Skinny Wimp Branded Products. (**Franchise Agreement, Section 8.3**).

15. **Lease or Purchase of Moving Trucks**. At your option, you may lease or purchase one or more used moving trucks from the Operating Company. If you choose to do so, you will sign a Vehicle Lease Agreement in substantially the form attached to the Franchise Agreement as Exhibit E, or a Vehicle Purchase Agreement in substantially the form attached to the Franchise Agreement as Exhibit F, for each used truck as appropriate. (**Franchise Agreement, Section 8.6**).

We have the right to delegate any of our duties and obligations under the Franchise Agreement to a designee, employee, or agent, in our discretion.

Length of Time to Open Your Franchised Business

You must locate your site for your Business Office within 30 days after you sign your Franchise Agreement and must open your Franchised Business for business within 180 days after you sign your Franchise Agreement, unless we agree otherwise. (**Franchise Agreement, Sections 5.1 and 5.2**).

A Franchised Business usually opens for business 180 days after your Franchise Agreement is signed or the site for the Business Office is selected. Factors which may affect the length of time between the signing of your Franchise Agreement and opening for business include the time necessary to: (i) identify a site for your Business Office; (ii) obtain any financing you need; (iii) obtain required permits and governmental agency approvals; (iv) fulfill local, state, and/or federal licensing requirements; (v) complete the improvements to the Business Office, including the installation of equipment, and signs; and (vi) complete the hiring and training of personnel.

You may open a Franchised Business under the Area Development Agreement only by signing a Franchise Agreement for a Franchised Business in your Development Area. As noted above, we estimate the length of time between signing a Franchise Agreement and the opening of your Franchised Business will be 6 months.

Site Selection/Lease/Purchase of Real Estate

We do not prescribe specific standards for the site of your Business Office. You may not operate your Franchised Business from your home. However, if you do not already have a site for your Business Office when you sign your Franchise Agreement, you must acquire a site for your Franchised Business promptly within 30 days after you sign your Franchise Agreement. If we accept a proposed site, we will notify you of our acceptance of the site within about 15 days after you provide us with the information we require. Your lease must not (i) obligate us in any manner, or (ii) contain any provision inconsistent with your Franchise Agreement. You and we must agree on a site and you must open your Franchised Business for business within 180 days after you signing your Franchise Agreement, or we may terminate your Franchise Agreement. **(Franchise Agreement, Sections 5.1, 5.2 and 16.2.14).**

If you are signing a Franchise Agreement under an Area Development Agreement, after you have located a site for your Business Office, you must submit to us for our review and approval, and our then-current standards for Skinny Wimp Moving Businesses will apply. If we accept the proposed site, you must negotiate a lease for the site. (**Area Development Agreement, Section 5.1**). After we approve the site, we will give you execution copies of your Franchise Agreement, together with our current Disclosure Document if required under applicable law. You must return the signed Franchise Agreement to us within 30 days after you receive the Disclosure Document and execution copies of your Franchise Agreement (but no sooner than immediately after any applicable waiting periods required by applicable law have passed). (**Area Development Agreement, Section 5.3**).

You may not open your Franchised Business at the Business Office until you have received our written authorization. (**Franchise Agreement, Section 5.2).**

Computer Equipment and Software

You must purchase a computer whose configuration should be at least as follows: 2.0 GHz Pentium 4 processor, 2 GB RAM, 200 GB hard drive, Recordable CD drive, 10/100 Ethernet NIC, DSL or cable modem, power bar with surge protector, combination laser printer/scanner/fax machine, and a 2 Megapixel digital camera. Minimum software requirements include: Windows 7; antivirus software; Office 2007 Pro, the latest version of Internet Explorer, Adobe Acrobat Reader, QuickBooks (on-line account) and our proprietary software. In addition, you must have a software or hardware firewall for your computer system, as well as a maintenance contract for your computer. You must provide us with your user ID and password for your QuickBooks account. You must use a high speed internet service provider for internet access and a dedicated business e-mail account. In most cases, we will use email to communicate with Skinny Wimp Franchisees. There are no specific contractual obligations limiting the frequency or cost of your obligation to acquire upgrades and updates or to replace obsolete or worn out hardware or equipment. The frequency could be annually or bi-annually; they would be at your cost. We estimate that the initial cost of your computer system will be between $500 and $1,000. We have the right to require that you update, upgrade or replace your computer hardware and software upon written notice, provided that you will not be required to replace the computer equipment any more frequently than once every 3 years. During the term of your Franchise Agreement, you must maintain and update all computer hardware and software as we require. Annual maintenance costs for your computer range from $0 to $200 per year. (**Franchise Agreement, Section 7.7**).

If we develop proprietary software for use by Skinny Wimp Franchisees, you must use the proprietary software in the operation of your Franchised Business and pay us a $200 monthly fee for the use of the proprietary software. Once developed, the monthly fee for the use of the proprietary software will be subject to change by us on 30 days prior written notice to you. Once developed, the software will be used primarily for booking jobs, client management, fee reporting, and other resources for your Franchised Business. We will, periodically, provide maintenance and upgrades for the proprietary software, and the costs for these are included in the Technology Services Fee, but neither we nor our affiliates will provide you with any other updates, upgrades or maintenance for your computer system. All data collected through the use of our proprietary software regarding your moving jobs will become our property and we reserve the right to share reports and performance information of any Skinny Wimp Franchisee with other Skinny Wimp Franchisees for comparison and development. (**Franchise Agreement, Section 7.7**).

Internet

We have registered the Internet domain name www.skinnywimpmoving.com and have established a site using this domain name. You acknowledge that the domain name is our sole property. You may not use in any manner, any computer medium or electronic medium (for example, any Internet home page, e-mail address, website, domain name, URL, bulletin board, newsgroup or other Internet related medium or activity) that contains the Skinny Wimp Marks, or any other words, symbols or terms confusingly similar to the Skinny Wimp Marks without our express prior written consent. We may include on our Internet web site interior pages that identify all Franchised Business, including your Franchised Business. (**Franchise Agreement Sections 10.7 and 10.8)**.

We have the sole right to market on the Internet and use the Skinny Wimp Marks on the Internet, including all use of websites, domain names, URLs, directory addresses, email addresses, metatags, linking, marketing, cobranding and other arrangements, and in all other forms of electronic media. You may not separately register any domain name or any portion of a domain name containing the Skinny Wimp Marks or participate or market on any website or other form of electronic media (including social technology, social media and social networking platforms) using the Skinny Wimp Marks unless you first obtain written approval from us. Your general conduct on the Internet or other forms of electronic media, including your use of the Skinny Wimp Marks or any marketing, is subject to the terms and conditions of the Franchise Agreement and any other rules, requirements or policies that we may identify. (**Franchise Agreement Sections 2.4 and 10.7**).

Intranet

We may, at our option, establish an Intranet through which our franchisees may communicate with each other, and through which we may communicate with you and may disseminate the Manuals, updates and other confidential information to you. If we establish an Intranet, you must establish and maintain an electronic connection with the Intranet that allows us to send messages to and receive messages from you. We will have sole discretion and control over all aspects of the Intranet, including the content and functionality of the Intranet. You will have the privilege, but not the right, to use the Intranet, subject to your compliance with our policies. (**Franchise Agreement Section 7.20**).

Skinny Wimp Marketing Fund

We may establish a Marketing Fund in the future. If we do so, you must pay ~~us a Marketing Fund Fee of~~ 1% of the Gross Revenue to the Marketing Fund (the "**Marketing Fund**") to promote the~~of your Franchised Business.~~ Skinny Wimp Marks and all Skinny Wimp Moving Businesses.

The Marketing Fund ~~will bi~~se administered by us and will be used to meet the costs of conducting marketing and promotional activities. The Marketing Fund may be used to pay the costs of preparing and producing video, audio and written marketing materials employing marketing agencies, sponsorship of sporting, charitable or similar events, administering regional and multi-regional marketing programs including purchasing direct mail and other media marketing, and employing marketing agencies to assist with marketing efforts, supporting public relations, market research and other marketing and promotional activities, campaigns, test marketing, marketing surveys, public relations activities, website development/operation for portal, Internet, Intranet and URL services and for 800 or similar numbers. Company-owned and affiliate owned Skinny Wimp Moving Businesses, including any owned by the Operating Company, may, but are not required to, contribute to the Marketing Fund. If they do, they will not be required to contribute in the same percentage as you and may stop contributing at any time without notice to you. (**Franchise Agreement, Sections 4.3, 4.7 and 10.1**).

In the fiscal year ended December 31, ~~2017~~2018, neither we nor our franchisees contributed to the Marketing Fund.

Once established, the Marketing Fund is intended to maximize general public recognition and acceptance of the Skinny Wimp Marks for the benefit of the Skinny Wimp System. The administrator will not be obligated, in administering the Marketing Fund, to make expenditures for you that are equivalent or proportionate to your contribution, or to ensure that you benefit directly or pro rata from the marketing or promotion conducted under the Marketing Fund. (**Franchise Agreement, Section 10.1.1**). No more than once a year, we will prepare an annual accounting of the Marketing Fund and upon request distribute the accounting to Skinny Wimp Franchisees. The annual accounting will state the total amount of money collected and spent by the Marketing Fund during the previous year and will list, by general category, the manner in which we spent the money. The report will not be separately audited. ~~An unaudited statement of the operations of the Marketing Fund as shown on the books of the Marketing Fund will be prepared annually by the administrator and furnished to you on request.~~ (**Franchise Agreement, Sections 10.1.1 and 10.1.3**).

Your contributions to the Marketing Fund will be held in an account separate from our other funds. Your contributions to the Marketing Fund will not be used to defray any expenses of ours or the administrator's, except for the reasonable costs and overhead, if any, as each may incur, such as the costs of personnel for creating and implementing marketing, promotional and marketing programs. Any unused monies in the Marketing Fund at the end of any year will be used in the next fiscal year. We will not use any money from the Marketing Fund for marketing that is principally a solicitation for the sale of franchises. (**Franchise Agreement, Section 10.1.2**).

Local Marketing

In addition to any marketing fees you are required to pay to us, you must spend $1,300 per month during months 1 through 12 of operations of your Franchised Business and the greater of 5% of Gross Revenue or the sum of $2,000 each month thereafter as your Local Marketing Expenditure. All marketing must meet our specifications in our Manuals. You must submit to us before use, samples of all local marketing materials, and descriptions of all local marketing programs, not prepared or previously approved by us, for our approval. You may not use any marketing material or program or use the Skinny Wimp logo or Skinny Wimp Marks in any public manner without our prior written approval. (**Franchise Agreement, Section 10.2**).

Promotional Campaigns

We may conduct promotional campaigns on a national or regional basis to promote products or marketing themes. You must participate in all promotional campaigns which we may establish for the region in which your Franchised Business is located. (**Franchise Agreement, Section 10.5**).

Marketing Advisory Council

We may periodically establish a Marketing Advisory Council comprised of our representatives, franchisees who have been chosen by us or elected by other franchisees. The Marketing Advisory Council will act solely in an advisory capacity and will not have decision making authority. We have the right to form, change, merge or dissolve any Marketing Advisory Council at any time, in our discretion. (**Franchise Agreement, Section 10.6**).

Cooperative Marketing Program

We may, from time to time, establish programs for co-operative marketing to coordinate marketing, marketing efforts and programs, to assist with collection and expenditure of contributed funds and to maximize efficient media use (a "**Cooperative Marketing Program**") in a "**Marketing Coverage Area**" where your Protected Area is located. If and when we do establish a Cooperative Marketing Program, you and any affiliates of yours will become a member and participate in the Cooperative Marketing Program in the manner we prescribe. You and all franchisees whose franchise agreements require participation in the Cooperative Marketing Program will contribute to the Cooperative Marketing Program the amounts we and 50% or more of the participating franchisees in the Cooperative Marketing Fund determine (not to exceed 2% of the Gross Revenue of each participating Franchised Business located in the Marketing Coverage Area), unless all of the members of the Marketing Coverage Area agree to another contribution amount, subject to our written approval. (**Franchise Agreement, Section 10.3**). Any amounts you contribute to the Cooperative Marketing Program will be credited against your required monthly Local Marketing Expenditure. (**Franchise Agreement, Section 10.3.1**). We will administer the Cooperative Marketing Program and determine the policies, usage of funds for media time, production of materials or any other type of marketing or marketing use. We reserve the right to establish general standards concerning the operation of the Cooperative Marketing Program, marketing agencies retained by the Cooperative Marketing Program, and marketing conducted by the Cooperative Marketing Program. Any disputes (other than pricing) arising among or between us, other Skinny Wimp Franchisees, and/or the Cooperative Marketing Program shall be resolved by us, and our decision shall be final and binding on all parties. (**Franchise Agreement, Section 10.3.2**). We have not yet established a Cooperative Marketing Program, so no governing documents are available for review.

Initial Training Program

We will provide an Initial Training Program in the Skinny Wimp System and methods of operation at our training facilities in our corporate office or company-owned Franchised Business located in Simi Valley, California and/or your Business Office, for up to 2 supervisorial or managerial personnel selected by you who must include your operating principal and general manager. If you send more than 2 supervisorial or managerial employees to the Initial Training Program, you must pay the Additional Initial Training Fee of $2,500 per additional trainee, plus your out of pocket expenses, including food, transportation and lodging. You must attend and complete the Initial Training Program to our satisfaction. If the Franchised Business is the first Franchised Business you will operate, we will provide training, instructors, a training manual, and other materials at no charge to you. The Initial Training Program will consist of approximately 2 - 3 weeks of training that must be completed before your Franchised Business opens for business and up to 10 days after you schedule your first move. You must pay all travel, living, compensation, and other expenses you incur to attend the Initial Training Program. We will not provide the Initial Training Program if you or your affiliate (or an owner of either) currently owns or operates a Skinny Wimp Moving Business or if your Franchise Agreement is executed as a renewal Franchise Agreement. (**Franchise Agreement, Section 6.1**).

If your Principal Owner (i) fails to complete the Initial Training Program within 6 months after your Franchise Agreement is signed; (ii) does not complete the Initial Training Program to our satisfaction; (iii) does not, during the Initial Training Program, appear to possess the skills necessary to properly fulfill and discharge the demands and responsibilities required by the Skinny Wimp System or the Franchise Agreement; or (iv) is not acceptable to become a franchisee of ours for any reason whatsoever, in our discretion, we have the right to terminate this Agreement upon 5 days written notice to you and your Franchise Agreement will be terminated. We will have the right to retain your Initial Franchise Fee. (**Franchise Agreement, Section 6.1**).

INITIAL TRAINING PROGRAM

Subject	Hours Of Classroom Training	Hours Of On-The-Job Training	Location
History and Heritage of The Skinny Wimp Brand	4	8	Simi Valley, CA, and your Business Office
Business Plan	3	3	Simi Valley, CA, and your Business Office
Human Resources	3	3	Simi Valley, CA, and your Business Office
Daily Operations & Forms	4	2	Simi Valley, CA, and your Business Office
Moving: Boxes, Packing the Trucks, Loading, Unloading and Moving Equipment	4	8	Simi Valley, CA, and your Business Office
Training	8	16	Simi Valley, CA, and your Business Office
Marketing/Marketing	2	12	Simi Valley, CA, and your Business Office
Budgeting	2	2	Simi Valley, CA, and your Business Office
Accounting Systems	2	2	Simi Valley, CA, and your Business Office
Sales Procedures	3	6	Simi Valley, CA, and your Business Office
Pricing	2	1	Simi Valley, CA, and your Business Office
Management Procedures	2	2	Simi Valley, CA, and your Business Office
Client Service Procedures	2	2	Simi Valley, CA, and your Business Office
Scheduling Jobs	1	1	Simi Valley, CA, and your Business Office
Franchise Reporting Requirements	3	2	Simi Valley, CA, and your Business Office

Subject	Hours Of Classroom Training	Hours Of On-The-Job Training	Location
Moving Technical Training – Truck Ops, Driver and Manager Training	6	12	Simi Valley, CA, and your Business Office
Total Hours	**51**	**82**	

The primary instructional material for the Initial Training Program will be the Manuals. There will be no additional charge for training material. The Initial Training Program will be provided by our President, Lance Clauson, who has 5 years of experience in the subjects taught and 5 years of experience with the Company. Training will be conducted as often as necessary to ensure that franchisees complete training before their Skinny Wimp Moving Businesses open for business.

Your operating principal and general manager or other supervisorial or managerial personnel must faithfully attend all phases of the Initial Training Program and complete it to our satisfaction, as certified by us in writing. Your or their failure to successfully complete any aspect of the Initial Training Program, as we determine in our sole discretion, constitutes grounds for termination of your Franchise Agreement. (**Franchise Agreement, Section 7.3**). We may allow you to retake the Initial Training Program in our sole discretion. You must pay the travel, lodging, meal and wage expenses for you and your supervisorial and managerial employees to attend any of our training programs.

On-Site Assistance

For your first Franchised Business, we will provide up to 10 days of on-site training and assistance to your operating principal and general manager or other supervisorial or managerial personnel after you schedule your first move at no charge to you. If we provide on-site training for longer than 10 days, we have the right to require you to pay us our then-current daily training fee and/or to reimburse us for our out-of-pocket expenses that we incur to provide the additional days of assistance, including transportation, food and lodging. We will determine who will provide the on-site training and the length of time that on-site training is provided. We have the right to require you to attend remedial or additional assistance and training. (**Franchise Agreement, Section 6.4**).

Additional Training Programs

In our discretion, we may provide you or your Principal Owner and each general manager or other supervisorial or managerial personnel, with additional training programs ("**Additional Training Programs**"). You must pay us our then-current daily fee each of our representatives that provides the Additional Training Programs to defray our direct costs of providing the Additional Training Programs. In addition, you must pay all transportation costs, food, lodging and similar expenses incurred in connection with your or your supervisorial and managerial employees' attendance at the Additional Training Programs. We have the right to require you to attend remedial or additional assistance and training ("**Remedial Training Programs**"). (**Franchise Agreement, Sections 6.2 and 6.3**).

Annual Franchise Conference

We may hold an Annual Franchise Conference for all Skinny Wimp Franchisees each year. The Principal Owner and each general manager must attend the Annual Franchise Conference. You must pay us a $500 Franchise Conference Fee to reimburse us for a portion of the direct costs to provide the Annual Franchise Conference. You must pay the Franchise Conference Fee upon demand no later than 30 days before the date of the Annual Franchise Conference, whether or not you attend the Annual Franchise Conference. (**Franchise Agreement, Section 7.25**).

ITEM 12
TERRITORY

Franchise Agreement

We will grant you a geographic area, referred to as your "**Protected Territory**" We will establish your Protected Territory before we sign your Franchise Agreement and will describe your Protected Territory in your Franchise Agreement. Typical Protected Territories will be geographical territories such as cities, counties and states and other areas defined by boundaries such as streets and highways. We will consider the demographics, population, traffic patterns, potential trade area, and other relevant information when we establish your Protected Territory. Your Protected Territory will generally have a minimum population of at least 400,000 persons as measured using population estimates and statistics prepared by the U.S. Census Bureau or a substitute or successor source of population information we select. We may, however, grant rights to a Protected Territory with fewer than 400,000 persons if we determine that doing so is warranted by a unique or compelling situation. You may face competition from Skinny Wimp Moving Businesses that we or the Operating Company own outside of your Protected Territory and from other moving businesses within and outside of your Protected Territory, which may include locally based, regional and national chains. You may not advertise or solicit business outside of your Protected Area.

Your Business Office must be located within your Protected Territory. We will consider the demographics, population, traffic patterns, potential trade area and other relevant information for a site when we consider a proposed site for your Business Office. You may not relocate your Business Office to any other location without our prior written consent, which will be conditioned on the same factors as we considered when assessing your original Business Office location, and which will not be unreasonably withheld. If we approve any relocation of your Franchised Business, you must pay us a Relocation Fee of $2,500 and de-identify the former location.

Under your Franchise Agreement, as long as you are not in default under any agreement with us or our affiliates, we will not own, operate, sell, or issue a franchise for any other Skinny Wimp Moving Business within your Protected Territory during your Initial Term. You can lose your rights in your Protected Territory under your Franchise Agreement if you do not satisfy our "**Minimum Performance Requirements**" during each year of the term of your Franchise Agreement or if you are otherwise in default under your Franchise Agreement. If you fail to meet the Minimum Performance Requirements during any year during the term of your Franchise Agreement, we have the right, in our discretion, upon 30 days prior written notice to you, to: (i) extend compliance with the Minimum Performance Requirements for that year by one year if, and only if, your failure to meet the Minimum Performance Requirements was your first and only failure to achieve the Minimum Performance Requirements; (ii) reduce the size of your Protected Territory for the balance of the term of your Franchise Agreement, unless your failure results from an event beyond your direct or indirect reasonable control (known as an event of "**Force Majeure**" as defined in your Franchise Agreement); or (iii) terminate your Franchise Agreement, unless your failure results from an event of Force Majeure. (**Franchise Agreement Section 2.3**).

Our "**Minimum Performance Requirements**" are (i) annual Gross Revenue of $400,000 during the first year that your Franchised Business operates in the Protected Territory; (ii) annual Gross Revenue of $550,000 during the second year that your Franchised Business operates in the Protected Territory; (iii) annual Gross Revenue of $650,000 during the third year that your Franchised Business operates in the Protected Territory; and (iv) annual Gross Revenue of $750,000 during the fourth and each subsequent year that your Franchised Business operates in the Protected Territory, plus your performance in the top 85% in Gross Revenue annual growth of all Skinny Wimp Moving Businesses operating in the United States, as we determine. Each "year of operation" will be the 12 month period beginning on the date your Franchised Business opens for business and on each subsequent anniversary that date; however, if your opening date is not the first day of a calendar month, each year of operation will be the 12 month period beginning on the first day of the calendar month immediately following your opening date and on each subsequent anniversary of that date.

We (for ourselves and our affiliates) expressly reserve the right, in our discretion: (i) to originate moves for customers located outside your Protective Territory into locations within your Protected Territory; (ii) to permit other Skinny Wimp Franchisees to park their moving trucks in your Protected Territory on a regular basis if an otherwise appropriate location for parking their moving trucks outside of the Protected Territory cannot, in our business judgment, reasonably be obtained; (iii) to develop, own and operate, and to grant franchises to third parties to open, own and operate, Skinny Wimp Moving Businesses outside of your Protected Area, regardless of their proximity to the Protected Territory; (iv) open, own and operate, and to grant franchises to third parties to open, own and operate any other business other than a Competitive Business, under marks and systems different from the Skinny Wimp Marks and the Skinny Wimp System at any location within and outside of the Protected Territory regardless of their proximity to the Protected Territory; (v) sell or distribute, at retail or wholesale, directly or indirectly, or license others to sell or distribute, Skinny Wimp Branded Products at any location, through the Internet, mail order catalogs, direct mail marketing and through other distribution methods; and (vi) market on the Internet and use the Skinny Wimp Marks on the Internet, including all use of web sites, domain names, URLs, directory addresses, email addresses, metatags, linking, marketing, co-branding and other arrangements, and in all other forms of electronic media. We are not required to pay you any compensation if we exercise any of the rights specified above. (**Franchise Agreement, Sections 2.4 and 2.5**).

National Accounts Programs Under Franchise Agreement

We may, in our discretion, establish and maintain a National Accounts Program under which we may enter into arrangements with manufacturers, suppliers or transport companies to have Skinny Wimp Moving Businesses provide residential and commercial moving services on a national or regional basis. The arrangement may include set fees for each residential and commercial moving jobs, service standards and other rules for participation. As long as you are not in default under your Franchise Agreement, and in our reasonable business judgment, have the appropriate equipment, personnel, resources and training, you will be given the opportunity to accept jobs within your Protected Territory under the requirements of any National Accounts Program that we may implement. You will not be required to accept any job referred to you; however, if you accept a moving job we refer to you, you must abide by all applicable policies and procedures with respect to the National Account Program, including the pricing of jobs and the related fees. You must not otherwise solicit the business of, or provide Skinny Wimp Authorized Services to, any National Account customer in your Protected Territory. (**Franchise Agreement, Section 2.6**).

Adjustment of Protected Territory Under Franchise Agreement

When the term of your Franchise Agreement expires, you will have the right to enter into a new franchise agreement in the then-current form then generally being offered to prospective Skinny Wimp franchise candidates (a "**Renewal Franchise Agreement**") for a renewal term of 5 years. The terms and conditions of the Renewal Franchise Agreement may substantially differ from the terms and conditions of your original Franchise Agreement. The Renewal Franchise Agreement may change the size and/or boundaries of your Protected Territory. In addition, if the population within the Protected Territory has substantially changed since the date you opened for business, as measured using population estimates and statistics prepared by the U.S. Census Bureau or a substitute or successor source of population information we select, we will have the right at the time of renewal to divide the Protected Territory into 2 or more protected territories in the manner that we determine to be reasonable, in our discretion; however, the population in the new protected territory will not be less than 400,000 persons. If we divide the Protected Territory into 2 or more protected territories, you may, without the payment of any additional Initial Franchise Fee to us, purchase the franchise rights to the newly created protected territories under separate then-current Skinny Wimp Franchise Agreements at the time that the Renewal Franchise Agreement is signed if you have fully performed all of your obligations under your Franchise Agreement, any Area Development Agreement and all other agreements binding us and are in good standing.

In addition, if you propose to assign your rights under your Franchise Agreement to a third party buyer, and if the population within the Protected Territory has substantially changed since the date you opened for business, as measured using population estimates and statistics prepared by the U.S. Census Bureau or a substitute or successor source of population information we select, we will have the right at the time of the assignment to divide the Protected Territory into 2 or more protected territories in the manner that we determine to be reasonable, in our discretion; however, the population in the new protected territory will not be less than 400,000 persons. If we divide the Protected Territory into 2 or more protected territories, the third party buyer may, without the payment of any additional Initial Franchise Fee to us, purchase the franchise rights to the newly created protected territories under separate then-current Skinny Wimp Franchise Agreements at the time the assignment occurs.

Area Development Agreement

Under the Area Development Agreement, we grant you the exclusive right to open, own, and operate a specified number of Skinny Wimp Moving Businesses in multiple Protected Territories in a specified Development Area, subject to our approval. The Development Area may be one or more cities, counties, states, or some other defined area. You and we will determine the Development Area, your Protected Territories and the number of Franchised Businesses that you will open and operate on a case-by-case basis before you sign your Area Development Agreement. During the term of the Area Development Agreement, we will not operate or grant a license or franchise to any other person to operate a Skinny Wimp Moving Business in your Development Area.

We (for ourselves and affiliates) expressly reserve the exclusive, unrestricted right, in our sole and absolute discretion, directly and indirectly to: (i) develop, own and operate, and to grant franchises to third parties to open, own and operate, Skinny Wimp Moving Businesses outside of your Protected Area, regardless of their proximity to the Protected Territory; (ii) open, own and operate, and to grant franchises to third parties to open, own and operate any other business other than a Competitive Business, under marks and systems different from the Skinny Wimp Marks and the Skinny Wimp System at any location within and outside of the Protected Territory regardless of their proximity to the Protected Territory; (iii) sell or distribute, at retail or wholesale, directly or indirectly, or license others to sell or distribute, Skinny Wimp Branded Products at any location, through the Internet, mail order catalogs, direct mail marketing and through other distribution methods; and (iv) market on the Internet and use the Skinny Wimp Marks on the Internet, including all use of web sites, domain names, URLs, directory addresses, email addresses, metatags, linking, marketing, co-branding and other arrangements, and in all other forms of electronic media. We are not required to pay you any compensation if we exercise any of the rights specified above.

You do not have the right to acquire additional franchises, options, rights of first refusal or similar rights to acquire additional franchises, although you may apply for the right to operate additional Franchised Business under separate Franchise Agreements.

If you fail to meet any of your obligations under the Area Development Agreement, including the development obligations, or commit a material breach of any Franchise Agreement you sign under the Area Development Agreement, or a material breach of any other agreement between you and us, we have the right to terminate your right to open, own and operate new Skinny Wimp Moving Businesses in the Development Area. The termination of your right to develop Skinny Wimp Moving Businesses in your Development Area, however, will not terminate any rights granted under Franchise Agreements then in effect between you and us, absent a breach of the Franchise Agreement itself. After the expiration of the term of your Area Development Agreement, we have the right to open, own, operate or franchise or license others to operate additional Skinny Wimp Moving Businesses anywhere, without restriction, including in your Development Area, subject only to the territorial rights reserved to you in your individual Franchise Agreements.

<u>National Accounts Programs Under Area Development Agreement</u>

We may, in our discretion, establish and maintain a National Accounts Program under which we may enter into arrangements with manufacturers, suppliers or transport companies to have Skinny Wimp Moving Businesses provide residential and commercial moving services on a national or regional basis. The arrangement may include set fees for each residential and commercial moving jobs, service standards and other rules for participation. As long as you are not in default under your Franchise Agreement and/or your Area Development Agreement, and in our reasonable business judgment, have the appropriate equipment, personnel, resources and training, you will be given the opportunity to accept jobs within your Protected Territory and/or your Development Area under the requirements of any National Accounts Program that we may implement. You will not be required to accept any job referred to you; however, if you accept a moving job we refer to you, you must abide by all applicable policies and procedures with respect to the National Account Program, including the pricing of jobs and the related fees. You must not otherwise solicit the business of, or provide Skinny Wimp Authorized Services to, any National Account customer in your Protected Territory and/or your Development Area.

<u>General</u>

We have not established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark. We describe earlier in this Item 12 what we may do anywhere and at any time.

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

ITEM 13
TRADEMARKS

As our Franchisee, you are licensed to use and display the trade name "**Skinny Wimp**", and the marks using it, during the term of your Franchise Agreement only for the operation of your Franchised Business and the sale of Skinny Wimp Authorized Services. You may not license or sublicense any trademarks, service marks, trade names, logotypes or commercial symbols owned by us or our affiliates. The Operating Company is the owner of all right, title and interest in the Skinny Wimp Marks and has registered the following mark on the Principal Register of the U.S. Patent and Trademark Office ("**USPTO**"):

Mark	Registration Number	Registration Date
SKINNY WIMP MOVING CO. ~~SKINNY WIMP MOVING CO.~~	4,480,628	02/11/2014

We claim common law rights to the trade and service marks we license to you. We will file all required affidavits when they become due, as prescribed by law.

The Operating Company has granted us an exclusive and perpetual license to use the Skinny Wimp Marks. The license does not limit our right to use or license the use of any of the trademarks in any manner material to the franchise. No other agreements are currently in effect which limit our use of the trademarks in any manner material to the franchise. The exclusive license may only be terminated for cause by the Operating Company, but we do not anticipate any issue with your use of the Skinny Wimp Marks because the Operating Company's members are principals of ours. If the license is terminated, you may have to switch to a different trademark, which may increase your expenses. There are no agreements currently in effect or contemplated that would significantly limit our right to use or license the use of the Skinny Wimp Marks in any manner. There are no currently effective material determinations of the Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any opposition or cancellation proceeding, or any pending litigation involving the trade name Skinny Wimp or the licensed marks. We are not aware of any agreements currently in effect that significantly limit our rights to use or license the use of the principal trademarks that are material to the franchise, nor are there any prior superior rights or infringing uses actually known to us that could materially affect your use of the licensed trade name, trademarks, or service marks. We have not, however, conducted an exhaustive search of users of names which may be the same or similar to the Skinny Wimp Marks. We are not aware of anyone other than the Operating Company who is using "**Skinny Wimp**" as a trademark or service mark. There may be similar uses to the Skinny Wimp Marks of which we are unaware, which could arise from prior users.

You must use the trade name Skinny Wimp without any suffix or prefix attached to it to identify your Franchised Business. You are prohibited from using our trade name, trademarks, or service marks as part of any corporate name or using the Skinny Wimp trade name with any prefix, suffix, or other modifying words, terms, designs, or symbols. You are obligated to file a fictitious business name statement and do all other things necessary to prevent the use of the Skinny Wimp Marks by you from diminishing or destroying the legal protection to which they are entitled.

You must notify us of any infringement of, challenge to, or unauthorized use of the licensed name or the Skinny Wimp Marks that comes to your attention, including any claim, suit or demand against you. We may take actions we deem appropriate to protect our name or the Skinny Wimp Marks but we are not obligated by your Franchise Agreement to do so. We have the sole right to control any litigation involving our trade name or the Skinny Wimp Marks and to compromise or settle any claim, in our discretion, at our sole cost and expense, using lawyers of our own choosing, and you must cooperate fully in defending any claim, and you may participate at your own expense in the defense or settlement. You may not make any demand against any alleged infringer, prosecute any claim or settle or compromise any claim by a third party without our prior written consent. You agree in your Franchise Agreement not to contest, directly or indirectly, our ownership, right, title, or interest in the Skinny Wimp Marks, or contest our sole right to register, use, or license others to use those names and the Skinny Wimp Marks.

We have the right to add to, delete, or modify any or all of the Skinny Wimp Marks. You must modify or discontinue the use of the Skinny Wimp Marks, at your expense, if we modify or discontinue it. We will not compensate you if we modify or discontinue the Skinny Wimp Marks.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any rights in or to any patents. There are no pending patent or copyright applications that are material to the franchise. We have no registered copyrights, but we claim copyright protection for the Manuals and all marketing material that may be distributed by us. We will lend you a copy or provide you with access to the Manuals for your confidential use in your Franchised Business. The Manuals may be mailed, e-mailed, made available for download from our website, or franchise internet portal, or otherwise delivered to you. You may not disclose, publish, sell, show, or reproduce the Manuals and you must return the Manuals to us intact upon termination or expiration of your Franchise Agreement or Area Development Agreement.

We regard our trade secrets, specifications and/or formulas and products and System of operating a Franchised Business, and all the information contained in the Manuals, as proprietary information owned by us. You agree, as part of your Franchise Agreement, not to contest our exclusive ownership of the copyrights, Trade Secrets, processes, methods, procedures, formulae, techniques, and other proprietary information to which we claim exclusive rights. You are not given any rights in other trade secrets or proprietary or confidential information developed by us in the future. You must implement any reasonable procedures we may adopt to protect our trade secrets including restrictions on disclosures to your employees and requiring employees who will have access to our trade secrets to sign employment agreements containing non-disclosure and non-competition provisions.

There are no prior superior rights or infringing uses actually known to us that could materially affect your use of the copyrights, trade secrets, processes, methods, procedures, or other proprietary information described above. There are no agreements currently in effect that limit our rights to use or license the above-mentioned copyrights in any manner.

All ideas, concepts, techniques or materials you create while you are a Skinny Wimp Franchisee, whether or not protectable intellectual property, must be promptly disclosed to us and will become our exclusive property and a part of Skinny Wimp franchise system as a work made for hire for us without compensation to you.

The goodwill associated with all phone and fax numbers, email addresses, domain names, social media and other Internet addresses used in operation of the Skinny Wimp Franchised Business is an asset that belongs to us. Upon cancellation, termination or expiration of the Franchise Agreement, you will be deemed to have assigned to us or our designee all right, title and interest in and to these and/or services associated with the same. You must sign the instruments we request to confirm the assignments and transfers to us.

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

You must designate a Principal Owner acceptable to us who will be responsible for the operational decisions of your Franchised Business. Your Principal Owner must devote his or her full time to the Franchised Business and must own at least 51% interest in your equity and voting rights (unless you are a publicly held entity or a wholly-owned subsidiary of a publicly-held entity) when you sign your Franchise Agreement. Under certain circumstances we may waive the requirement that your Principal Owner have a 51% interest in your equity and voting rights. A Qualified Veteran must own at least a 51% interest in the Franchised Business and manage the operation of the Franchised Business at all times. An Experienced Mover must own at least a 51% interest in the Franchised Business at all times, must have 3 years of experience in the operation of a residential or commercial moving business and must manage the operation of the Franchised Business at all times.

You must provide comprehensive initial training programs, additional training programs and remedial training programs for your general managers and other employees and ensure that your Franchised Business is at all times under the direct control of the Principal Owner or a general manager, who has successfully completed our Initial Training Program and other employees fully trained by you. The general manager does not need to have an ownership interest in an entity franchisee. We have the right to require each of your owners and supervisorial or managerial employees who have access to any confidential information to sign a Confidentiality and Non-Disclosure Agreement in a form acceptable to us.

You may not use any affiliates to sell, lease or loan personal property or services to your Franchised Business without our prior written consent. As a condition to obtaining our consent to the use of an affiliate, we have the right to require your affiliates to guarantee your obligations to us by signing a Guarantee in a form we prescribe. All present and future owners of the equity or your voting rights, including spouses (and family members who live in the same household, with the exception of minor children) must execute a written guarantee in a form we prescribe, personally, irrevocably and unconditionally guaranteeing, jointly and severally, with all other guarantors, the full payment and performance of your obligations to us and to our affiliate. Upon each transfer or assignment of your interest in your Franchise Agreement, or other change in your ownership interests, and at any other time we request, these holders must re-execute a written guarantee in a form we prescribe.

All employees you hire or employ at your Franchised Business will be your employees and your employees alone, and will not, for any purpose, be deemed to be our employees or subject to our direct or indirect control, most particularly with respect to any mandated or other insurance coverage, taxes or contributions, or requirements regarding withholdings, levied or fixed by any governmental authority. You will file your own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation insurance payments for your employees and operations. We will not have the power to hire or fire your employees. Our authority under the Franchise Agreement to train your supervisorial or managerial personnel for qualification to perform certain functions at your Franchised Business does not directly or indirectly vest us with the power to hire, fire or control any of your personnel. You and you alone will be solely responsible for all hiring and employment decisions and functions relating to the Franchised Business, including those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision and discipline of employees, regardless of whether you have received advice from us on these subjects or not. Any guidance we may give you regarding employment policies should be considered merely examples. You will be responsible for establishing and implementing your own employment policies, and should do so in consultation with local legal counsel experienced in employment law.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

All Skinny Wimp Authorized Services must be performed strictly in accordance with our methods and standards. You may not provide any Skinny Wimp Authorized Services outside of your Franchised Business. Subject to applicable law, we have the right to establish pricing guidelines for Skinny Wimp Authorized Services and, subject to applicable law, you must comply with, and be bound by, prices that we may recommend, suggest or advertise. There are no limits on our right to make changes to the Skinny Wimp System or to the Skinny Wimp Authorized Services. **"Skinny Wimp Authorized Services"** means residential and commercial local moving services, long distance moving services and other products and services that we designate or require in the Manuals or otherwise, including packing and unpacking, storage services, and junk removal services.

You must provide all Skinny Wimp Authorized Services, except providing junk removal services is currently optional for our franchisees, but we reserve the right to require all franchisees to provide junk removal services in the future.

You may not operate any co-branding system without our prior written consent, which may be withheld unless we recognize the co-branding chain as an approved co-brand for operation with Skinny Wimp Moving Businesses. **"Co-branding"** includes the operation of an independent business, product line or operating system owned or licensed by another franchisor that is featured or incorporated with Skinny Wimp Moving Businesses and is operated in a manner likely to cause the public to perceive that it is related to your Franchised Business. We have the right to require you, on occasion, to test market products and/or services at your Franchised Business. You must cooperate with us in conducting these test marketing programs and must comply with all rules and regulations established by us. There are no limits regarding customers to whom you may provide products and/or services.

You cannot sell Skinny Wimp Branded Products on the Internet.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION
THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and Area Development Agreement. You should read these provisions in the agreements attached to this Disclosure Document.

FRANCHISE AGREEMENT

	Provision	Section in Franchise Agreement (EXHIBIT A)	Summary
a.	Length of the term of the franchise	Section 3.1	5 years.
b.	Renewal or extension of the term	Section 3.2	One 5 year term.
c.	Requirements for Franchisee to renew or extend	Sections 3.3– 3.4	You must notify us you wish to renew no sooner than 12 months before the expiration date of your Franchise Agreement and no later than 7 months before the expiration date of your Franchise Agreement; have complied with your obligations during the term of your Franchise Agreement and have not committed 3 or more material defaults during any 18 month period; at our request, undertake and complete at your expense, the maintenance, renovation, addition, substitution or replacement of all equipment, parts, inventory and supplies to comply with our then-current specifications and standards for new Skinny Wimp Moving Businesses; sign our then-current form of Franchise Agreement that may contain terms and conditions materially different from those in your original Franchise Agreement; satisfy our then-current training requirements; pay a renewal fee; sign a general release (subject to applicable state law) and provide us with a guarantee signed by all equity owners of the franchisee and their spouses (if the franchisee is an entity). The fees payable under your renewal Franchise Agreement will be at the rates then applicable to new Skinny Wimp Franchisees.
d.	Termination by Franchisee	Section 16.10	You may terminate your Franchise Agreement due to our material default which we do not cure within 60 days after our receipt of notice from you detailing the alleged default. If the default cannot be reasonably cured within the 60 day period, we cannot be deemed in default if we commence to cure the Default within 60 days and diligently continue to prosecute the cure to completion.

Provision	Section in Franchise Agreement (EXHIBIT A)	Summary
e. Termination by Franchisor without cause	Not Applicable	Not Applicable
f. Termination by Franchisor with cause	Sections 16.1 – 16.3 and 16.5	We can terminate your Franchise Agreement if you materially default under your Franchise Agreement, any other individual Franchise Agreement, any Area Development Agreement (other than solely for your failure to meet your development obligation), or any other agreement between you and us.
g. "**Cause**" defined – curable defaults	Section 16.3	You have 5 days to cure non-payment of fees and 10 days to cure non-compliance with laws and defaults not listed in Section 16.2.
h. "**Cause**" defined non-curable defaults	Sections 16.1 and 16.2	Non curable defaults include: bankruptcy, foreclosure, and insolvency; abandonment; unapproved transfers; repeated defaults, even if cured; misrepresentations in acquiring your license; health or safety violations; trademark misuse; conviction of a felony; failure, for a period of 10 days after notification of noncompliance, to comply with any state or local law or regulation applicable to the operation of the Franchised Business; knowingly maintaining false books or records or submitting false reports or knowingly underreporting gross sales; materially misusing the Skinny Wimp Marks; making an unauthorized use of the trade secrets or confidential information; failing to purchase appropriate inventory; failure to meet the site selection requirements, enter a Lease or open the Franchised Business within the applicable time periods provided for in your Franchise Agreement; purchasing products from non-approved suppliers; and a breach of your obligations under your Franchise Agreement or any other agreement between you and us that is not capable of being cured by you.
i. Franchisee's obligations on termination/ nonrenewal	Sections 17.1 - 17.5, 17.7 -17.9	You must cease use of our trademarks, de-identify the Franchised Business, pay all amounts due to us, and return the Manuals. You must pay us the sum of 2 multiplied by the total royalty fees paid (or if unpaid, payable) by you during the 12 months immediately preceding the effective date of termination to account for the actual damages that we will suffer as a result of the termination of your Franchise Agreement during the period that we estimate will expire while we search for a replacement franchise. We have the right, at our option, to assume all telephone numbers for the Franchised Business. You must, at our option, cancel or

Provision		Section in Franchise Agreement (EXHIBIT A)	Summary
			assign to us your rights to any Internet websites or webpages or e-mail addresses or assumed, fictitious or corporate names which contain the Skinny Wimp Marks. See also "r" below.
j.	Assignment of contract by Franchisor	Section 14.1	No restriction on our right to assign.
k.	"**Transfer**" by Franchisee - definition	Section 14.2	Includes transfer of your Franchise Agreement or change in ownership of the business entity that owns it.
l.	Franchisor's approval of transfer by Franchisee	Section 14.2	Transfers require our prior written consent, which will not be unreasonably withheld.
m.	Conditions for Franchisor's approval of transfer	Sections 14.2 and 14.4	The proposed transferee must qualify, successfully complete our initial training program, sign our then-current Franchise Agreement (provided, that the term of the new Franchise Agreement will be the remaining term of the existing Franchise Agreement), provide us with a guarantee signed by all equity owners of the proposed franchisee and their spouses (if the proposed franchisee is an entity) and you must be in good standing, sign a general release (subject to applicable state law), sign a guarantee of the transferee's obligations under the new Franchise Agreement in our favor and pay the transfer fee. See also "r" below. If your Franchise Agreement has been signed under an Area Development Agreement, except as described below, you must concurrently assign all other existing Franchise Agreements to the same assignee.
n.	Franchisor's right of first refusal to acquire Franchisee's business	Section 14.3	We can match any offer for your business.
o.	Franchisor's option to purchase Franchisee's business	Section 17.6	When your Franchise Agreement expires or is terminated, we have the option to purchase the assets of the Franchised Business and all of your assets related to the Franchised Business.
p.	Death or disability of Franchisee	Section 14.5	Your spouse, heirs or personal representative have 180 days to purchase your interest or complete an assignment of your interest to a qualified, approved third party, subject to the transfer provisions.

Provision		Section in Franchise Agreement (EXHIBIT A)	Summary
q.	Non-competition covenants during the term of the franchise	Section 15.2	You are prohibited from: (i) diverting any present or prospective Skinny Wimp customer to any competitor, or performing any other act injurious or prejudicial to the goodwill associated with the Skinny Wimp Marks and the Skinny Wimp System, ~~(ii) employing or seeking to employ any person who is or has been within the preceding 30 days employed by us or our affiliate as a supervisorial or managerial employee, or otherwise inducing the person to leave his or her employment,~~ or (iii) owning or having any interest in a business competitive to the Franchised Business.
r.	Non-competition covenants after the franchise is terminated or expires	Section 15.3	For 2 years following the expiration or termination of your Franchise Agreement, you cannot own or have any interest in a competitive business located at the Business Office or within 20 miles of any Skinny Wimp Moving Business or the Business Office. If you violate the post-term covenant not to compete, you must pay us, throughout the 2 year period following the termination, transfer, or expiration of your Franchise Agreement, 8% of the gross revenue from your Competitive Business or any site within 20 miles of any Skinny Wimp Moving Business or the Business Office.
s.	Modification of the agreement	Sections 6.5 and 21.5	The Franchise Agreement can be modified or amended only by written agreement of all of the parties. The Manuals are subject to change at any time. You must comply with any changes set forth in the Manuals.
t.	Integration/ merger clause	Section 21.5	Only the terms of your Franchise Agreement and its attachments are binding (subject to applicable state law). No other representations or promises will be binding. Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. Nothing in your Franchise Agreement or in any related exhibit is intended to disclaim the representations we made in this Disclosure Document.
u.	Dispute resolution by mediation	Section 19.1	~~We~~ Subject to applicable state law, we must first attempt to resolve all disputes by mediation in Ventura County, California, except for certain matters which may be brought in court.
v.	Choice of forum	Section 19.2	All proceedings will be held in Ventura County, California, subject to applicable state law.
w.	Choice of law	Section 19.2	California, subject to the exception provided in Section 19.2 of your Franchise Agreement and applicable state law.

AREA DEVELOPMENT AGREEMENT

Provision	Section in Area Development Agreement (Exhibit B)	Summary
a. Length of the term of the Area Development	Article 3	5 years or the date you sign your Franchise Agreement for the last Franchised Business necessary to satisfy your development obligations, whichever is earlier.
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for Area Developer to renew or extend	Not Applicable	Not Applicable
d. Termination by Area Developer	Not Applicable	Not Applicable. This provision subject to state law.
e. Termination by Franchisor without cause	Not Applicable	Not Applicable
f. Termination by Franchisor with "**cause**"	Section 11.5	We can terminate the Area Development Agreement if you default under your Area Development Agreement, an individual Franchise Agreement, or any other agreement between you or your affiliate and us.
g. "**Cause**" defined - curable defaults	Section 11.3	You have 30 days to cure defaults under your Area Development Agreement and, in the case of a breach or default in the performance of your obligations under any Franchise Agreement or other agreement between you and us, the notice and cure provisions of your Franchise Agreement or other agreement will control.
h. "**Cause**" defined –non-curable defaults	Sections 11.1 and 11.2	Non-curable defaults include: bankruptcy, insolvency; unapproved transfers; failure to meet your development obligations; any breach of the covenants not to compete set forth in Article 15; repeated defaults, even if cured; unapproved transfers; termination of any of your Franchise Agreements; conviction of a felony; disclosure of confidential information; and a breach of your obligations under the Area Development Agreement or any other agreement between you and us that is not capable of being cured by you.
i. Area Developer's obligation on termination/non-renewal	Article 12	You will have no further right to develop or operate additional Franchised Businesses which are not, at the time of termination, the subject of a then-validly existing Franchise Agreement between you and us. You may continue to own and operate all Franchised Businesses under then-validly existing Franchise Agreements.
j. Assignment of contract by Franchisor	Section 9.1	No restrictions on our right to assign.

Provision	Section in Area Development Agreement (Exhibit B)	Summary
k. "**Transfer**" by Area Developer – defined	Section 9.2	Includes transfer of the agreement or changes in ownership of the business entity which owns it. No shares of an Area Developer which is a business entity may be offered for sale through the public offering of securities. Shares may be offered by private offering with our prior written consent.
l. Franchisor's approval of transfer by Area Developer	Section 9.2	Transfers require our prior written consent, which will not be unreasonably withheld.
m. Conditions for Franchisor's approval of transfer	Sections 9.2.1 and 9.4	Except as described below, you may not transfer any Franchise Agreement signed under the Area Development Agreement except with our written consent and a simultaneous assignment of the Area Development Agreement and all of the Franchise Agreements signed under the Area Development Agreement to the same assignee. The proposed buyer must sign our then-current form of Franchise Agreement for each of your Franchised Business then developed or under development. The proposed transferee must qualify as a franchisee and sign our then-current Area Development Agreement and provide us with a guarantee signed by all equity owners of the proposed franchisee and their spouses (if the proposed transferee is an entity) and you must be in good standing, sign a general release (subject to applicable state law), sign a guarantee of the transferee's obligations under new Area Development Agreement and pay the transfer fee. See also "r" below.
n. Franchisor's right of first refusal to acquire Area Developer's business	Section 9.3	We have the right to match any offer to purchase your business.
o. Franchisor's option to purchase Area Developer's business	Not Applicable	Not Applicable
p. Death or disability of Area Developer	Section 9.5	Your spouse, heirs or personal representative have 180 days to purchase your interest or complete an assignment of your interest to a qualified, approved third party, subject to the transfer provisions.
q. Non-competition covenants during the term of the franchise	Section 13.2	You are prohibited from: (i) diverting any present or prospective Skinny Wimp customer to any competitor, or performing any other act injurious or prejudicial to the goodwill associated with the Skinny Wimp Marks and the Skinny Wimp System, ~~(ii) employing or seeking to employ any person who is or has been within the preceding 30 days employed by us or our affiliate as a supervisorial or managerial employee, or otherwise inducing the person to leave his or her employment,~~ or (iii) owning or having any interest in a competitive business to the Franchised Business.

Provision	Section in Area Development Agreement (Exhibit B)	Summary
r. Non-competition covenants after the franchise is terminated or expires	Section 13.3	For 2 years following the expiration or termination of your Area Development Agreement, you cannot own or have any interest in a competitive business at a Business Office, except under another effective Franchise Agreement with us, or any location within a 20 mile radius of any Skinny Wimp Moving Business or a Business Office.
s. Modification of the Area Development Agreement	Section 18.5	The Area Development Agreement can be modified or amended only by written agreement of all of the parties.
t. Integration/merger clause	Section 18.5	Only the terms of the Area Development Agreement and its attachments are binding (subject to applicable state law). No other representations or promises will be binding. Any representations or promises outside of the Disclosure Document and Area Development Agreement may not be enforceable. Nothing in the Area Development Agreement or in any related exhibit is intended to disclaim the representations we made in this Disclosure Document.
u. Dispute resolution by mediation	Section 15.1	~~We~~ Subject to applicable state law, we must first attempt to resolve all disputes by mediation in Ventura County, California, except for certain matters which may be brought in court.
v. Choice of forum	Section 15.2	All proceedings will be held in Ventura County, California, subject to applicable state law.
w. Choice of law	Section 15.2	California, subject to the exception provided in Section 15.2 of the Area Development Agreement and applicable state law.

VEHICLE LEASE OR PURCHASE AGREEMENT

Provision	Section in Vehicle Lease Agreement/ Vehicle Purchase Agreement	Summary
a. Length of the term of the Vehicle Purchase/Lease Agreement	Section 3 of Vehicle Purchase Agreement; Section 2 of Vehicle Lease Agreement	You will make monthly payments until the total of the payments is equal to a fixed amount that will be determined when you execute the Vehicle Purchase Agreement or Vehicle Lease Agreement.
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for Buyer to renew or extend	Not Applicable	Not Applicable
d. Termination by Buyer	Not Applicable	Not Applicable
e. Termination by Seller without cause	Not Applicable	Not Applicable

Provision	Section in Vehicle Lease Agreement/ Vehicle Purchase Agreement	Summary
f. Termination by Seller with **"cause"**	Section 4 of Vehicle Purchase Agreement	If you do not cure a Notice of Default by paying all sums then due and owing within 5 days of the Notice, you shall be deemed in actual default. All sums due us under the Vehicle Purchase Agreement will become immediately due and payable, which we may seek to enforce via any and all legal and equitable remedies, which are cumulative.
g. **"Cause"** defined - curable defaults	Section 4	If any payment to us is not postmarked by the 1st of the month, a late fee of $100 is due, and shall be added to the following month's payment. We have the right to issue a Notice of Default if the fees are not paid by the 10th of any month.
h. **"Cause"** defined –non-curable defaults	Section 4 of Vehicle Purchase Agreement; Section 5 of Vehicle Lease Agreement	Failure to cure a Notice of Default. If you fail to make any payment beyond 10 days following the due date under the Vehicle Lease Agreement, we have the right to repossess the Vehicle. You will be responsible for all legal fees resulting from any legal process necessary for us to recover possession of the Vehicle.
i. Buyer's obligation on termination/non-renewal	Not Applicable	Not Applicable
j. Assignment of contract by Seller	Not Applicable	Not Applicable
k. **"Transfer"** by Buyer – defined	Not Applicable	Not Applicable
l. Seller's approval of transfer by Buyer	Vehicle Purchase Agreement – Not Applicable; Section 9 of Vehicle Lease Agreement	You may not assign the Vehicle Lease Agreement without our prior written consent.
m. Conditions for Seller's approval of transfer	Not Applicable	Not Applicable
n. Seller's right of first refusal to acquire Buyer's Vehicle	Not Applicable	Not Applicable
o. Seller's option to purchase Buyer's Vehicle	Not Applicable	Not Applicable
p. Death or disability of Buyer	Not Applicable	Not Applicable
q. Non-competition covenants during the term of the Vehicle Purchase/Lease Agreement	Section 9 of Vehicle Lease Agreement; Section 10 of Vehicle Purchase Agreement	You will use the Vehicle only for moving business under the Franchise Agreement.

Provision	Section in Vehicle Lease Agreement/ Vehicle Purchase Agreement	Summary
r. Non-competition covenants after the Vehicle Purchase/Lease Agreement is terminated or expires	Section 9	If you do business within the 5 year term of the Franchise Agreement as a mover in a competing business, you will pay us a one-time fee of $50,000 and grant us 50% interest in the competing business.
s. Modification of the Vehicle Purchase/ Lease Agreement	Section 14	The Agreement can be modified or amended only by written agreement of all of the parties.
t. Integration/merger clause	Section 13	Should any portion of the agreements be declared unenforceable, it shall not affect the validity of the remaining portion of the agreements.
u. Dispute resolution by mediation	Sections 15 and 16	~~We~~ Subject to applicable state law, we must first attempt to resolve all disputes by mediation, then by arbitration in Ventura County, California, except for certain matters which may be brought in court.
v. Choice of forum	Section 16	All proceedings will be held in Ventura County, California, subject to applicable state law.
w. Choice of law	Section 19	California, subject to applicable state law.

THIS TABLE LISTS IMPORTANT PROVISIONS IN THE PROMISSORY NOTE IF YOU FINANCE FROM US. YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENT ATTACHED TO THIS DISCLOSURE DOCUMENT.

Provision	Section in Promissory Note	Summary
a. Length of the Note term	Sec. 1	The repayment term varies. You may pay off the Note earlier than its term.
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for franchisee to renew or extend	Not Applicable	Not Applicable
d. Termination by franchisee	Sec. 2	The Note is pre-payable at any time, or from time to time, in whole or in part, without premium or penalty.
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Not Applicable	Not Applicable

Provision		Section in Promissory Note	Summary
g.	"Cause" defined – curable defaults	Sec. 4	Failure to make any payment within 10 days after we give you written notice of default; default under the Franchise Agreement or Area Development Agreement; unauthorized sale or transfer; bankruptcy; or insolvency.
h.	"Cause" defined – non-curable defaults	Not Applicable	Not applicable
i.	Franchisee's obligations on termination/ nonrenewal	Sec.4	You must immediately pay remaining balance.
j.	Assignment of contract by franchisor	Sec. 10	No restrictions on our right to assign.
k.	"Transfer" by franchisee - defined	Not Applicable	Not Applicable
l.	Franchisor approval of transfer by franchisee	Not Applicable	Not Applicable
m.	Conditions for franchisor approval of transfer	Not Applicable	Not Applicable
n.	Franchisor's right of first refusal to acquire franchisee's business	Not Applicable	Not Applicable
o.	Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p.	Death or disability of franchisee	Not Applicable	Not Applicable
q.	Non-competition covenants during the term of the Note	Not Applicable	Not Applicable
r.	Non-competition after the Note is terminated or expires	Not Applicable	Not Applicable
s.	Modification of the Note	Sec. 8	The Note cannot be modified or amended unless both parties agree in writing.
t.	Integration/merger clause	Not Applicable	Not Applicable.
u.	Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable.

Provision	Section in Promissory Note	Summary
v. Choice of forum	Sec. 12	Litigation shall be brought within the State of California in the county in which Franchisor has its principal place of business. See also State Specific Addenda (Exhibit G) attached to this Disclosure Document.
w. Choice of law	Sec. 12	California law applies. See also State Specific Addenda (Exhibit G) attached to this Disclosure Document.
x. Acceleration	Secs. 4, 5	If you fail to timely pay any installment, interest shall begin to accrue on the unpaid principal balance at the rate of 8% per annum. Additionally, if you fail to pay any installment within 10 days after its due date, or if you are in default under any of your other agreements with us, we can accelerate the Note and require you to pay the entire unpaid principal balance plus accrued interest.

THIS TABLE LISTS IMPORTANT PROVISIONS IN THE SECURITY AGREEMENT IF YOU FINANCE FROM US. YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENT ATTACHED TO THIS DISCLOSURE DOCUMENT.

Provision	Section in Security Agreement	Summary
a. Length of the Security Agreement term	Not Applicable	The Security Agreement will remain in effect until all secured obligations have been performed.
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for franchisee to renew or extend	Not Applicable	Not Applicable
d. Termination by franchisee	Not Applicable	Not Applicable
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Not Applicable	Not Applicable
g. "Cause" defined – curable defaults	Sec. 4(a) and 4(b)	Your failure to timely pay within 10 days of due date; default under the Note or Security Agreement and not cured within 10 days.
h. "Cause" defined – non-curable defaults	Sec. 4(c), 4(d) or 4(e)	Unauthorized sale or transfer or disposition of all or substantially all of the assets of your Skinny Wimp Moving Business; bankruptcy; insolvency; any bankruptcy, insolvency, dissolution, liquidation or similar proceeding initiated against you or by you.

	Provision	Section in Security Agreement	Summary
i.	Franchisee's obligations on termination/ nonrenewal	Sec. 4(f)	All secured amounts owed to us are accelerated. You must allow us to foreclose on your assets and enter the premises and immediately surrender collateral for sale.
j.	Assignment of contract by franchisor	Not Applicable	Not Applicable
k.	"Transfer" by franchisee - defined	Not Applicable	Not Applicable
l.	Franchisor approval of transfer by franchisee	Not Applicable	Not Applicable
m.	Conditions for franchisor approval of transfer	Not Applicable	Not Applicable
n.	Franchisor's right of first refusal to acquire franchisee's business	Not Applicable	Not Applicable
o.	Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p.	Death or disability of franchisee	Not Applicable	Not Applicable
q.	Non-competition covenants during the term of the Agreement	Not Applicable	Not Applicable
r.	Non-competition after Agreement terminates or expires	Not Applicable	Not Applicable
s.	Modification of the agreement	Sec. 5(e)	The Security Agreement cannot be modified or amended unless both parties agree in writing.
t.	Integration/merger clause	Sec. 5(f)	Only the terms of the Security Agreement are binding. You can't claim there are any other promises. Nothing in the agreement is intended to disclaim our representations made in the franchise disclosure document.
u.	Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable.

Provision		Section in Security Agreement	Summary
v.	Choice of forum	Sec. 5(a)	Litigation shall be brought in Superior Court of California, County of Ventura, or the United States District Court, of the Central District of California. See also State Specific Addenda (Exhibit B) attached to this Disclosure Document.
w.	Choice of law	Sec. 5(a)	California law applies. See also State Specific Addenda (Exhibit B) attached to this Disclosure Document.

ITEM 18
PUBLIC FIGURES

No compensation or other benefit is given or promised to a public figure for the use of a public figure in the name or symbol of the Franchised Business or the endorsement or recommendation of the Franchised Business by a public figure in advertisements. You do not have the right to use the name of any public figure in promotional efforts or marketing without prior written approval from us. No public figures are involved in the actual management or control of Skinny Wimp Moving Franchise Corporation.

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 of a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Lance Clauson, Skinny Wimp Moving Franchise Corporation, 2470 Stearns Street, #273, Simi Valley, California 93063, Telephone (855) 313-5518, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEM-WIDE OUTLET SUMMARY
FOR FISCAL YEARS ~~2015~~ 2016, ~~to~~ 2017, 2018

Outlet Type	Year	Outlets At The Start Of The Year	Outlets At The End Of The Year	Net Change
Franchised				
	~~2015~~	~~0~~	~~1~~	~~+1~~
	2016	1	6	+5
	2017	6	16	+10
	2018	16	17	+1
Company Owned				
	~~2015~~	4	~~5~~	~~+1~~
	2016	5	3	-2
	2017	3	0	-3
	2018	0	0	0
Total Outlets				
	~~2015~~	4	~~6~~	~~+2~~
	2016	6	9	+3
	2017	9	16	+7
	2018	16	17	+1

TABLE NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
FOR FISCAL YEARS ~~2015~~ 2016, ~~to~~ 2017, 2018

State	Year	Number Of Transfers
None		
	~~2015~~	~~0~~
	2016	0
	2017	0
	2018	0
Total Outlets		
	~~2015~~	~~0~~
	2016	0
	2017	0
	2018	0

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR FISCAL YEARS ~~2015~~ 2016, ~~TO~~ 2017, 2018

State	Year	Outlets At Start Of Year	Outlets Opened	Termina -tions	Non-Renewals	Ceased Operations- Other Reasons	Outlets At End Of The Year
Arizona							
	~~2015~~	~~0~~	~~1~~	~~0~~	~~0~~	~~0~~	~~1~~
	2016	1	0	0	0	0	1
	2017	1	0	0	0	0	1
	2018	1	0	0	0	0	1
California							
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2016	0	0	0	0	0	0
	2017	0	4*	0	0	0	4
	2018	4	0	0	0	0	4
Colorado							
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2016	0	0	0	0	0	0
	2017	0	1	0	0	0	1
	2018	1	0	0	0	0	1
Florida							
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2016	0	1	0	0	0	1
	2017	1	0	0	0	0	1
	2018	1	0	0	0	0	1
Georgia							
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2016	0	0	0	0	0	0
	2017	0	1	0	0	0	1
	2018	1	0	0	0	0	1
Minnesota							
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2016	0	1	0	0	0	1
	2017	1	0	0	0	0	1
	2018	1	0	0	0	0	1
Oregon							
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2016	0	0	0	0	0	0
	2017	0	2	0	0	0	2
	2018	2	0	0	0	0	2
Texas**							
	~~2014~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2016	0	2	0	0	0	2
	2017	2	1	0	0	0	3
	2018	3	1	0	0	0	4

State	Year	Outlets At Start Of Year	Outlets Opened	Termina -tions	Non-Renewals	Ceased Operations-Other Reasons	Outlets At End Of The Year
Utah**							
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2016	0	1	0	0	0	1
	2017	1	0	0	0	0	1
	2018	1	0	0	0	0	1
Washington							
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2016	0	0	0	0	0	0
	2017	0	1	0	0	0	1
	2018	1	0	0	0	0	1
Total Outlets							
	~~2015~~	~~0~~	~~1~~	~~0~~	~~0~~	~~0~~	~~1~~
	2016	1	5	0	0	0	6
	2017	6	10	0	0	0	16
	2018	16	1	0	0	0	17

*3 of the 4 California locations were company owned outlets that were sold to franchisees in 2017.
**The Operating Company owns 50% of the Austin, Texas and Salt Lake City, Utah locations. Max Maier owns the other 50%. These locations are jointly operated by Max Maier and the Operating Company.

TABLE NO. 4
STATUS OF COMPANY OWNED OUTLETS
FOR FISCAL YEARS ~~2015~~-2016, ~~TO~~ 2017, 2018

State	Year	Outlets At Start Of The Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold To Franchisee	Outlets At End Of The Year
Arizona							
	~~2015~~	~~1~~	~~0~~	~~0~~	~~0~~	~~1~~	~~0~~
	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
California							
	~~2015~~	~~3~~	~~1~~	~~0~~	~~0~~	~~0~~	~~4~~
	2016	4	0	0	1	0	3
	2017	3	0	0	0	3	0
	2018	0	0	0	0	0	0
Florida							
	~~2015~~	~~0~~	~~1~~	~~0~~	~~0~~	~~0~~	~~1~~
	2016	1	0	0	0	1	0
	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0

State	Year	Outlets At Start Of The Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold To Franchisee	Outlets At End Of The Year
Total Outlets							
	~~2015~~	4	~~2~~	~~0~~	~~0~~	~~1~~	~~5~~
	2016	5	0	0	1	1	3
	2017	3	0	0	0	3	0
	2018	0	0	0	0	0	0

TABLE NO. 5
PROJECTED OPENINGS AS OF DECEMBER 31, ~~2017~~2018

State	Franchise Agreements Signed But Outlets Not Opened	New Franchised Outlets In The Next Fiscal Year	Projected New Company Owned Outlet In The Next Fiscal Year
Tennessee	~~1~~0	~~1~~1	~~0~~0
Totals	~~1~~0	~~1~~1	~~0~~0

A list setting forth the names of all Skinny Wimp franchisees and the addresses and telephone numbers of all of their Skinny Wimp Franchised Businesses is attached as **Exhibit K**. There are no independent franchisee organizations that have asked to be included in this Disclosure Document. During the last 3 fiscal years, we have not signed confidentiality clauses with current or former franchisees. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

ITEM 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as **Exhibit I** are our audited financial statements as of December 31, ~~2015~~2016, December 31, ~~2016~~ 2017 and December 31, ~~2017~~2018. Our fiscal year end is December 31.

ITEM 22
CONTRACTS

Attached as **Exhibit A** is a copy of our current form of Franchise Agreement.

Attached as **Exhibit B** is a copy of our current form of Area Development Agreement.

Attached as **Exhibit C** is a copy of our current form of Conversion Franchise Addendum.

Attached as **Exhibit D** is a copy of our current form of Confidentiality Agreement for Prospective Franchisees.

Attached as **Exhibit E** is a copy of our current form of Non-Disclosure and Confidentiality Agreement for Employees of Franchisee.

Attached as **Exhibit F** is a copy of our current form of General Release.

Attached as **Exhibit G** is a copy of our current form of State Addenda.

Attached as **Exhibit H** is a copy of our current form of Franchise Compliance Certificate.

ITEM 23
RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear as **Exhibit L**. Please return one copy to us and retain the other for your records.

SKINNY WIMP MOVING FRANCHISE CORPORATION
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT A
FRANCHISE AGREEMENT

SKINNY WIMP MOVING FRANCHISE CORPORATION

FRANCHISE AGREEMENT

SKINNY WIMP MOVING FRANCHISE CORPORATION
FRANCHISE AGREEMENT

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SKINNY WIMP MOVING FRANCHISE CORPORATION
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "**Agreement**") is made and entered into as of ____________ (the "**Effective Date**"), by and between **SKINNY WIMP MOVING FRANCHISE CORPORATION**, a California corporation ("**Franchisor**"), on the one hand, and ______________________, a ____________________________ ("**Franchisee**"), on the other hand, who are individually referred to in this Agreement as a "**Party**", and collectively referred to in this Agreement as "**Parties**", with reference to the following facts:

A. Franchisor has developed the "**Skinny Wimp System**" for the establishment and operation of Skinny Wimp moving businesses ("**Skinny Wimp Moving Businesses**") that offer residential and commercial moving services, including packing and unpacking, and related services and products, including junk removal services to the public under the trade name "**Skinny Wimp**" and other related trademarks, service marks, logos, and commercial symbols (the "**Skinny Wimp Marks**").

B. Franchisee desires to obtain a license and franchise to operate one Skinny Wimp Moving Business (the "**Franchised Business**"), under the Skinny Wimp Marks and in strict accordance with the Skinny Wimp System, and the standards and specifications established by Franchisor, and Franchisor is willing to grant Franchisee such license and franchise under the terms and conditions of this Agreement.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS.

The capitalized terms in this Agreement that are not defined elsewhere in the text of this Agreement are assigned these definitions:

"**Abandon**" means (i) Franchisee's failure, at any time during the Term, to keep the Franchised Business open and operating for business for a period of ten (10) consecutive days, except as provided in the Manuals; (ii) Franchisee's failure to keep the Franchised Business open and operating for any period after which it is not unreasonable under the facts and circumstances for Franchisor to conclude that Franchisee does not intend to continue to operate the Franchised Business, unless the failure to operate is due to Force Majeure (subject to Franchisee's continuing compliance with this Agreement); and (iii) Franchisee's failure to actively and continuously maintain and answer the telephone listed by Franchisee for the Franchised Business solely with the Skinny Wimp name.

"**Additional Initial Training Fee**" means the $2,500 fee that Franchisee must pay Franchisor for each additional trainee if Franchisor provides the Initial Training Program for more than two (2) supervisorial or managerial personnel.

"**Administrative Assessments**" means $100 for Franchisor's services for processing the first violation of a reporting requirement, $200 for Franchisor's services for processing the second violation of a reporting requirement, and $300 for Franchisor's services for processing the third and each subsequent violation of the same reporting requirement, each levied to reimburse Franchisor for its administrative efforts to process Franchisee's reporting violations, and not as a penalty.

"**Affiliate**" or "**Affiliates**" mean any Person or Entity that controls, is controlled by, or is under common control with, a Party to this Agreement. Control of a Person or Entity means the power, direct or indirect, to direct or cause the direction of the management and policies of such Person or Entity whether by contract or otherwise.

"**Applicable Law**" means and includes applicable common law and all statutes, laws, rules, regulations, ordinances, policies and procedures established by any Governmental Authority with jurisdiction over the operation of the Franchised Business that are in effect on or after the Effective Date, as they may be amended from time to time.

"**Business Office**" means the principal place of business of the Franchised Business where Franchisee shall receive and conduct business and keep all of the books and records of the Franchised Business.

"**Call Center**" means the centralized intake and response system operated by Franchisor for the benefit of all Skinny Wimp Franchisees.

"**Call Center Service Fee**" means the monthly fees that Franchisee shall pay Franchisor for the Call Center Services provided by Franchisor equal to six percent (6%) of the Gross Revenue.

"**Call Center Services**" means the receipt and distribution of requests for Skinny Wimp Authorized Services from customers' responses to calls and emails during business hours and afterhours in certain circumstances and other similar services.

"**Charity Moves**" means services provided by Franchisee without compensation to Franchisee to charitable organizations approved in advance and in writing by Franchisor.

"**Co-Branding**" means the operation of an independent business, product line or operating system owned or licensed by another Entity (not Franchisor) that is featured or incorporated within the Franchised Business and operated in a manner likely to cause the public to perceive it as related to the Franchised Business.

"**Commencement Date**" means the day that (i) Franchisee receives written authorization from Franchisor and all applicable Governmental Authorities to commence business operations of the Franchised Business; or (ii) Franchisee actually begins to offer residential and commercial moving services to the public in the Protected Territory, whichever occurs first.

"**Competitive Business**" means any business that offers residential and commercial moving services, including packing and unpacking, and related services and products to the public and any business that looks like, copies, imitates, or operates in a manner similar to the Franchised Business.

"**Constituents**" means past, present and future Affiliates, parents, subsidiaries, divisions, partners, members, trustees, receivers, executors, representatives, administrators, owners, shareholders, distributors, parents, predecessors, officers, directors, agents, managers, principals, employees, insurers, successors, assigns, representatives and attorneys and the past, present and future officers, directors, agents, managers, principals, members, employees, insurers, successors, assigns, representatives and attorneys of each of the foregoing.

"**Conversion Franchisee**" means the Person or Entity named in the first paragraph on Page 1 of this Agreement who is the owner and operator of a Conversion Franchised Business and who desires to convert an existing independent commercial and residential moving business to a Conversion Franchised Business.

"**Conversion Franchise Fee**" means, unless otherwise provided on **Exhibit A**, the $30,000 initial fee that Franchisee shall pay Franchisor for the right to convert an existing independent commercial and residential moving business to a Conversion Franchised Business.

"**Conversion Franchised Business**" means an existing independent commercial and residential moving business that has been owned and operated by Franchisee prior to the Effective Date that Franchisee desires to convert to a Skinny Wimp Moving Business following the Effective Date.

"**CPI**" means the Consumer Price Index (U.S. Average, All Items) maintained by the U.S. Department of Labor or any successor index.

"**Crisis Management Event**" means any event that occurs with respect to the Franchised Business that has or may cause harm or injury to customers or employees, including, without limitation, sabotage, contagious diseases, natural disasters, terrorist acts, shootings or any other circumstance that may damage the Skinny Wimp System, the Skinny Wimp Marks, or the image or reputation of Franchisor and its Affiliates.

"**Default**" means any breach of, or failure to comply with, any of the terms or conditions of an agreement.

"**Designated Suppliers**" means suppliers of Designated Supplies & Equipment who have been accepted and approved by Franchisor because they have demonstrated to Franchisor their ability to supply products and services for Franchised Businesses meeting Franchisor's specifications as to brand names, models, contents, quality, compliance with governmental standards and regulations, reliability with respect to delivery and consistency in the quality of their products or services. Franchisor and its Affiliates may be Designated Suppliers.

"**Designated Supplies & Equipment**" means and includes all equipment, parts, inventory, supplies, insurance, telephones, computer hardware and software, fixtures and signs and other products or services specified by Franchisor as necessary for the operation of Skinny Wimp Moving Businesses that have been accepted and approved by Franchisor and that shall be purchased from Designated Suppliers. As of the Effective Date, Designated Supplies & Equipment include, without limitation, moving trucks, satellite-based global positioning systems, appliance dollies, boxes, box dollies, floor protection, furniture dollies, moving pads, tie-down webbing, tools, clothing and novelty items, any or all of which may be Skinny Wimp Branded Products.

"**Entity**" means any corporation, company, limited liability company, joint venture, association, trust, general partnership, limited partnership, proprietorship, or other business organization or other entity which is not an individual. If Franchisee is an Entity, the Entity shall conduct no business other than the operation of the Franchised Business.

"**Equity**" means capital stock, membership interests, partnership rights or other equity ownership interests of an Entity.

"**Experienced Mover**" means a person who has three (3) years of experience in the operation of a residential or commercial moving business within the three (3) year period immediately before the date he or she signs the Franchise Agreement.

"**Expiration Date**" means the fifth anniversary of the ~~Commencement~~ Effective Date.

"**Force Majeure**" means any event that: (i) was reasonably unforeseeable as of the Effective Date; (ii) is beyond the reasonable control, directly or indirectly, of a Party; (iii) could not reasonably have been prevented or avoided by that Party with the exercise of reasonable efforts and due diligence; (iv) does not result from the fault or negligence of that Party or its agents, employees or contractors; and (v) causes performance by that Party to be delayed, in whole or in part, or unable to partially or wholly perform its obligations under this Agreement. Subject to the satisfaction of the foregoing criteria, "**Force Majeure**" includes (a) acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophes); (b) strikes, lockouts or other industrial disturbances; (c) war, terrorist acts, riot, or other civil disturbances; (d) unilateral governmental action affecting or restricting residential and commercial moving businesses generally; and (e) epidemics, transportation shortages, inadequate supply of labor, material or energy.

"**Franchisee**" means the Person or Entity named in the first paragraph on Page 1 of this Agreement and its Affiliates.

"**Franchisee Conference Fee**" means the fee Franchisee shall pay Franchisor towards the cost of each Annual Franchise Conference held by Franchisor in the sum of $500.

"**General Manager**" means an individual, acceptable to Franchisor, who is responsible for overseeing the operation of the Franchised Business in the absence of the Principal Owner.

"**General Release**" means the form of general release prescribed by Franchisor of any and all known and unknown obligations, liabilities, demands, costs, expenses, damages, claims, actions and causes of action, of whatever nature, character or description, against Franchisor and its Constituents. A General Release will cover future consequences of acts, omissions events and circumstances predating the date of the General Release, but will not release, in advance, future acts, omissions or events which have not occurred at the time the General Release is executed.

"**Good Standing**" means Franchisee is in substantial compliance with the material requirements of this Agreement, the Manuals, and all other agreements then in effect between Franchisor, or its Affiliates, and Franchisee, and has substantially cured each curable Default for which Franchisor has issued a Notice of Default to Franchisee within the time periods set forth in Article 16.

"**Governmental Authority**" means all Federal, state, county, municipal and local governmental and quasi-governmental agencies, commissions and authorities.

"**Gross Revenue**" means the total of all revenues derived from sales of products or services of any nature or kind whatsoever arising from the operation of the Franchised Business during the Term, as well as the proceeds from any business interruption insurance related to the non-operation of the Franchised Business, and whether evidenced by cash, services, property, barter, or other means of exchange, and whether or not payment is received at the time of sale or if any revenues become uncollectible, and includes, without limitation (i) the sale of products and/or services by Franchisee or third-parties selling products and/or services on Franchisee's behalf that are sold or required to be sold under the terms of this Agreement, no matter from what location or business the sales are generated; (ii) the proceeds from any business interruption insurance and/or damages or settlement amounts received by Franchisee for lost revenue of the Franchised Business; (iii) all revenue generated from commissions, rebates, or affiliated programs; and (iv) except for Charity Moves, the value of any products and/or services provided by Franchisee without compensation to Franchisee in an amount equal to the price that Franchisee would normally charge customers for those products and/or services. "**Gross Revenue**" shall exclude (a) the amount of bona fide refunds paid to customers; (b) the amount of any sales or use taxes actually paid by Franchisee to any Governmental Authority; (c) any price adjustments or set offs made by Franchisee without the prior written consent of Franchisor; (d) any discounts given by Franchisee to its customers unless the discount is based on a standard discount program previously approved in writing by Franchisor; and (e) the value of any Charity Moves.

"**Initial Franchise Fee**" means, unless otherwise provided on **Exhibit A**, the $35,000 initial fee that Franchisee shall pay Franchisor for the right to operate the Franchised Business under this Agreement.

"**Local Marketing Expenditure**" means the amount that Franchisee must spend on local marketing and promotion of the Franchised Business each month during the Term as set forth on **Exhibit A**.

"**Manuals**" means Franchisor's Operations Manual, which may consist of one or more manuals, and any other written directives related to the Skinny Wimp System, as they may be amended, issued and revised from time to time, including all bulletins, supplements, and ancillary and additional manuals and written directives established by Franchisor as in effect and amended from time to time.

"**Marketing Fees**" means the monthly fees that Franchisee shall pay the Marketing Fund in an amount equal to one percent (1%) of the Gross Revenue of the Franchised Business.

"**Marketing Fund**" means a national or regional fund administered by Franchisor or its designee and used to meet the costs of conducting marketing and promotional activities for all Skinny Wimp Moving Businesses, including the Franchised Business.

"**Minimum Performance Requirements**" means (i) annual Gross Revenue of $400,000 during the first year that the Franchised Business operates in the Protected Territory; (ii) annual Gross Revenue of $550,000 during the second year that the Franchised Business operates in the Protected Territory; (iii) annual Gross Revenue of $650,000 during the third year that the Franchised Business operates in the Protected Territory; and (iv) annual Gross Revenue of $750,000 during the fourth and each subsequent year that the Franchised Business operates in the Protected Territory, plus performance by Franchisee in the top eighty-five percent (85%) in Gross Revenue annual growth of all Skinny Wimp Moving Businesses operating in the United States, as determined by Franchisor. Each year of operation shall be the twelve (12) month period beginning on the Commencement Date and on each subsequent anniversary of the Commencement Date; however, if the Commencement Date is not the first day of a calendar month, each year of operation shall be the twelve (12) month period beginning on the first day of the calendar month immediately following the Commencement Date and on each subsequent anniversary of that date.

"**Owner**" means each of the persons listed on **Exhibit B** and any additional Person who has direct, indirect, legal, or beneficial Equity interests or voting rights in Franchisee, including, without limitation, any Person who has the power to vest in himself any legal or equitable interest, in the revenue, profits, rights or assets of the Franchised Business. If Franchisee is an Entity, each Owner and each Owner's spouse shall jointly and severally guarantee Franchisee's performance of its obligations in this Agreement under a Guarantee in the form of **Exhibit C**.

"**Person**" means any natural person or Entity.

"**Principal Owner**" means the Person designated by Franchisee on **Exhibit B**, and accepted by Franchisor, to serve as primary operator of the Franchised Business, to serve as the authorized representative of Franchisee, who shall own at least a fifty-one percent (51%) interest in the Franchised Business , shall act as Franchisee's representative in all matters with Franchisor, as Franchisee's liaison with Franchisor and the Owners, and shall have the authority to act on behalf of Franchisee during the Term without the participation of any other Owner.

"**Protected Territory**" means the geographic area described on **Exhibit A** in which Franchisee shall operate the Franchised Business under this Agreement.

"**Recommended Supplier Fee**" means the $1,000 fee that Franchisee must pay Franchisor to review and inspect a Recommended Supplier and the facilities of a Recommended Supplier upon request by Franchisee.

"**Recommended Suppliers**" means suppliers of products and services other than Designated Suppliers who are recommended to Franchisor by Franchisee.

"**Re-Inspection Fee**" means the $500 fee that Franchisee must pay Franchisor for each re-inspection of the Franchised Business if any inspection indicates any deficiency or unsatisfactory condition which requires a re-inspection within a period of thirty (30) days.

"**Relocation Fee**" means the $2,500 fee that Franchisee must pay Franchisor if Franchisee requests Franchisor to consent to a relocation of the Business Office.

"**Renewal Fee**" means the $10,000 fee that Franchisee must pay Franchisor to extend the Term for the Renewal Term..

"**Renewal Right**" means the right held by Franchisee to renew this Agreement for the Renewal Term upon the expiration of the Term.

"**Renewal Term**" means one five (5) year period beginning on the Expiration Date and ending on the Renewal Term Expiration Date.

"**Renewal Term Expiration Date**" means the fifth anniversary of the commencement date of the Renewal Term.

"**Restricted Persons**" means Franchisee, and each of its Owners and Affiliates, and the respective officers, directors, managers and Affiliates of each of them, and the spouse of each of the foregoing who are individuals.

"**Royalty Fees**" means the monthly royalty fees that Franchisee shall pay Franchisor as provided on **Exhibit A**.

"**Skinny Wimp Authorized Services**" means residential and commercial local moving services, long distance moving services and other products and services that Franchisor designates or requires in the Manuals or otherwise, including packing and unpacking, storage services, and junk removal services. Providing junk removal services is currently optional for Skinny Wimp franchisees, but Franchisor reserves the right to require Franchisee to provide junk removal services in the future.

"**Skinny Wimp Branded Products**" means all products that bear the Skinny Wimp Marks, such as containers, equipment, uniforms, clothing, accessories and promotional merchandise.

"**Skinny Wimp Franchise Agreements**" means Franchise Agreements between Franchisor and Franchisee and/or between Franchisor and other Skinny Wimp Franchisees for Skinny Wimp Moving Businesses other than the Franchised Business, including all exhibits, riders, guarantees or other related instruments, all as amended from time to time.

"**Skinny Wimp Franchisees**" means third parties who enter into Skinny Wimp Franchise Agreements with Franchisor to open, own and operate Skinny Wimp Moving Businesses.

"**Skinny Wimp System**" means the operating methods and business practices related to Skinny Wimp Moving Businesses, the relationship between Franchisor and Skinny Wimp Franchisees, specifications for Designated Supplies & Equipment and Designated Suppliers, the Technology Services and other products and services necessary for the development and operation of Franchised Businesses, Franchisor specified pricing and promotions, restrictions on ownership, standard operating and administrative procedures, management and technical training programs, marketing and public relations programs and Franchisor's website, all as Franchisor may modify from time to time.

"**Taxes**" means any present or future taxes, levies, imposts, duties or other charges of whatsoever nature, any interest or penalties thereon, imposed by any Governmental Authority on or relating to the operation of the Franchised Business, the licensing of intangible property, the payment of monies, or the exercise of rights granted pursuant to this Agreement, except taxes imposed on, or measured solely by Franchisor's income.

"**Technology Services Fees**" means the monthly fees that Franchisee shall pay Franchisor for the Technology Services provided by Franchisor which, unless otherwise provided on **Exhibit A**, shall be equal to the greater of one percent (1%) of the Gross Revenue of the Franchised Business or $500 per month, which shall be subject to adjustment by Franchisor upon sixty (60) days prior written notice to Franchisee if Franchisor's costs to provide the Technology Services increase during the Term.

"**Technology Services**" means the development, maintenance and support of the operating systems, computer hardware and software systems, accounting applications, credit card systems, payroll systems, global positioning systems (GPS), applicant tracking systems (ATS), the Extranet, reply card processors, estimate requests developed by the website, online training programs, telephone systems, email, Internet access and other communication methods, secure websites, networks, and other or different components that may be designated by Franchisor from time to time.

"**Term**" means the five (5) year period beginning on the ~~Commencement~~ Effective Date and ending on the Expiration Date.

"**Then-Current**" means either: (i) the form of document then-currently provided by Franchisor to similarly situated prospective Skinny Wimp Franchisees which may contain terms and conditions that are materially different from this Agreement, or if not then being so provided, then a form of document selected by Franchisor in its discretion which previously has been delivered to and executed by a Skinny Wimp Franchisee; or (ii) as the context of this Agreement indicates, the amount of fees then charged by Franchisor for services provided by Franchisor.

"**Transfer Fee**" means the $10,000 fee that Franchisee must pay Franchisor as a condition precedent to an Assignment of this Agreement. At Franchisor's option, this fee is subject to adjustment each year during the Term by an amount equal to the change in the CPI as compared to the preceding year.

2. **GRANT.**

2.1. **Grant**. Franchisor hereby awards Franchisee, and Franchisee hereby accepts, the right, license and obligation, during the Term, to use and display the Skinny Wimp Marks and to use the Skinny Wimp System to continuously operate one (1) Franchised Business within, and only within, the Protected Territory upon the terms and subject to the provisions of this Agreement and all ancillary documents binding Franchisor and Franchisee. Franchisee shall not sublicense, sublease, subcontract, enter any management agreement, share, divide or partition the rights and obligations granted to Franchisee under this Agreement or to use the Skinny Wimp Marks or the Skinny Wimp System in the manner set forth in this Agreement. Franchisee's rights in the Protected Territory may be extended, reduced or terminated by Franchisor if Franchisees fails to meet the Minimum Performance Requirements set forth in Section 2.3.

2.2. **Protected Territory**. Except as provided in Section 2.3, during the Term, and provided that Franchisee is not in Default of this Agreement or any other agreement between Franchisor or its Affiliates and Franchisee, Franchisor shall not own, operate, sell or issue any license that would permit any other Skinny Wimp Moving Business to operate within the Protected Territory. Any approval or assistance furnished by Franchisor in selecting and/or approving the Protected Territory is not, and shall not be deemed to be, a guarantee or assurance by Franchisor that the Franchised Business shall be profitable or successful. Except as provided in Section 2.3, during the Term, and provided that Franchisee is not in Default of this Agreement or any other agreement between Franchisor or its Affiliates and Franchisee and is in Good Standing, Franchisor shall not own, operate, sell or issue a franchise for any other Franchised Business within the Protected Territory. The license granted to Franchisee under this Agreement is nonexclusive, and except as provided in this Section 2.2, Franchisee shall have no other territorial or protective rights. Franchisee shall not obtain, maintain or use any office, branch office, referral office or any other permanent or temporary office or location outside the Protected Territory.

2.3. **Minimum Performance Requirements**. Franchisee must achieve the Minimum Performance Requirements during each year of the Term. If Franchisee fails to meet the Minimum Performance Requirements during any year during the Term, Franchisor may, in its sole discretion, upon thirty (30) days prior written notice to Franchisee (i) extend compliance of the Minimum Performance Requirement for that year by one year if, and only if, the failure by Franchisee to meet the Minimum Performance Requirement was the first and only failure by Franchisee to achieve the Minimum Performance Requirements during the Term; (ii) reduce the size of the Protected Territory for the balance of the Term, unless the failure results from an event of Force Majeure; or (iii) terminate this Agreement, unless the failure results from an event of Force Majeure.

2.4. **Rights Reserved by Franchisor**. Franchisor and its Affiliates expressly reserve all other rights with respect to the Skinny Wimp System, the Skinny Wimp Marks and Skinny Wimp Moving Businesses, including the exclusive right, in their discretion, directly or indirectly, without paying Franchisee any compensation or granting Franchisee any rights in the same (i) to open, own and operate, and to grant franchises to third parties to open, own and operate, Skinny Wimp Moving Businesses outside of the Protected Territory, regardless of their proximity to the Protected Territory; (ii) to open, own and operate, and to grant franchises to third parties to open, own and operate any other business other than a Competitive Business, under marks and systems different from the Skinny Wimp Marks and the Skinny Wimp System at any location within and outside of the Protected Territory regardless of their proximity to the Protected Territory; (iii) to sell or distribute, at retail or wholesale, directly or indirectly, or license others to sell or distribute, Skinny Wimp Branded Products at any location, within and outside of the Protected Territory, through the Internet, mail order catalogs, direct mail marketing and through other distribution methods; and (iv) to market on the Internet and use the Skinny Wimp Marks on the Internet, including all use of websites, domain names, URLs, directory addresses, email addresses, metatags, linking, marketing, co-branding and other arrangements, and in all other forms of electronic media.

2.5. **Exceptions**. Franchisee acknowledges and agrees that notwithstanding the provisions of Section 2.1, Franchisor and its Affiliates and other Skinny Wimp Franchisees shall have the right to, and may, originate moves for customers located outside of the Protected Territory into locations within the Protected Territory. Franchisee further acknowledges and agrees that notwithstanding the provisions of Section 2.2, Franchisor shall have the right to permit other Skinny Wimp Franchisees to park their moving trucks in the Protected Territory on a regular basis if an otherwise appropriate location for parking their moving trucks outside of the Protected Territory cannot, in Franchisor's business judgment, reasonably be obtained. If Franchisor permits other Skinny Wimp Franchisees to park their moving trucks in the Protected Territory, Franchisor shall forbid the other Skinny Wimp Franchisees from marketing their business locations or their telephone numbers on their moving trucks with other than an "800" telephone number common to all Skinny Wimp Franchisees, unless otherwise required by Applicable Law.

2.6. **National Accounts Programs**. Franchisor may, in its discretion, establish and maintain a National Accounts Program under which Franchisor may enter into arrangements with manufacturers, suppliers or transport companies to have the Skinny Wimp franchise system provide residential and commercial moving services on a national or regional basis. The arrangement may include set fees for each residential and commercial moving job and service standards, and other rules for participation. As long as Franchisee is not in Default under this Agreement and, in Franchisor's reasonable business judgment, has the appropriate equipment, personnel, resources and training, Franchisee shall be given the opportunity to accept jobs within the Protected Territory pursuant to the requirements of any National Accounts Program that Franchisor may implement. Franchisee shall not be required to accept any job referred to Franchisee under this Section 2.6; provided, however, that if Franchisee accepts a job referred by Franchisor, Franchisee shall abide by all applicable policies and procedures with respect to the National Account Program, including the pricing of jobs and any fees related thereto. Franchisee shall not otherwise solicit the business of, or provide Skinny Wimp Authorized Services to, any National Account customer in the Protected Territory. Franchisor may require Franchisee to pay Franchisor an administrative fee for its management of a National Accounts Program, on the fifteenth day of each month on the Gross Revenue Franchisee receives from a National

Account during the preceding calendar month, without deduction, abatement or offset, not to exceed four percent (4%) of the Gross Revenue derived by Franchisee from a National Account Program customer.

2.7. **Conversion Franchised Business**. If the Franchised Business is a Conversion Franchised Business, Franchisor and Conversion Franchisee shall execute an Addendum to this Agreement on the Effective Date with regard to the ownership and operation of the Conversion Franchised Business following the Effective Date.

3. TERM AND RENEWAL.

3.1. **Term**. The Term shall commence on the Effective Date and shall expire on the Expiration Date. If Franchisee does not elect to renew the Term under Section 3.2, this Agreement shall expire on the Expiration Date. If Franchisee desires to exercise the Renewal Right, Franchisee shall, no sooner than twelve (12) months before the Expiration Date and no later than seven (7) months before the Expiration Date, notify Franchisor in writing (the "**Renewal Notice**") that Franchisee desires to extend the Term for the duration of the Renewal Term. If Franchisee exercises the Renewal Right, this Agreement shall terminate on the Renewal Term Expiration Date. This Agreement is not otherwise renewable.

3.2. **Renewal Right; Rights of Franchisor**. Upon the expiration of the Term, Franchisee shall have the right (the "**Renewal Right**") to enter into a new franchise agreement in the Then-Current form then generally being offered to prospective Skinny Wimp franchise candidates (the "**Renewal Franchise Agreement**") for the Renewal Term, the terms and conditions of which may substantially differ from the terms and conditions of this Agreement. The Renewal Franchise Agreement may change the size and/or boundaries of the Protected Territory. In addition, if the population of the Protected Territory has substantially changed since the Commencement Date, as measured using population estimates and statistics prepared by the U.S. Census Bureau or a substitute or successor source of population information selected by Franchisor, Franchisor shall have the right at the time of renewal to divide the Protected Territory into two (2) or more protected territories in the manner that Franchisor determines to be reasonable, in its sole discretion; provided, however, that the population in the new Protected Territory shall not be less than 400,000 persons. In that event, and provided that Franchisee shall have fully performed all of its obligations under this Agreement, any Area Development Agreement and all other agreements binding Franchisor and Franchisee and shall be in Good Standing, Franchisee may, without payment of any additional initial franchise fee to Franchisor, purchase the franchise rights to the newly created protected territories under separate Then-Current Skinny Wimp Franchise Agreements at the time that the Renewal Franchise Agreement is executed by the Parties.

3.3. **Conditions to Renewal**. The Term may be renewed by Franchisee only if all of the following conditions precedent are satisfied prior to the Expiration Date: (i) Franchisee shall have fully performed all of its obligations under this Agreement, any Area Development Agreement and all other agreements binding Franchisor and Franchisee and shall be in Good Standing on the date of the Renewal Notice, on the date of Franchisor's execution of the Renewal Franchise Agreement and on the Expiration Date; (ii) Franchisee shall, prior to the commencement date of the Renewal Term, undertake and complete at its expense, the maintenance, renovation, addition, substitution or replacement of all equipment, parts, inventory and supplies to comply with Franchisor's Then-Current specifications and standards for new Skinny Wimp Moving Businesses; (iii) Franchisee shall not have committed three (3) or more material Defaults during any eighteen (18) month period during the Term which were subject to notices of Default issued by Franchisor, whether or not the Defaults were cured; (iv) Franchisee shall continue to comply with the terms and conditions of this Agreement; (v) Franchisee shall have satisfied Franchisor's Then-Current qualifications and training requirements; (vi) Franchisee and the Owners shall have executed and delivered to Franchisor a General Release; (vii) if Franchisee is an Entity, each Owner and each Owner's spouse of Franchisee shall have executed and delivered to Franchisor a personal guarantee, in a form satisfactory to Franchisor, jointly and severally guaranteeing Franchisee's performance of its obligations under the Renewal Franchise Agreement; (viii) Franchisee shall have paid Franchisor the Renewal Fee in lieu of an Initial Franchise Fee when Franchisee issues the Renewal Notice to Franchisor; and (ix) Franchisee shall have executed the Renewal Franchise Agreement and delivered it to Franchisor.

3.4. **Renewal Procedures**. Following the expiration of any waiting periods required by Applicable Law and no more than thirty (30) days after Franchisee receives Franchisor's Franchise Disclosure Document, if applicable, and the execution copies of the Renewal Franchise Agreement, Franchisee shall execute the copies of the Renewal Franchise Agreement and return them to Franchisor. If Franchisee has exercised the Renewal Right in accordance with Section 3.2 and satisfied all of the conditions in Section 3.3 and in this Section 3.4, Franchisor shall execute the Renewal Franchise Agreement. If Franchisee fails to perform any of the acts, or deliver any of the notices required under this Article 3 in a timely fashion, the failure to do so shall be deemed an election by Franchisee to not exercise the Renewal Right and shall automatically cause the Renewal Right to lapse and expire.

3.5. **Conditional Renewal**. If Franchisee does not meet all of the conditions for renewal as described in Section 3.3, Franchisor may, in its sole discretion, allow Franchisee to conditionally renew this Agreement. If Franchisor consents to a conditional renewal of this Agreement, Franchisee shall meet all of the conditions for renewal described in Section 3.3; however, the Renewal Franchise Agreement for the Renewal Term shall only be for a limited probationary period of up to six (6) months and shall specify certain performance criteria that Franchisee must satisfy during the probationary period. If Franchisee satisfies the required performance criteria prior to the expiration of the probationary period and is otherwise in compliance with the terms of the Renewal Franchise Agreement, Franchisor shall provide Franchisee with its Then-Current form of Renewal Franchise Agreement for the full Renewal Term beginning as of the date conditional renewal was granted. If Franchisee does not satisfy the required performance criteria during the probationary period, the Renewal Franchise Agreement for the probationary period shall expire as scheduled.

3.6. **Notice Required by Law**. If Applicable Law requires Franchisor to give notice to Franchisee prior to the expiration of the Term, this Agreement shall remain in effect on a week-to-week basis until Franchisor has given the notice required by Applicable Law. If Franchisor is not offering new franchises, is in the process of revising, amending or renewing its form of Skinny Wimp Franchise Agreement or Franchise Disclosure Document, or is not lawfully able to offer Franchisee its Then-Current form of Skinny Wimp Franchise Agreement, at the time Franchisee delivers its Renewal Notice, Franchisor may, in its discretion, either: (i) offer to renew this Agreement upon the same terms set forth in this Agreement for a Renewal Term determined in accordance with Section 3.2; or (ii) offer to extend the Term on a week-to-week basis following the expiration of the Term for as long as Franchisor deems necessary or appropriate so that Franchisor may lawfully offer its Then-Current form of Skinny Wimp Franchise Agreement.

3.7 **Month-to-Month Agreement**. If Franchisee does not sign Franchisor's Then-Current Franchise Agreement prior to the Expiration Date and Franchisee continues to accept the benefits of this Agreement after it expires, then at Franchisor's option, this Agreement may be treated either as (i) expired as of the Expiration Date with Franchisee then operating without a license to do so and in violation of Franchisor's rights; or (ii) continued on a month-to-month basis ("**Month-to-Month Agreement**") until one party provides the other with written notice of such party's intent to terminate the Month-to-Month Agreement, in which case the Month-to-Month Agreement will terminate thirty (30) days after receipt of the notice to terminate the Month-to-Month Agreement, or such longer notice period as is required by Applicable Law. In the latter case, all of Franchisee's obligations shall remain in full force and effect during the Month-to-Month Agreement as if this Agreement had not expired, and all obligations and restrictions imposed on Franchisee upon expiration of this Agreement shall be deemed to take effect upon termination of the Month-to-Month Agreement.

4. **FEES.**

4.1. **Initial Fees**. Franchisee shall pay Franchisor the Initial Franchise Fee or the Conversion Franchise Fee, as applicable, in the manner provided on **Exhibit A** and in Section 4.7. The Initial Franchise Fee and Conversion Franchise Fee shall be non-refundable, in whole or in part, once paid. If Franchisee qualifies as an Experienced Mover and wishes to finance the Initial Franchisee Fee under the Single Territory Program, Franchisee shall pay Franchisor the Initial Franchisee Fee in substantially the manner provided on **Exhibit G**.

4.2 **Royalty Fees**. Franchisee shall pay Franchisor, in accordance with Section 4.7, the Royalty Fees in the amount set forth on **Exhibit A** on the fifteenth day of each month on the Gross Revenue of the Franchised Business during the preceding calendar month, without deduction, abatement or offset. Each payment of Royalty Fees shall be accompanied by a statement of Gross Revenue for the preceding calendar month, certified as complete and accurate by the Principal Owner.

4.3 **Marketing Fees**. Franchisee shall pay to the Marketing Fund, in accordance with Section 4.7, the Marketing Fees on the fifteenth day of each month on the Gross Revenue of the Franchised Business during the preceding calendar month, without deduction, abatement or offset.

4.4 **Service Fees**. Franchisee shall pay Franchisor, in accordance with Section 4.7, the Call Center Service Fees and the Technology Services Fees on the fifteenth day of each month for the preceding calendar month, without deduction, abatement or offset.

4.5 **Other Payments**. Franchisee shall promptly pay Franchisor and its Affiliates, as applicable, when due all amounts advanced by Franchisor or which Franchisor has paid, or for which Franchisor has become obligated to pay on behalf of Franchisee, for any reason whatsoever, and all amounts due to Franchisor or its Affiliates for purchases of Skinny Wimp Branded Products and any other products or services provided to Franchisee and/or on behalf of Franchisee.

4.6 **Interest and Late Charges**. If Franchisee fails to pay any amount due to Franchisor under this Agreement by the date payment is due, or if any electronic payment is unpaid because of insufficient funds or otherwise, Franchisee shall additionally be obligated to pay, as a late charge, the sum of $200. Additionally, Franchisee shall pay interest on the amount outstanding at the rate of one and one-half percent (1.5%) per month (but not to exceed the maximum legal rate of interest) imposed from the date payment was due until the entire sum and late charge are paid in full. This Section 4.6 does not constitute an agreement by Franchisor to accept any payment after the date payment is due or a commitment by Franchisor to extend credit to, or otherwise finance, Franchisee, and Franchisee's failure to pay all amounts when due shall constitute grounds for termination of this Agreement notwithstanding this Section 4.6.

4.7 **Manner of Payment**. Franchisee shall pay Franchisor the Initial Franchise Fee, Conversion Franchise Fee, Royalty Fees, Marketing Fees, Call Center Services, Technology Services Fees and other payments due to Franchisor from Franchisee's bank account by electronic funds transfer ("**EFT**") or other automatic payment mechanism that Franchisor may designate. Promptly upon Franchisor's request, Franchisee shall execute and deliver to Franchisor the EFT payment form attached to this Agreement as **Exhibit D** and all pre-authorized check forms and other instruments or drafts required by Franchisor's bank, payable against Franchisee's bank account, to enable Franchisor to draw Franchisee's Royalty Fees and other sums payable under the terms of this Agreement. Franchisee shall maintain a single bank account for all EFT payments and shall maintain such minimum balance in this account in the amount that Franchisor may reasonably specify from time to time. Franchisee shall not alter or close this account except with Franchisor's prior written approval. Any failure by Franchisee to implement an EFT system in strict accordance with Franchisor's instructions shall constitute a material Default of this Agreement.

4.8 **Application of Funds**. If Franchisee shall be delinquent in the payment of any obligation to Franchisor under this Agreement, or under any other agreement with Franchisor, Franchisor shall have the absolute right to apply any payments received from Franchisee to any obligation owed, whether under this Agreement or otherwise, notwithstanding any contrary designation by Franchisee as to application.

4.9 **Security Interest**. Franchisee hereby grants Franchisor a security interest in and to all leasehold improvements, fixtures, furnishings and equipment, inventory, supplies and moving trucks located at or used in connection with the Franchised Business, now or hereafter acquired by Franchisee, together will all accounts, payment intangibles, attachments, accessories, additions, substitutions and replacements, all cash and non-cash proceeds derived from insurance or the disposition of the assets, all rights of Franchisee to use the Skinny Wimp Marks, trade names, trade styles, patents, copyrights and their registrations, trade secret information and other proprietary rights, and all rights granted, owned or licensed to Franchisee under this Agreement for the use of the Skinny Wimp Marks, trade names, trade styles, patents, copyrights, trade secret information and other proprietary rights, to secure payment and performance of all debts, liabilities and obligations of any kind, whenever and however incurred, from Franchisee to Franchisor. Franchisee hereby authorizes Franchisor to, prepare and file all Uniform Commercial Code (and comparable) financing statements and other documents necessary or desirable to evidence, perfect and continue the priority of this security interest under the Uniform Commercial Code wherever applicable. If Franchisee is in Good Standing under this Agreement and all other agreements between Franchisee and Franchisor or its Affiliates, then Franchisor shall, upon request of Franchisee, execute a written subordination of its security interest to lenders providing equipment or other financing for the Franchised Business. If Franchisee is in Default of any of the terms and conditions of this Agreement, Franchisor may, in its discretion, exercise its rights with respect to its security interest. In that event, Franchisee shall remain liable for any deficiency remaining due to Franchisor and shall be entitled to recover any surplus which results after the application of the proceeds derived from the enforcement of the security interest.

4.10 **Gross-Up Fees**. To ensure that Franchisor receives all Royalty Fees, Marketing Fees, Call Center Services, Technology Services Fees and other payments to which Franchisor may be entitled, as the amount thereof may vary from time to time, Franchisee shall pay Franchisor, upon demand, whether in arrears, in advance, in a lump sum or in the same manner as Royalty Fees are paid to Franchisor, the amount of all taxes paid by Franchisor to any Governmental Authority on revenue earned or collected by Franchisor based upon Franchisee's use of Franchisor's intellectual property or other intangibles or based upon the existence of this Agreement, within the Governmental Authority's domain during each of Franchisor's fiscal years throughout the entire Term.

5. BUSINESS OFFICE AND COMMENCEMENT OF BUSINESS.

5.1 **Business Office**. Franchisee shall operate the Franchised Business from the Business Office. The Business Office must be located in the Protected Territory. If the address of the Business Office has not been inserted in the blank space on **Exhibit A** on the Effective Date, Franchisee shall, within thirty (30) days after the Effective Date, locate one or more proposed sites for the Business Office. Once located, Franchisee shall submit all information regarding the proposed sites to Franchisor. Franchisor shall accept or reject a proposed site for the Business Office within fifteen (15) days after Franchisor receives all of the information that Franchisor requires to evaluate the site. Among the factors that Franchisor shall consider before approving proposed sites for the Business Office are population density, general location within the Protected Territory, traffic patterns, parking, size, physical characteristics of the building and lease terms, zoning restrictions, the population data for the Protected Territory (determined by using population estimates and statistics prepared by the U.S. Census Bureau or a substitute or successor source of population information selected by Franchisor), and the location of other Skinny Wimp Moving Businesses in the geographic areas adjacent to the Protected Territory. Upon Franchisor's approval of the site for the Business Office, the Parties shall execute **Exhibit A**. Following the Effective Date, Franchisor shall provide Franchisee with Franchisor's specifications for the furnishings, trade dress and signs for the Business Office. The Business Office must be identified by approved signage and be equipped with good quality furniture and furnishings. Franchisee shall maintain the condition and appearance of the Business Office in accordance with the standards required by Franchisor. The Business Office must be open and ready to conduct and receive business before Franchisee may provide Skinny Wimp Authorized Services for its first customer. Franchisee shall retain all of the original books, records, customer files, computer data, financial records and comparable data of the Franchised Business at the Business Office. Once opened, the Business Office may be relocated only with the prior written approval of Franchisor, which approval shall not be unreasonably withheld, and with the payment of the Relocation Fee.

5.2 **Commencement Date**. Franchisee shall commence operation of the Franchised Business no later than one hundred eighty (180) days after the Effective Date, unless (i) Franchisor extends the date in writing or (ii) the Commencement Date is otherwise set forth pursuant to an applicable Development Agreement with Franchisor. Franchisee shall not commence operation of the Franchised Business without the express written consent of Franchisor, which may be conditioned upon Franchisee's full compliance with the requirements set forth in this Agreement and the Manuals.

6. OBLIGATIONS OF FRANCHISOR.

6.1 **Initial Training Program**. Franchisor shall provide an Initial Training Program in the Skinny Wimp System and methods of operation (the "**Initial Training Program**") at Franchisor's training facilities at Franchisor's corporate office in Southern California approximately three (3) to six (6) weeks prior to the Commencement Date for up to two (2) supervisorial or managerial personnel of Franchisee selected by Franchisee who shall include the Principal Owner and General Manager. Franchisee shall pay Franchisor an Additional Initial Training Fee for each additional trainee; otherwise, Franchisor shall provide training, instructors, a training manual, and other materials at no charge to Franchisee. The Initial Training Program shall not be provided if (i) Franchisee or any of its Affiliates (or an Owner of either) owns or operates a Skinny Wimp Moving Business as of the Effective Date; or (ii) this Agreement is executed as a Renewal Franchise Agreement. The Initial Training Program will consist of approximately eight (8) consecutive days of training prior to the commencement of business by the Franchised Business and shall be completed before the Commencement Date. Franchisor shall determine the contents and manner of conducting the Initial Training Program in its discretion, however, the Initial Training Program will be structured to provide practical training in the implementation and operation of a Skinny Wimp Moving Business and may include such topics as Skinny Wimp standards, marketing and customer service techniques, reports and equipment maintenance. ~~If the Principal Owner: (i) fails to complete the Initial Training Program within six (6) months after the Effective Date; (ii) does not complete the Initial Training Program to Franchisor's satisfaction; (iii) does not, during the Initial Training Program, appear to possess the skills necessary to properly fulfill and discharge the demands and responsibilities required by the Skinny Wimp System or this Agreement; or (iv) is not acceptable to become a franchisee of Franchisor for any reason whatsoever, in Franchisor's sole and absolute discretion, Franchisor may terminate this Agreement upon five (5) days written notice to Franchisee and this Agreement shall thereafter be of no further force or effect. Franchisor shall have the right to retain the Initial Franchise Fee. Franchisor and Franchisee acknowledge that the actual damages to be suffered by Franchisor in this circumstance are difficult, if not impossible, to determine, and that, under all the facts and circumstances, this calculation of Franchisor's potential damages and retention of the Initial Franchise Fee by Franchisor, are a reasonable, good faith estimate of those damages.~~

6.2 **Additional Training Programs**. Franchisor may, at Franchisor's discretion, from time to time during the Term, require the Principal Owner and each General Manager or other supervisorial or managerial personnel of Franchisee to attend, or make available to the Principal Owner and each General Manager or other supervisorial or managerial personnel of Franchisee, additional training programs ("**Additional Training Programs**").

6.3 **Remedial Training Programs**. If the Franchised Business is performing unsatisfactorily, Franchisor may, at Franchisor's discretion, from time to time during the Term, require the Principal Owner and each General Manager or other supervisorial or managerial personnel of Franchisee to attend remedial training programs ("**Remedial Training Programs**").

6.4 **On Site Training and Assistance**. For Franchisee's first Franchised Business, Franchisor shall provide on-site training and assistance for up to ten (10) days after Franchisee schedules its first move. Franchisor may provide additional on-site training and assistance, in Franchisor's discretion, for Franchisee's first Franchised Business and for all additional Skinny Wimp Moving Businesses.

6.5 **Manuals**. Franchisor shall lend a copy of, or provide Franchisee with access to, the Manuals for use during the Term. The Manuals may be mailed, e-mailed, made available for download from Franchisor's website, or franchise internet portal, or otherwise delivered to Franchisee. Franchisee shall treat all information contained in the Manuals as Confidential Information and shall use all reasonable efforts to keep the information confidential. Franchisee shall not, without Franchisor's prior written consent, copy, duplicate, record or otherwise reproduce the Manuals, in whole or in part, or otherwise make them available to any person not required to have access to their contents in order to carry out their employment functions. The Manuals shall contain mandatory specifications, standards, operating procedures and rules for the Franchised Business. All specifications, standards, operating procedures and rules in the Manuals, or otherwise communicated to Franchisee in writing, shall constitute obligations under this Agreement as if fully set forth in this Agreement. Franchisee shall comply with all mandatory requirements now or hereafter included in the Manuals, and acknowledges and agrees that a breach of any mandatory requirement shall constitute a breach of this Agreement and grounds for termination. The Manuals may be modified from time to time to reflect changes to this Agreement and to the standards of the Skinny Wimp System. All modifications to the Manuals shall be binding upon Franchisee upon being mailed, e-mailed, made available for download from Franchisor's website, or franchise internet portal, or otherwise delivered to Franchisee.

6.6 **Consultation**. Franchisor may provide regular consultation and advice to Franchisee in response to Franchisee's inquiries about specific administrative and operating issues that Franchisee brings to Franchisor's attention including, without limitation, mandatory and recommended specifications, standards and operating procedures of the Skinny Wimp System. Franchisor's consultation and advice may be provided by telephone, in writing, electronically, in person, or by other means. Franchisee acknowledges and agrees that the results of Franchisee's efforts to operate a Franchised Business rest solely with Franchisee. Franchisor may make recommendations that it deems appropriate to assist Franchisee's efforts. However, Franchisee alone shall establish all requirements, consistent with the policies of Franchisor, regarding: (i) employment policies, hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees; (ii) the individuals to whom Franchisee will offer and sell its products and services; and (iii) the suppliers from whom Franchisee obtains any products or services used in the Franchised Business for which Franchisor has not established Designated Suppliers.

6.7 **Inspection**. To protect the Skinny Wimp System, the Skinny Wimp Marks, the Skinny Wimp trade secrets, and the goodwill associated with the same, Franchisor's authorized representatives shall have the right, but not the obligation, from time to time, with or without notice to Franchisee, to inspect and check Franchisee's jobs, the Business Office, equipment, moving trucks, books, records, tax returns, Department of Transportation driver log records, loss ratios, compliance safety and accountability records and assessments, motor vehicle records, other safety records, and any other records Franchisor deems relevant, and to confer with Franchisee and Franchisee's customers and supervisorial and managerial employees to determine if the Franchised Business is being operated in accordance with this Agreement, the Skinny Wimp System and the Manuals. Franchisor shall use reasonable efforts to avoid materially disrupting the operation of the Franchised Business during an inspection.

6.8 **Referrals**. Franchisor may, but shall not be required to, distribute referrals and leads that arise from Franchisor's website or 800 telephone number to all Skinny Wimp Franchisees, including Franchisee. If Franchisor does so, Franchisor may distribute the referrals and leads in any manner and following any procedure that Franchisor deems reasonable and appropriate, which may change from time to time, in Franchisor's sole discretion.

6.9 **Assignment**. Upon the occurrence of an Assignment, the Proposed Buyer shall be trained by Franchisor as a condition to the granting of Franchisor's consent to the Assignment. All costs for this training shall be included in the administrative/transfer fee payable by Franchisee in accordance with Section 14.4.9. The Franchised Business shall not be transferred or operated by the Proposed Buyer until Franchisor accepts the Proposed Buyer in writing as certified to operate the Franchised Business and Franchisor has otherwise consented to the Assignment in accordance with the requirements in this Agreement.

6.10 **Call Center Services**. Franchisor shall operate the Call Center for the benefit of all Skinny Wimp Franchisees that will receive and distribute requests for Skinny Wimp Authorized Services and may include responses to calls and emails during business hours and afterhours in certain circumstances and other similar services.

6.11 **Technology Services**. Franchisor shall develop, maintain, support and provide Technology Services for the Skinny Wimp System.

6.12 **Delegation of Obligations**. Franchisee acknowledges and agrees that any duty or obligation imposed on Franchisor or its Affiliates by this Agreement may be performed by any designee, employee, or agent of Franchisor, as Franchisor may direct.

7. OBLIGATIONS OF FRANCHISEE.

To protect the Skinny Wimp System, the Skinny Wimp Marks, the Skinny Wimp trade secrets, and the goodwill associated with the same:

7.1 **Skinny Wimp System**. Franchisee shall operate the Franchised Business in compliance with the terms of this Agreement and the Manuals. Franchisee acknowledges and agrees that Franchisee alone shall exercise day-to-day control over all operations, activities and elements of the Franchised Business, including over Franchisee's employees, and that under no circumstance shall Franchisor do so or be deemed to do so. Franchisee further acknowledges and agrees that the various requirements, restrictions, prohibitions, specifications and procedures of the Skinny Wimp System with which Franchisee must comply under this Agreement, the Manuals or otherwise, do not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day operations of the Franchised Business, which Franchisee alone controls, but only constitute standards to which Franchisee must adhere when exercising Franchisee's control over the day-to-day operations of the Franchised Business consistent with the policies of Franchisor. Franchisee shall comply with Franchisor's standards and shall operate the Franchised Business in conformity with the methods, standards, and specifications that Franchisor may from time to time prescribe in the Manuals or otherwise. Franchisee shall comply with Franchisor's standards and shall operate the Franchised Business in conformity with the methods, standards, and specifications that Franchisor may from time to time prescribe in the Manuals or otherwise. Franchisee shall comply, at Franchisee's expense, with all modifications prescribed by Franchisor and shall implement changes to the Skinny Wimp System within the time periods specified by Franchisor following Franchisee's receipt of notice from Franchisor to do so. Franchisee shall refrain from deviating from the methods, standards, and specifications without Franchisor's prior written consent and from otherwise operating in any manner which reflects adversely on the Skinny Wimp Marks or the Skinny Wimp System. Since every detail of the Skinny Wimp System is essential in order to develop and maintain quality operating standards, to increase the demand for the products and services sold by Franchised Businesses under the Skinny Wimp System and to protect the Skinny Wimp Marks and reputation and goodwill, Franchisor shall have the right to disapprove, as it believes necessary, any modification of, or addition to, the Skinny Wimp System suggested by Franchisee that is reasonably likely to have an adverse material effect on the Skinny Wimp System, the Skinny Wimp Marks or Franchisor's reputation or goodwill.

7.2 **Skinny Wimp Authorized Services**. Franchisee shall provide all Skinny Wimp Authorized Services, and only Skinny Wimp Authorized Services, from the Franchised Business. All Skinny Wimp Authorized Services shall be performed strictly in accordance with Franchisor's methods and standards. Franchisee shall not provide any Skinny Wimp Authorized Services outside of the Franchised Business. Subject to Applicable Law, Franchisor shall have the right to establish pricing guidelines for Skinny Wimp Authorized Services and, subject to Applicable Law, Franchisee shall comply with, and be bound by, prices which may be recommended, suggested or advertised by Franchisor. Franchisee shall not use any of its Affiliates to sell, lease or loan personal property or services to the Franchised Business without the prior written consent of Franchisor. As a condition to obtaining Franchisor's consent to the use of an Affiliate to do so, Franchisor may require the Affiliates of Franchisee to guarantee Franchisee's obligations to Franchisor, by signing a Guarantee in the form attached to this Agreement as **Exhibit C**.

7.3 **Initial Training Program; Opening Assistance**. Franchisee and Franchisee's supervisorial and managerial personnel shall attend and complete to Franchisor's satisfaction the Initial Training Program. Franchisee shall pay all travel, living, compensation, and other expenses, if any, incurred by Franchisee and/or Franchisee's supervisorial and managerial personnel to attend the Initial Training Program. Franchisee may not open the Franchised Business until the Initial Training Program has been completed to the satisfaction of Franchisor and Franchisee's supervisorial and managerial personnel have been certified by Franchisor. Franchisee acknowledges that because of Franchisor's superior skill and knowledge with respect to the training and skill required to manage the Franchised Business, Franchisor, in its sole discretion, shall determine if Franchisee, the Principal Owner and/or the General Manager have satisfactorily completed the Initial Training Program. If the Principal Owner: (i) fails to complete the Initial Training Program within six (6) months after the Effective Date; (ii) does not complete the Initial Training Program to Franchisor's satisfaction; (iii) does not, during the Initial Training Program, appear to possess the skills necessary to properly fulfill and discharge the demands and responsibilities required by the Skinny Wimp System or this Agreement; or (iv) is not acceptable to become a franchisee of Franchisor for any reason whatsoever, in Franchisor's sole and absolute discretion, Franchisor may terminate this Agreement upon five (5) days written notice to Franchisee and this Agreement shall thereafter be of no further force or effect. Franchisor shall have the right to retain the Initial Franchise Fee. Franchisor and Franchisee acknowledge that the actual damages to be suffered by Franchisor in this circumstance are difficult, if not impossible, to determine, and that, under all the facts and circumstances, this calculation of Franchisor's potential damages and retention of the Initial Franchise Fee by Franchisor, are a reasonable, good-faith estimate of those damages. If Franchisee requests Franchisor to provide on-site training and assistance for more than ten (10) days before and/or more than ten (10) days after the Commencement Date of the Franchised Business and Franchisor elects to do so, Franchisee shall pay Franchisor its Then-Current daily fee for each of Franchisor's representatives who provides on-site opening training and assistance to defray Franchisor's direct costs to provide the on-site opening training and assistance. In addition, Franchisee shall pay all transportation expenses, food, lodging, and similar costs Franchisor incurs to provide the on-site opening training and assistance.

7.4 **Additional Training Programs**. Following the Commencement Date, Franchisee, the Principal Owner, each General Manager, and Franchisee's supervisorial and managerial personnel shall attend Additional Training Programs as required by Franchisor. Franchisee shall pay Franchisor its Then-Current daily fee for each day and for each of Franchisor's representatives who provides the Additional Training Programs to defray Franchisor's direct costs to provide the Additional Training Programs. In addition, Franchisee shall pay all transportation expenses, food, lodging and similar costs incurred in connection with its employees' attendance at the Additional Training Programs.

7.5 **Remedial Training Programs**. If Franchisor determines that operation of the Franchised Business is not in compliance with the requirements of this Agreement or the Manuals, Franchisor may, at Franchisor's discretion, from time to time during the Term require the Principal Owner, each General Manager, and/or Franchisee's supervisorial and managerial personnel to attend Remedial Training Programs. The factors that Franchisor shall consider in determining if the operation of the Franchised Business is in compliance with the requirements of this Agreement and the Manuals include, without limitation: (i) satisfaction of the Minimum Performance Requirements and average growth rate; (ii) compliance with OSHA safety and FMCSA regulatory requirements and other legal requirements relating to the Franchised Business; (iii) proper control of risks and satisfaction of loss, safety and other risk benchmarks specified by Franchisor; (iv) satisfaction of the reporting requirements set forth in Article 12; (v) customer satisfaction and referral rates consistent with the system averages; (vi) frequency of customer service issues; and (vii) overall compliance with the requirements of this Agreement and the Manuals. If Franchisor requires the Principal Owner, each General Manager, and or Franchisee's supervisorial and managerial personnel to attend Remedial Training Programs, Franchisee shall pay Franchisor its Then-Current daily fee for each day and for each of Franchisor's representatives who provides the Remedial Training Programs to defray Franchisor's direct costs to provide the Remedial Training Programs. In addition, Franchisee shall pay all transportation expenses, food, lodging and similar costs incurred in connection with attendance at the Remedial Training Programs.

7.6 **Call Center Services and Technology Services**. Franchisee shall use the Call Center Services and Technology Services specified and provided by Franchisor from time to time in the operation of the Franchised Business and shall comply with all terms of use specified by Franchisor. If Franchisor adds or otherwise changes the Call Center Services and/or Technology Services during the Term, Franchisor may require Franchisee to pay a proportionate share of the costs for the added or changed Call Center Services and Technology Services or a reasonable charge for these services if Franchisor's costs to provide the Call Center Services or Technology Services increase.

7.7 **Computer Hardware and Software**. Franchisee shall purchase, lease or license all computer hardware and software designated by Franchisor for the Franchised Business at Franchisee's expense. During the Term, Franchisee shall obtain, maintain and update all computer hardware and software computer systems and all components of the computer systems as required by Franchisor. The computer hardware and software systems shall at all times be capable of accessing the Internet and shall be electronically linked to Franchisor, and Franchisee shall allow Franchisor to poll the these systems on a daily or other basis at the times and in the manner established by Franchisor, with or without notice, and to retrieve transaction information including Gross Revenue and other operations data that Franchisor deems appropriate. Franchisor may require Franchisee to update, upgrade or replace the computer hardware and software systems from time to time, upon written notice, provided that Franchisee shall not be required to replace the computer hardware and software systems any more frequently than once every three (3) years. If Franchisor develops proprietary software for the operation of the Franchised Business, Franchisee shall license the proprietary software from Franchisor. Franchisee shall pay Franchisor a $200 monthly fee for the use of the proprietary software. Once developed, the monthly fee for the use of the proprietary software shall be subject to change by Franchisor on thirty (30) days prior written notice to Franchisee. If Franchisor develops proprietary software for the operation of the Franchised Business, all data collected through the use of the proprietary software regarding Franchisee's moving jobs will become the property of Franchisor. Franchisor shall have the right to share reports and performance information of any Skinny Wimp Franchisees with other Skinny Wimp Franchisees for comparison and development.

7.8 **Moving Trucks; Telephones**.

7.8.1 Franchisee shall maintain the number of moving trucks required by Franchisor as set forth on **Exhibit A** to satisfactorily enable Franchisee to provide the Skinny Wimp Authorized Services to satisfy public demand. Franchisee may also be required to agree to obtain additional moving trucks within a specified time period after the Commencement Date. The number of additional moving trucks and the specified time period shall be agreed upon by Franchisor and Franchisee prior to the Effective Date and shall be set forth on **Exhibit A**. Franchisee acknowledges and agrees that the number of moving trucks and other equipment that Franchisor may require Franchisee to obtain may not be uniformly imposed on all Skinny Wimp Franchisees. Differences in the number of moving trucks and other required equipment may be based on Franchisee's experience, the demographics of the Protected Territory, the density of the population in the Protected Territory and other related factors. Franchisee shall obtain Franchisor's prior written consent to the size, placement and appearance of the Skinny Wimp Marks on the exterior of Franchisee's moving trucks and other equipment.

7.8.2 Franchisee shall obtain and maintain a voice telephone number for the operation of the Franchised Business. All telephone numbers used in the operation of the Franchised Business must be provided to Franchisor in writing before the Commencement Date and thereafter during the Term. In no event shall Franchisor use the telephone numbers for the Business Office or any other business offices for any other business or purpose other than the operation of the Franchised Business. Franchisee shall promptly notify Franchisor if Franchisee obtains additional or substitute telephone numbers for the Franchised Business during the Term and all additional and substitute telephone numbers shall be subject to this Agreement. Franchisee's failure to notify Franchisor of any additional or substitute telephone numbers used or to be used for the Franchised Business shall be considered a material Default under this Agreement. Franchisee acknowledges and agrees that as between Franchisor and Franchisee, Franchisor shall hold the sole right to, and interest in, all telephone numbers and associated directory listings for the Franchised Business and the Skinny Wimp Marks. Franchisor may require Franchisee, in its sole discretion, to use specific 800 numbers or similar numbers in the marketing and operation of the Franchised Business or to forward all calls to any of Franchisee's telephone numbers to a specific 800 number or similar numbers.

7.9 **Oversight and Management**. The Operating Principal or the General Manager shall be responsible for oversight of the day-to-day operations of the Franchised Business and shall personally supervise the day-to-day operations of the Franchised Business. The Operating Principal or the General Manager shall devote his full time and best efforts solely to the operation of the Franchised Business and to no other business and shall actively take all action necessary and required to promote and enhance Skinny Wimp Moving Businesses throughout the Protected Territory. Franchisee shall ensure that the Franchised Business is at all times under the direct control of the Operating Principal or General Manager and other supervisorial and managerial personnel fully trained by Franchisee and solely dedicated to operation of the Franchised Business. Each Operating Principal and General Manager shall have a skill level, training and experience commensurate with the demands of the position and conform in all respects with Franchisor's high standards for quality innovative, consistent and courteous customer service.

7.10 **Hours of Operation**. The Franchised Business shall be staffed by a sufficient number of qualified employees necessary to provide optimum customer services for at least twelve (12) consecutive hours per day, Monday through Friday, at least seven (7) consecutive hours on Saturday and at least six (6) consecutive hours on Sunday. For moves scheduled for Saturdays or Sundays, a contact telephone number for the General Manager shall be provided to movers and customers involved in the scheduled moves allowing them to contact the General Manager, if necessary.

7.11 **Inspections**. If any inspection by Franchisor indicates any deficiency or unsatisfactory condition in the operation of the Franchised Business, Franchisor shall notify Franchisee in writing of the deficiencies and Franchisee shall promptly correct, remedy or repair the deficiency or unsatisfactory condition to Franchisor's satisfaction. In addition, if any inspection indicates any deficiency or unsatisfactory condition which requires a re-inspection of the Franchised Business within a period of thirty (30) days, Franchisee shall pay Franchisor, upon demand, a Re-Inspection Fee for each re-inspection to defray Franchisor's direct costs to conduct the inspections. In addition, Franchisee shall pay all transportation expenses, food, lodging and similar costs incurred by Franchisor to conduct the inspections.

7.12. **Customer Complaints and Customer Comment Cards.** Franchisee shall use customer comment cards in the manner specified in the Manuals. Franchisee shall comply with all of Franchisor's policies and procedures for the customer comment card processor system specified by Franchisor. Franchisee shall keep complete and accurate customer comment card processor data as specified by Franchisor. Franchisee shall not intentionally or negligently store inaccurate, false, or misleading customer comment card data in the card processor system. Franchisee shall not attempt to influence or offer any type of incentive to influence the outcome of the customer comment card scores. Franchisee shall immediately contact Franchisor if Franchisee becomes aware of any inaccurate, false, or misleading data in the customer comment card processor system.

7.13 **Cooperation.** Franchisee shall at all times cooperate with Franchisor and with other Skinny Wimp Franchisees in the sharing and splitting of revenue derived from referrals of customers within and outside of the Protected Territory between and among Skinny Wimp Franchisees. Franchisee shall at all times cooperate with Franchisor and with other Skinny Wimp Franchisees and shall actively participate in any and all sales, public relations, marketing, cooperative marketing and purchasing programs or promotional programs that may be developed and implemented by Franchisor which call for the cooperation of Franchisee and other Skinny Wimp Franchisees. Franchisee shall further cooperate in any additional programs that may be established and designated by Franchisor from time to time for the benefit of the Skinny Wimp System and shall comply with Franchisor's rules and regulations established from time to time in connection with the Skinny Wimp System. Franchisee shall cooperate with Franchisor in connection with the test marketing of products and services and shall comply with Franchisor's rules and regulations established from time to time in connection therewith. Franchisee shall promptly contact and follow up on all referrals and leads in the Protected Territory that Franchisor may distribute to Franchisee during the Term.

7.14 **Compliance with Applicable Laws.** Franchisee shall operate the Franchised Business in accordance with Franchisor's business standards and policies and shall comply with all Applicable Laws. Franchisee shall obtain and maintain all necessary licenses, permits or other required governmental approvals required to offer and sell the Skinny Wimp Authorized Services or that may, in the future, be made a part of the Skinny Wimp System. Franchisee shall determine throughout the Term whether state or local licensing requirements are required as a prerequisite to operating the Franchised Business. Franchisee shall not cause or allow any part of the Franchised Business to be used for any immoral or illegal purpose. Franchisee shall in all dealings with its customers, vendors, and public officials adhere to high standards of honesty, integrity, fair dealing and ethical conduct and refrain from engaging in any action which will cause Franchisor to be in violation of any Applicable Law.

7.15 **Notifications and Crisis Management Events.** If Franchisee shall receive any notice, report, fine, test results or the like from any Governmental Authority, Franchisee shall promptly send a copy of the same to Franchisor. Franchisee shall notify Franchisor in writing, within five (5) days of the occurrence of any of the following events: (i) the commencement of any civil or criminal action, suit, or proceeding by Franchisee or by any Person or Governmental Authority against Franchisee; (ii) if Franchisee receives a notice of noncompliance with any law, rule, or regulation; (iii) the issuance of any order, suit, or proceeding of any court or Governmental Authority that may adversely affect the operation or financial condition of the Franchised Business; (iv) any complaints, inspections, reports, warnings, certificates, or ratings of Franchisee or the Franchised Business, communicated, issued, performed, or scheduled by any Governmental Authority; (v) the scheduling or conducting of an audit of Franchisee by the Internal Revenue Service, Department of Transportation, or any other federal, state, or local Governmental Authority; and (vi) any unionization effort, collective bargaining agreement, labor strike, dispute, slowdown, work stoppage, or lockout. Franchisee shall immediately inform Franchisor's Chief Executive Officer (or as otherwise instructed in the Manuals) by telephone of the occurrence of a Crisis Management Event. Franchisee shall cooperate fully with Franchisor with respect to Franchisor's response to a Crisis Management Event.

7.16 **Franchisee Employee Policies**. Franchisee shall maintain a competent, conscientious, and trained staff and shall take all steps necessary to ensure that its employees preserve good customer relations, render competent, prompt, courteous, and knowledgeable service, and meet the minimum standards that Franchisor may establish from time to time in the Manuals or otherwise. All employees hired by or working for Franchisee shall be the employees of Franchisee, and Franchisee alone, and shall not, for any purpose, be deemed to be the employees of Franchisor or subject to Franchisor's direct or indirect control, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any Governmental Authority. Franchisee and Franchisor will each file their own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation insurance payments with respect to their respective employees and operations. Franchisee acknowledges and agrees that Franchisor will not have the power to hire or fire Franchisee's employees. Franchisee expressly agrees, and will never contend otherwise, that Franchisor's authority under this Agreement to certify Franchisee's supervisorial or managerial personnel for qualification to perform certain functions in the Franchised Business does not directly or indirectly vest in Franchisor the power to hire, fire or control any of Franchisee's personnel. Franchisee alone shall be solely responsible for all hiring and employment decisions and functions relating to the Franchised Business, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision and discipline of employees, regardless of whether Franchisee has received advice from Franchisor on these subjects or not. Franchisee acknowledges and agrees that any guidance Franchisee receives from Franchisor regarding employment policies should be considered as examples, that Franchisee alone is responsible for establishing and implementing its own employment policies, and that Franchisee understands that Franchisee should do so in consultation with local legal counsel experienced in employment law. Franchisee shall immediately defend, reimburse and hold Franchisor harmless from any direct or indirect losses, costs and expenses, including attorney's fees, arising out of any claim made by or for the benefit of any employee of Franchisee against Franchisor regarding employment decisions and employee functions at the Franchised Business, including, without limitation, those related to hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees. Franchisee shall take all action necessary to ensure that Franchisee's employees understand and acknowledge that they are not employees of Franchisor, including, without limitation, requiring Franchisee's employees to sign a written acknowledgement that Franchisee is an independently owned and operated franchisee and their sole employer in a form specified by Franchisor in the Manuals or otherwise in writing from time to time. Franchisee shall cause all employees, while working in the Franchised Business, to wear uniforms of the color, design and other specifications that Franchisor may designate from time to time and to present a neat and clean appearance. If Franchisor removes a type of uniform utilized by Franchisee from the list of approved uniforms, Franchisee shall have thirty (30) days from receipt of written notice of removal to discontinue use of its existing inventory of uniforms and obtain and use the approved type of uniform.

7.17 **Co-Branding**. Franchisee may not engage in any co-branding in or in connection with the Franchised Business except with Franchisor's prior written consent. Franchisor may approve any co-branding chain or arrangement in its discretion, and only if Franchisor has recognized that co-branding chain as an approved co-brand for operation within the Franchised Business.

7.18 **Adequate Reserves and Working Capital**. Franchisee shall, at all times, maintain adequate reserves and working capital sufficient for Franchisee to fulfill all of Franchisee's obligations under this Agreement and to cover the risks and contingencies of the Franchised Business for at least three (3) months.

7.19 **Maintenance and Replacement of Moving Trucks and Equipment**. Franchisee shall, at its own expense, maintain all of its moving trucks and equipment in good condition and repair and in accordance with Franchisor's specifications and shall replace the moving trucks and equipment as necessary during the Term. In addition, Franchisee shall, at its own expense, maintain the appearance and cleanliness of the Business Office and the moving trucks, equipment, fixtures and signs for the Franchised Business in an attractive and safe condition and in good maintenance and repair and in compliance with the standards specified by Franchisor in the Manuals or otherwise. If at any time, in Franchisor's sole discretion, the general state of repair, appearance, or cleanliness of the Business Office or the moving trucks, equipment, fixtures, or signs of the Franchised Business does not meet Franchisor's standards, Franchisor may notify Franchisee in writing, specifying the action to be taken by Franchisee to correct the deficiency, and Franchisee shall initiate the specified action within thirty (30) days after receipt of the notice and shall diligently proceed to complete the specified action. If Franchisee fails to do so, then Franchisor shall have the right, in addition to its other rights under this Agreement, but nor the obligation, to enter the Business Office and cause the specified action to be taken on behalf of Franchisee, at Franchisee's expense.

7.20 **Intranet**. If Franchisor establishes a Skinny Wimp Intranet, Franchisee shall have the mere privilege to use the Intranet, subject to Franchisee's strict compliance with the standards and specifications, protocols and restrictions that Franchisor may establish from time to time. Franchisee acknowledges and agrees that, as administrator of the Intranet, Franchisor may access and view any communication posted on the Intranet. Franchisee further acknowledges and agrees that the Intranet facility and all communications that are posted to it will become Franchisor's property, free of any claims of privacy or privilege that Franchisee or any other Person may assert. Upon receipt of notice from Franchisor that Franchisor has established an Intranet, Franchisee shall establish and continually maintain an electronic connection with the Intranet as specified in the Manuals that allows Franchisor to send messages to and receive messages from Franchisee. If Franchisee shall Default under this Agreement or any other agreement with Franchisor, Franchisor may, in addition to, and without limiting any other rights and remedies available to Franchisor, disable or terminate Franchisee's access to the Intranet without any liability to Franchisee.

7.21 **Improvements**. If Franchisee develops any new concept, process, or improvement in the Skinny Wimp System (an "**Improvement**"), Franchisee shall promptly notify Franchisor and provide Franchisor with all necessary related information, without receiving compensation. All Improvements shall become the sole property of Franchisor and Franchisor shall be the sole owner of all related intellectual property rights. Franchisee hereby assigns to Franchisor any rights Franchisee may have or acquire in the Improvements, including the right to modify the Improvement, and Franchisee waives and/or releases all rights of restraint and moral rights therein and thereto. Franchisee shall assist Franchisor in obtaining and enforcing the intellectual property rights to any Improvement in any and all countries and further agrees to execute and provide Franchisor with all necessary documentation for obtaining and enforcing those rights. Franchisee hereby irrevocably designates and appoints Franchisor as Franchisee's agent and attorney-in-fact to execute and file any the documentation and to do all other lawful acts to further the prosecution and issuance of intellectual property rights related to any Improvement. If the foregoing provisions of this Section 7.21 are found to be invalid or otherwise unenforceable, Franchisee hereby grants Franchisor a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense to use of the Improvement to the extent the use or sublicense would, absent this Agreement, directly or indirectly infringe Franchisee's rights therein.

7.22 **Refurbishment of Business Office**. At Franchisor's request, but not more often than once every five (5) years, Franchisee shall refurbish the Business Office, at its own expense, to conform to the Then-Current public image for new or remodeled Skinny Wimp Moving Business Offices.

7.23 **Notifications and Crisis Management Events**. Franchisee shall notify Franchisor in writing within (i) twenty-four (24) hours, and confirm in writing within two (2) days thereafter, of any investigation or violation, actual or alleged, of any laws or regulations related to the Franchised Business; and (ii) five (5) days of the commencement of any investigation, action, suit, or proceeding or of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other Governmental Authority which may adversely affect the operation or financial condition of the Franchised Business. Franchisee shall immediately inform Franchisor's Chief Executive Officer (or as otherwise instructed in the Manuals) by telephone of the occurrence of a Crisis Management Event. Franchisee shall cooperate fully with Franchisor with respect to Franchisor's response to a Crisis Management Event.

7.24 **Authorization to Release Information and Use Images**. Franchisee hereby authorizes (and agrees to execute any other documents deemed necessary to effect the authorization) (i) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors, and other persons or Entities with whom Franchisee does business to disclose to Franchisor any financial information in their possession relating to Franchisee or the Franchised Business which Franchisor may request; ~~. Franchisee further authorizes~~ (ii) Franchisor to disclose to other Skinny Wimp Franchisees, prospective franchisees or other third parties data from Franchisee's reports if Franchisor determines, in Franchisor's sole discretion, that the disclosure is necessary or advisable; (iii) Franchisor to photograph and film Franchisee, its employees, the public and all areas of the Franchised Business, without further authorization from, or compensation to, Franchisee and to use their images for marketing and promotion of the Franchised Business, other Franchised Businesses and franchises for Skinny Wimp Franchised Businesses; and (iv) Franchisor to disclose to third parties, including but not limited to Franchisee's landlord or bank, information about Franchisee relating to Franchisee's obligations or performance under this Agreement if Franchisor determines, in Franchisor's sole discretion, that the disclosure is necessary or advisable. Franchisee hereby authorizes Franchisor to obtain Franchisee's credit report and/or to perform background checks at any time to confirm that Franchisee is paying third-party creditors and otherwise meeting the standards of the Skinny Wimp System and Franchisee shall cooperate and sign any further authorizations necessary to enable Franchisor to do so. In addition, Franchisee and each of its Owners hereby irrevocably grant Franchisor the right to use and license others to use their names, recorded voices, portraits, likenesses, pictures, images, quotes and writings for marketing purposes or otherwise in connection with the Skinny Wimp System and the Skinny Wimp Authorized Services.

7.25 **Annual Franchise Conference**. Franchisor may hold an Annual Franchise Conference for all Skinny Wimp Franchisees. The Principal Owner and each General Manager shall attend the Annual Franchise Conference. Franchisee shall pay Franchisor a Franchisee Conference Fee to reimburse Franchisor for a portion of the direct costs to provide the Annual Franchise Conference. Franchisee shall pay the Franchisee

Conference Fee upon demand at least thirty (30) days before the date of the Annual Franchise Conference, whether or not Franchisee attends the Annual Franchise Conference.

7.26. **Credit Cards**. Franchisee shall permit all customers to pay for Skinny Wimp Authorized Services with a valid credit card and shall not charge an additional fee or a different price for products or services if a customer pays with a valid credit card. Franchisee shall honor all credit, charge, courtesy and cash cards approved by Franchisor in writing so long as the card has sufficient credit to cover payment for the Skinny Wimp Authorized Services. To the extent Franchisee shall store, process, transmit or otherwise access or possess cardholder data in connection with the sale of Skinny Wimp Authorized Services, Franchisee shall maintain the security of cardholder data and adhere to the Then-Current Payment Card Industry Data Security Standards (**"PCI DSS"**) currently found at www.pcisecuritystandards.org, for the protection of cardholder data throughout the Term. Franchisee shall be and remain responsible for the security of cardholder data in the possession or control of any subcontractors Franchisee engages to process credit cards. All subcontractors shall be identified to and approved by Franchisor in writing prior to sharing cardholder data with the subcontractor. Franchisee shall, if requested to do so by Franchisor, provide appropriate documentation to Franchisor to demonstrate compliance with applicable PCI DSS requirements by Franchisee and all identified subcontractors.

7.27 **Data Security Safeguards**. Franchisee shall exert Franchisee's best efforts to protect its customers against a cyber-event, including, without limitation, a data breach or other identity theft or theft of personal information (collectively, a **"Cyber Event"**). If a Cyber Event occurs, regardless of whether the Cyber Event affects only the Franchised Business, Franchisor reserves the right, but shall not have any obligation, to perform and/or control and/or cause its third-party consultants to perform and/or control all aspects of the response to the Cyber Event including, without limitation, the investigation, containment and resolution of the Cyber Event and all communications within the Skinny Wimp franchise system and with vendors and suppliers, Governmental Authorities and the general public. Franchisor's control of the response to a Cyber Event may potentially affect or interrupt operations of the Franchised Business, but shall not create any liability for Franchisor or additional rights for Franchisee, entitle Franchisee to damages or relieve Franchisee of Franchisee's indemnification obligations under Section 18.4. Franchisee shall reimburse Franchisor for all of Franchisor's out-of-pocket costs and expenses incurred in responding to and remedying any Cyber Event caused solely by Franchisee or the Franchised Business. Franchisee shall at all times be compliant with (i) the NACHA ACH Security Framework; (ii) the Payment Rules; (iii) Applicable Law regarding data privacy, data security and security breaches; and (iv) Franchisor's security policies and guidelines, all as may be adopted and/or amended from time to time (collectively, **"Data Security Safeguards"**). Franchisee shall obtain advice from Franchisee's own legal and security consultants to ensure that Franchisee operates the Franchised Business at all times in full compliance with the Data Security Safeguards. Notwithstanding Franchisor's right to perform and/or control all aspects of a response to a Cyber Event, Franchisor shall make commercially reasonable efforts to coordinate its response with Franchisee and Franchisee's insurance carrier(s) and to cooperate with Franchisee's insurance carrier(s) regarding insurance coverage of the Cyber Event to the extent reasonably practicable under the circumstances.

7.28 **Payment of Debts**. Franchisee shall be solely responsible for selecting, retaining and paying Franchisee's employees; the payment of all invoices for the purchase of goods and services used in connection with operating the Franchised Business and determining whether, and on what terms, to obtain any financing or credit which Franchisee deems advisable or necessary for the opening and operation of the Franchised Business. Franchisee shall pay all obligations and liabilities to suppliers, lessors and creditors on a timely basis. Franchisee shall indemnify Franchisor if Franchisor is held responsible for any debts owed by

Franchisee if Franchisor elects to pay any of Franchisee's obligations in order to preserve the relationship between suppliers and Skinny Wimp franchisees. Franchisee shall make prompt payment of all federal, state and local taxes, including individual and corporate taxes, sales and use taxes, franchise taxes, gross receipts taxes, employee withholding taxes, FICA taxes, and personal property and real estate taxes arising from Franchisee's operation of the Franchised Business. Franchisee shall indemnify Franchisor if Franchisor is held responsible for any of these taxes.

8. **SUPPLIERS AND PRODUCTS.**

To protect the Skinny Wimp System, the Skinny Wimp Marks, the Skinny Wimp trade secrets, and the goodwill associated with the same:

8.1 **Designated Suppliers**. All Designated Supplies & Equipment and other products and services necessary for the development and operation of Franchised Businesses that have been accepted and approved by Franchisor shall be purchased from Designated Suppliers as specified by Franchisor. Following the Effective Date, Franchisor shall provide you with the Manuals and various supplemental bulletins and notices that will contain the specifications, standards and restrictions for Franchisee's purchase of Designated Supplies and Equipment and with a list of Designated Suppliers that Franchisor may update from time to time.

8.2 **Recommended Suppliers**. If Franchisee desires to purchase Designated Supplies & Equipment or Skinny Wimp Branded Products from a Recommended Supplier, Franchisee shall deliver written notice to Franchisor identifying the Recommended Supplier and shall provide Franchisor with reasonable financial, operational and other information regarding the Recommended Supplier necessary for Franchisor to assess the Recommended Supplier. Franchisor shall notify Franchisee of Franchisor's decision within sixty (60) days after Franchisor's receipt of the necessary information from Franchisee. If Franchisor does not approve or disapprove a Recommended Supplier within sixty (60) days, the Recommended Supplier shall be deemed disapproved. As a condition of its approval, Franchisor may require a Recommended Supplier to agree in writing to: (i) provide, from time to time, upon Franchisor's request, free samples of the Designated Supplies & Equipment or Skinny Wimp Branded Products the Recommended Supplier intends to supply to Franchisee; (ii) faithfully comply with Franchisor's specifications for the Designated Supplies & Equipment or Skinny Wimp Branded Products to be sold by the Recommended Supplier; (iii) sell any Designated Supplies & Equipment or Skinny Wimp Branded Products bearing the Skinny Wimp Marks only to Skinny Wimp Franchisees and only under a trademark license agreement with Franchisor; (iv) provide Franchisor, upon request, with duplicate purchase invoices issued to Franchisee for Franchisor's records and inspection purposes; and (v) otherwise comply with Franchisor's reasonable requests. Further, Franchisor may require Franchisee or the Recommended Supplier to pay Franchisor a Recommended Supplier Fee for Franchisor's reasonably anticipated costs to review the application of the Recommended Supplier, to test the product and to inspect the Recommended Supplier's facilities. Franchisee shall also pay all of Franchisor's transportation expenses, food, lodging and similar costs incurred in connection with Franchisor's travel to a Recommended Supplier's facilities. Franchisor may revoke its approval of a previously approved Recommended Supplier if the Recommended Supplier does not continue to satisfy Franchisor's criteria.

8.3 **Purchases from Franchisor or its Affiliates**. Designated Supplies & Equipment and Skinny Wimp Branded Products purchased from Franchisor or its Affiliates shall be purchased in accordance with the purchase order format issued from time to time and at the prices and on delivery terms and other terms offered to similarly situated Skinny Wimp Franchisees. Franchisor and its Affiliates, in their sole and absolute discretion, may establish the credit terms, if any, upon which they will accept Franchisee's orders, and may require Franchisee to pay for orders on a cash-in-advance or cash-on-delivery basis. On the expiration or termination of this Agreement, or in the event of any Default by Franchisee under this Agreement, Franchisor and its Affiliates shall not be obliged to fill or ship any orders then pending or, in the case of termination or non-renewal, made any time thereafter by Franchisee and may, among other things, only deliver the quantities reasonably necessary to supply Franchisee's needs prior to the expiration or termination of this Agreement. Franchisor and its Affiliates shall not be liable to Franchisee for any delay or delivery failure caused by Force Majeure.

8.4 **Non-Proprietary Products**. Following the Effective Date, Franchisor shall designate certain non-proprietary furnishings, equipment, uniforms, supplies, packaging, forms, computer hardware, software, modems and peripheral equipment and other products, supplies, services and equipment for the Franchised Business ("**Non-Proprietary Products**") that you may purchase from any established vendors, including Designated Suppliers. Franchisee shall only use, offer and sell Non-Proprietary Products that have been authorized by Franchisor.

8.5 **Rebates**. Franchisor or its Affiliates may receive rebates or allowances from certain Designated Suppliers on purchases of Designated Supplies & Equipment and Skinny Wimp Branded Products made by Franchisee and other Skinny Wimp Franchisees. Rebates and allowances will generally be a percentage of the revenue derived by the Designated Supplier from sales to Skinny Wimp Franchisees, will be included in Franchisor's general revenue, and may be used by Franchisor for a variety of purposes including ongoing programs, education, marketing, marketing, seminars and conferences, the handling of inquiries and complaints from Skinny Wimp Franchisees' customers and for general and administrative expenses. Franchisor may use these rebate and allowance funds received for any purpose in its sole and absolute discretion.

8.6 **Optional Truck Lease or Purchase from Franchisor's Affiliate**. If Franchisee, at Franchisee's option, elects to lease or purchase one or more used moving trucks from Franchisor's Affiliate at any time during the Term, Franchisee shall execute the Vehicle Lease Agreement in substantially the form attached to this Agreement as **Exhibit E**, or the Vehicle Purchase Agreement in substantially the form attached to this Agreement as **Exhibit F**, for each used truck as appropriate.

9. **SKINNY WIMP MARKS.**

Franchisor and its Affiliates continue to develop, use and control the use of the Skinny Wimp Marks in order to identify for the public the source of services and products marketed under the Skinny Wimp Marks and the Skinny Wimp System, and to represent the Skinny Wimp System's high standards of quality, appearance and service. To protect the Skinny Wimp System, the Skinny Wimp Marks, the Skinny Wimp trade secrets, and the goodwill associated with the same:

9.1~~11~~ **Ownership and Goodwill of Skinny Wimp Marks**. Franchisee acknowledges that its right to use the Skinny Wimp Marks is derived solely from this Agreement and is limited to use in operating as Franchisee pursuant to and in compliance with this Agreement. Any unauthorized use of the Skinny Wimp Marks by Franchisee shall constitute a breach of this Agreement and an infringement of Franchisor's rights in and to the Skinny Wimp Marks. Franchisee acknowledges and agrees that: (i) Franchisor owns the Skinny Wimp Marks and the Skinny Wimp System; (ii) Franchisee owns no goodwill or rights in the Skinny Wimp Marks or the Skinny Wimp System except for the license granted by this Agreement; and (iii) Franchisee's use of the Skinny Wimp Marks and any goodwill established by that use shall inure to the exclusive benefit of Franchisor. Franchisee agrees not to contest, or assist any other Person to contest, the validity of Franchisor's rights and interest in the Skinny Wimp Marks or the Skinny Wimp System either during the Term or after this Agreement terminates or expires.

9.2~~22~~ **Limitations on Use**. Franchisee shall not use any Skinny Wimp Marks: (i) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos licensed to Franchisee under this Agreement); (ii) in connection with unauthorized services or products; (iii) as part of any domain name or electronic address maintained on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system; or (iv) in any other manner not expressly authorized in writing by Franchisor. Franchisee shall give all notices of trademark and service mark registration that Franchisor specifies and shall use and obtain all fictitious or assumed name registrations required by Franchisor or under Applicable Law. Franchisee further agrees that no service mark other than the Skinny Wimp Marks specified by Franchisor shall be used in marketing, promoting, or operating the Franchised Business.

9.3~~33~~ **Modifications**. Franchisor reserves the right to: (i) modify or discontinue licensing any of the Skinny Wimp Marks; (ii) add new names, marks, designs, logos or commercial symbols to the Skinny Wimp Marks and require that Franchisee use them; and (iii) require that Franchisee introduce or observe new practices as part of the Skinny Wimp System in operating the Franchised Business. Franchisee acknowledges and agrees that the term "**Skinny Wimp Marks**" means the specific names, marks, designs, logos, or commercial symbols licensed by Franchisor at any given point in time, subject to Franchisor's right to impose changes. Franchisee shall comply, at Franchisee's sole expense, with Franchisor's directions regarding changes in the Skinny Wimp Marks and Skinny Wimp System within a reasonable time after written notice from Franchisor. Franchisor shall have no liability to Franchisee for any cost, expense, loss or damage that Franchisee incurs in complying with Franchisor's directions and conforming to required changes.

9.4~~44~~ **Defense of Skinny Wimp Marks and Skinny Wimp System**. Franchisor shall have the sole right to handle disputes with Franchisees and third parties concerning Franchisor's or Franchisor's Affiliates' ownership of, rights in, or Franchisee's use of, the Skinny Wimp Marks or the Skinny Wimp System. Franchisee shall immediately notify Franchisor in writing if Franchisee receives notice, or is informed, of any: (i) improper use of any of the Skinny Wimp Marks or elements of the Skinny Wimp System, including misuse by Franchisees; (ii) use by any third party of any mark, design, logo or commercial symbol which, in Franchisee's judgment, may be confusingly similar to any of the Skinny Wimp Marks; (iii) use by any third party of any business practice which, in Franchisee's judgment, unfairly simulates the Skinny Wimp System in a manner likely to confuse or deceive the public; or (iv) claim, challenge, suit or demand asserted against Franchisee based upon Franchisee's use of the Skinny Wimp Marks or the Skinny Wimp System. Franchisor shall have sole discretion to take all action as it deems appropriate, including, without limitation, to take no action, and the sole right to control any legal proceeding or negotiation arising out of any infringement, challenge or claim or otherwise relating to the Skinny Wimp Marks or the Skinny Wimp System. Franchisee shall not settle or compromise any claim, suit or demand asserted against it and agrees to be bound by Franchisor's decisions in handling disputes regarding the Skinny Wimp Marks and the Skinny Wimp System. Franchisee shall cooperate fully with Franchisor and execute all documents and perform all actions as may, in Franchisor's judgment, be necessary, appropriate or advisable in the defense of all claims, suits or demands and to protect and maintain Franchisor's rights in the Skinny Wimp Marks and the Skinny Wimp System. Unless it is established that a third party claim asserted against Franchisee is based directly upon Franchisee's misuse of the Skinny Wimp Marks or the Skinny Wimp System, Franchisor agrees to defend Franchisee against the third party claim and indemnify Franchisee for any losses resulting therefore, provided Franchisee has notified Franchisor as soon as practical after learning of the claim and fully cooperates in the defense of the action. Because Franchisor will defend the third party claim, Franchisee is not entitled to be reimbursed for legal or other professional fees or costs paid to independent legal counsel or others in connection with the matter.

10. MARKETING.

To protect the Skinny Wimp System, the Skinny Wimp Marks, the Skinny Wimp trade secrets, and the goodwill associated with the same:

10.1 **Marketing Fund**. Franchisee shall pay the Marketing Fee to the Marketing Fund each month during the Term. The Marketing Fund shall be administered by Franchisor and shall be used to meet the costs of conducting marketing and promotional activities. Franchisor retains sole discretion over all marketing and public relations programs and activities that may be financed by the Marketing Fund, including the creative concepts, materials and endorsements used and the geographic market, media placement and allocation. The Marketing Fund may be used to pay the costs of preparing and producing associated materials and programs as Franchisor determines, including video, audio and written marketing materials employing marketing agencies, sponsorship of sporting, charitable or similar events, administering regional and multi-regional marketing programs including purchasing direct mail and other media marketing, and employing marketing agencies to assist with marketing efforts, supporting public relations, market research and other marketing and promotional activities, campaigns, test marketing, marketing surveys, public relations activities, website development/operation for portal, Internet, Intranet and URL services and for 800 or similar numbers. All expenditures shall be at the sole discretion of Franchisor. Franchisor may spend in any year more or less than the total contributions to the Marketing Fund in that year. Franchisor may borrow from Franchisor or other lenders on behalf of the Marketing Fund to cover deficits of the Marketing Fund or cause the Marketing Fund to invest any surplus for future use by the Marketing Fund. If Franchisor has not yet established the Marketing Fund as of the Effective Date, Franchisee shall not be required to pay the Marketing Fee until such time as Franchisor establishes the Marketing Fund, at which time Franchisee shall begin making Marketing Fee contributions in accordance with this Section 10.1 upon ninety (90) days' notice to Franchisee. Franchisee acknowledges that neither Franchisor, nor any affiliate of Franchisor, including any Skinny Wimp Moving Businesses owned by the Operating Company shall be required to contribute any amount to the Marketing Fund pursuant to its or their operation of restaurant or other business utilizing the Skinny Wimp Marks or the Skinny Wimp System. Upon request, Franchisor will prepare an annual accounting of the Marketing Fund, and will distribute it to Skinny Wimp Franchisees, once a year, that will state the total amount of money collected and spent by the Marketing Fund during the previous year and list, by general category, the manner in which Franchisor spent the money. The report will not be separately audited but will be examined as part of the overall annual audit of Franchisor's books.

10.1.1 Franchisee acknowledges and agrees that the Marketing Fund will be used to maximize general public recognition and acceptance of the Skinny Wimp brand for the benefit of the Skinny Wimp System as a whole. Franchisor undertakes no obligation, in administering the Marketing Fund, to make expenditures for Franchisee that are equivalent or proportionate to its contribution, or to ensure that any particular Skinny Wimp Franchisee benefits directly or pro rata from marketing or promotion conducted with the Marketing Fund.

10.1.2 Franchisor will maintain the Marketing Fund in an account separate from Franchisor's other monies, and will not use it to defray any of Franchisor's expenses, except for reasonable administrative and marketing wages and costs and overhead which Franchisor may incur in activities related to administering the Marketing Fund and marketing programs for Skinny Wimp Franchisees. Franchisor's printed materials and website may also contain references stating that "Franchises Are Available" and/or that "Each Skinny Wimp Franchise Is Independently Owned and Operated" to promote the sale of franchises for Skinny Wimp Moving Businesses. With this exception, no portion of the Marketing Fund will be used to solicit or to sell Skinny Wimp franchises to prospective franchisees. The Marketing Fund is not and will not be an asset of Franchisor. Any Marketing Fees collected in a year, but not spent in that year, will be carried over to the next year. Franchisor maintains the right to terminate the collection and disbursement of Marketing Fees upon ninety (90) days prior written notice to Franchisee. Upon termination, Franchisor shall disburse the remaining Marketing Fees on hand only for the purposes authorized by this Article 10.

10.1.3 An unaudited statement of the operations of the Marketing Fund as shown on the books of the Marketing Fund will be prepared annually by the Franchisor and furnished to Franchisee on request.

10.2 **Local Marketing and Promotion**. In addition to the Marketing Fees, Franchisee shall spend the Local Marketing Expenditure on local marketing and promotion of the Franchised Business in the Protected Territory. Franchisee shall be responsible for all local marketing and promotion for the Franchised Business. Franchisee shall conduct all local marketing and promotion in accordance with the policies and provisions with respect to format, content, media, geographic coverage and other criteria as are from time to time contained in the Manuals, or as otherwise directed by Franchisor, and shall not use or publish any marketing materials or in any way use or display any of the Skinny Wimp Marks except in accordance with said policies and provisions and with Franchisor's prior written approval. Franchisee shall make no misrepresentations or material omissions in any of its marketing materials. Franchisee shall submit samples of all marketing plans and materials to Franchisor for Franchisor's approval and may only commence use of the marketing materials after they have been approved, in writing, by Franchisor. Franchisor shall have the right at any time after Franchisee commences use of any marketing materials to prohibit further use, effective upon written notice to Franchisee. Franchisor does not, by virtue of its approval of any proposed marketing materials, assume any responsibility for the contents of the marketing materials. Franchisee shall indemnify, defend and hold Franchisor harmless from any claims, demands, liability, costs and expenses that Franchisor suffers arising from Franchisee's use of any of its marketing materials.

10.2.1 Franchisee shall provide Franchisor with proof of the required expenditures for local marketing and promotion within thirty (30) days after demand by Franchisor. If Franchisee fails to spend the required amounts for local marketing and promotion, Franchisor may require Franchisee to pay the difference to the Marketing Fund and to take such other actions as may be specified by Franchisor in its marketing policies. Franchisor shall designate in its marketing policies the categories of marketing expenditures that satisfy the required local marketing requirement and those that do not satisfy the required local marketing requirement.

10.2.2 Each moving truck used by the Franchised Business shall display the Skinny Wimp Marks as directed by Franchisor. Except as Franchisor expressly permits in writing, Franchisee shall not display the Business Offices, a telephone number, an Internet website address or other website information on Franchisee's moving trucks. Except for marketing displayed on Franchisee's moving trucks, Franchisee shall include the address of its Business Office in all marketing materials by indicating, at a minimum, the state, city, township, or other municipal unit in which the Business Office is located. Only Designated Suppliers may provide Franchisee with local website hosting, URL licensing, search engine optimization (SEO), site performance reporting, online directory management and other related aspects of Internet marketing and other marketing related services specified by Franchisor.

10.2.3 Franchisor may require Franchisee to contract with one or more online marketing companies to offer Skinny Wimp Authorized Services if Franchisor believes that they are reasonably likely to generate revenue for Franchisee at a reasonable cost to Franchisee. In addition, to promote the use of other types of marketing that Franchisor determines may best lead to the expansion of the Skinny Wimp System, Franchisor may offer incentives, including cash incentives, to encourage Skinny Wimp Franchisees to choose alternative methods of marketing promoted by Franchisor. Franchisee acknowledges and agrees that cash incentives may generally be paid from the Marketing Fund. Franchisee further acknowledges and agrees that cash incentives may benefit Skinny Wimp Franchisees who choose to use the marketing that Franchisor promotes and may not benefit Skinny Wimp Franchisees who choose not to use those forms of marketing. Franchisee further acknowledges and agrees that Franchisor may, in its sole discretion, determine the best use of cash incentives drawn from the Marketing Fund.

10.3 **Cooperative Marketing Programs**. Franchisor may from time to time establish programs for co-operative marketing (**"Cooperative Marketing Programs"**) to coordinate marketing, marketing efforts and programs, to serve as a conduit for the collection and expenditure of the contributed funds and to maximize the efficient use of local and/or regional marketing media. If and when Franchisor creates a Cooperative Marketing Program for a marketing coverage area (a **"Marketing Coverage Area"**) in which the Franchised Business is located, Franchisee (and, if Franchisor or an Affiliate of Franchisor owns a Franchised Business in the Marketing Coverage Area, then Franchisor or such Affiliate of Franchisor), shall become a subscriber and member of the Cooperative Marketing Program and shall participate in the Cooperative Marketing Program in the manner prescribed by Franchisor. The size and content of a Marketing Coverage Area, when and if established by Franchisor, shall be binding upon Franchisee, and all other similarly situated Skinny Wimp Franchisees and Franchisor or an Affiliate of Franchisor, if it operates Franchised Businesses in the Marketing Coverage Area. Each participating Skinny Wimp Franchisee, as well as Franchisor (or its Affiliate), if applicable, shall be entitled to one vote for each Skinny Wimp Moving Business located within the Marketing Coverage Area as may reasonably be determined by Franchisor.

10.3.1 Franchisee and all other members of the Marketing Coverage Area whose Franchise Agreements require their participation in the Cooperative Marketing Program, shall contribute to the Cooperative Marketing Program the amounts that are determined by Franchisor and fifty percent (50%) or more of the participating Franchised Businesses in the Cooperative Marketing Program (not to exceed two percent (2%) of the Gross Revenue of each participating Franchised Business located in the Marketing Coverage Area), unless all of the members of the Marketing Coverage Area agree to another contribution, subject to Franchisor's written approval. Any amounts Franchisee contributes to the Cooperative Marketing Program will be credited against Franchisee's Local Marketing Expenditure.

10.3.2 Franchisor shall administer the Cooperative Marketing Program and shall determine the policies of the Cooperative Marketing Program and the usage of the available funds for media time, production of media materials, radio, television, newspapers or Franchised Business level materials such as flyers, or posters, or for any other type of marketing or marketing use. Franchisor reserves the right to establish general standards concerning the operation of the Cooperative Marketing Program, marketing agencies retained by the Cooperative Marketing Program, and marketing conducted by the Cooperative Marketing Program. Any disputes (other than pricing) arising among or between Franchisee, other Skinny Wimp Franchisees, and/or the Cooperative Marketing Program shall be resolved by Franchisor, whose decision shall be final and binding on all parties.

10.4 **Opening Marketing Campaign**. At least sixty (60) days before the opening of the Franchised Business, Franchisee shall develop and provide Franchisor with a promotional campaign plan (the "**Opening Marketing Plan**") for the opening of the Franchised Business. Franchisee shall spend no less than $10,000 in connection with the opening of the Franchised Business within thirty (30) days before and sixty (60) days after the Commencement Date. Franchisee shall provide Franchisor with copies of all invoices, statements, canceled checks or other forms of payment which have been issued by Franchisee during the ninety (90) day period that evidence the expenditure and payment by Franchisee of the amounts required by this Section 10.4 for the opening marketing campaign for the Franchised Business. Franchisee's failure to spend the requisite amount for the opening marketing campaign or to provide Franchisor with evidence of payment of the expenses for the opening marketing campaign shall constitute a Default under this Agreement.

10.5 **Promotional Campaigns**. From time to time during the Term, Franchisor shall have the right to establish and conduct promotional campaigns on a national or regional basis, which may by way of illustration and not limitation promote particular products or marketing themes. Franchisee shall participate in the promotional campaigns upon the terms and conditions that Franchisor may establish. Franchisee acknowledges and agrees that participation may require Franchisee to purchase marketing materials, posters, flyers, product displays and other promotional materials.

10.6 **Marketing Advisory Council**. Franchisor may from time to time establish a Marketing Advisory Council for Skinny Wimp Franchisees to work with Franchisor and to consult with Franchisor on marketing conducted by the Marketing Fund and any other matters that Franchisor deems appropriate. If a Marketing Advisory Council is formed, it will act solely in an advisory capacity, and will not have decision making authority, will be comprised of Franchisor's representatives and Skinny Wimp Franchisees who may be chosen by Franchisor or elected by other Skinny Wimp Franchisees. All Skinny Wimp Franchisees who serve on a Marketing Advisory Council shall pay all transportation expenses, food, lodging and similar costs incurred in connection with their attendance at Marketing Advisory Council meetings. Franchisor shall have the right to form, change, merge or dissolve any Marketing Advisory Council at any time, in its sole discretion.

10.7 **Internet**. Franchisee shall not develop, create, generate, own, license, lease or use in any manner any computer medium or electronic medium (including, without limitation, any Internet home page, e-mail address, website, domain name, bulletin board, newsgroup or other Internet-related medium or activity) which in any way uses or displays, in whole or part, the Skinny Wimp Marks, or any of them, or any words, symbols or terms confusingly similar thereto without Franchisor's prior written consent, and then only in the manner and in accordance with the procedures, policies, standards and specifications that Franchisor may establish from time to time. Franchisee shall not separately register any domain name or any portion of any domain name containing the Skinny Wimp Marks or participate or market on any website or other form of electronic media (including, without limitation, through the use of social technology, social media, social networking platforms or other forms of electronic media not yet developed) using the Skinny Wimp Marks without Franchisor's prior written consent. Franchisee's general conduct on the Internet and in the use of other forms of electronic media is subject to the terms and conditions of this Agreement and all other rules, requirements or policies that Franchisor may identify from time to time. Franchisor may, at any time after Franchisee commences use of any approved electronic media, prohibit further use, effective upon receipt of written notice by Franchisee.

10.8 **Web Sites**. Franchisor shall establish and maintain from time to time, one or more Internet websites that shall be used to provide information about Franchised Businesses to the public. Franchisor has sole discretion and control over the establishment, design and content of the website. Franchisor may, in its discretion, configure the site to accommodate one or more interior pages which Franchisor shall dedicate, in whole or in part, to the Franchised Business, all at Franchisee's expense. Franchisor shall have the right, at its sole option, from time to time, to (i) change, revise, or eliminate the design, content and functionality of the website; (ii) make operational changes to the website; (iii) change or modify the URL and/or domain name of the website; (iv) substitute, modify, or rearrange the website, at Franchisor's sole option, including in any manner that Franchisor considers necessary or desirable to comply with Applicable Laws, or respond to changes in market conditions or technology and respond to any other circumstances; (v) limit or restrict end-user access (in whole or in part) to the website; and (vi) disable or terminate the website without any liability to Franchisee.

10.9 **Yellow Page Advertising**. Franchisee may be required to place classified telephone directory advertisements in the major Yellow Pages directories distributed within the Protected Territory in the business classifications specified by Franchisor. Franchisee shall contribute its pro-rata share of the cost of joint advertisements in those directories for all Skinny Wimp Moving Businesses that operate in the Protected Territory. Franchisor may designate a national Yellow Pages advertising company to place all Yellow Pages advertisements, at Franchisee's expense. If Franchisee desires to place its own Yellow Pages advertisements, Franchisee may only do so following Franchisor's written approval of the artwork and utilization of an approved 800 telephone number. Upon demand by Franchisor, Franchisee shall furnish Franchisor with a copy of Franchisee's Yellow Pages contract.

10.10 **General Limitations on Marketing**. Franchisee shall not authorize marketing or market outside the Protected Territory, except to the extent that the marketing, by its nature, cannot be limited to the Protected Territory or is otherwise authorized by this Agreement or the Manuals. Internet, television and radio advertisements and yellow pages ads published for the Franchised Business seen outside the Protected Territory are not unauthorized marketing if it cannot be limited to the Protected Territory and the marketing identifies the Business Office and otherwise conforms with the terms of Article 10 and the Manuals. Marketing for the Franchised Business that appears in publications for distribution outside the Protected Territory that is not purchased by or on behalf of Franchisee or otherwise authorized by Franchisee shall not be not considered unauthorized marketing for purposes of this Agreement.

10.11 **Limits to Franchisee's Right to Market**. Franchisee acknowledges and agrees that Franchisor has developed and shall continue to develop marketing policies for the methods and manner of marketing in various media and that Franchisee shall comply with all marketing policies that Franchisor may implement from time to time. Franchisee further acknowledges and agrees that existing and/or future marketing policies may limit or eliminate Franchisee's right to use telephone numbers and/or Internet website addresses on Franchisee's moving trucks and/or elsewhere. Franchisee further acknowledges and agrees that existing and/or future marketing policies may otherwise limit Franchisee's ability to market in a particular manner. Franchisee further acknowledges and agrees that these limitations, when established, are established for the benefit of all Skinny Wimp Franchisees and their customers and/or to establish reasonable rules to govern the relationships among all Skinny Wimp Franchisees and Franchisee hereby agrees to accept the same.

11. CONFIDENTIAL INFORMATION.

11.1 **Confidential Information**. Franchisee acknowledges and agrees that the Skinny Wimp System is comprised of confidential information that has been developed by Franchisor and its affiliate by the investment of time, skill, effort and money and is widely recognized by the public, is of substantial value, and is proprietary, confidential and constitutes trade secrets of Franchisor and its affiliates, and includes, without limitation, tangible and intangible information (whether or not in electronic form) relating to Franchisor's business operations, products and services, sources of inventory and equipment, client management and other software, data, other content, formulations, patterns, compilations, programs, devices and processes, business relationships, contact information for industry professionals, designs, developmental or experimental work and services, improvements, discoveries, plans for research, potential new or supplemental products and services, websites, advertisements or ancillary products and services, marketing and selling methods and/or plans, business plans, budgets and unpublished financial statements, licenses, prices and costs, vendors, collaborators, current customer and prospective customer names and addresses, information regarding credit extensions to customers, customer service purchasing histories and prices charged to customers, customer lists and other customer data, information regarding the skills and compensation of employees of Franchisor and contractors of Franchisor, designs, drawings, specifications, source code, object code, documentation, diagrams, flowcharts, research, development, marketing techniques and materials, trademarks, trade secrets, sales/license techniques, inventions, copyrightable material, trademarkable material, databases, relationships between Franchisor and other companies, Persons or Entities, the Manuals, knowledge or know-how concerning the methods of operation of the Franchised Business which may be communicated to Franchisee, or of which Franchisee may be apprised, by virtue of Franchisee's operation of the Franchised Business under the terms of this Agreement, and any other information or material considered proprietary by Franchisor whether or not designated as confidential information by Franchisor, that is not generally known by the public, or which derives independent economic value (actual or potential) from not being generally known to the public or Persons unaffiliated with Franchisor or its affiliates and which is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain its secrecy, and any other information in oral, written, graphic or electronic form which, given the circumstances surrounding its disclosure, would be considered confidential (collectively, the "**Confidential Information**"). Confidential Information does not include any information that was in the lawful and unrestricted possession of Franchisee prior to its disclosure by Franchisor; is or becomes generally available to the public by acts other than those of Franchisee after receiving it; has been received lawfully and in good faith by Franchisee from a third party who did not derive it from Franchisor or Franchisee; or is shown by acceptable evidence to have been independently developed by Franchisee.

11.2 **Value**. Franchisee acknowledges and agrees the Confidential Information is not generally known by the public or Persons other than Franchisor, its affiliates, other Skinny Wimp Franchisees and Franchisee; derives independent economic value (actual or potential) from not being generally known to the public or Persons unaffiliated with Franchisor or Franchisee; and is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain the secrecy of the Confidential Information, including, without limitation (i) not revealing the Confidential Information to unauthorized parties; (ii) requiring its Skinny Wimp Franchisees to acknowledge in writing that the Confidential Information is confidential; (iii) requiring its Skinny Wimp Franchisees to agree in writing to maintain the confidentiality of the Confidential Information; (iv) monitoring electronic access to the Confidential Information by the use of passwords and other restrictions so that electronic access to the Confidential Information is limited to authorized parties; and (v) requiring its Skinny Wimp Franchisees to return all Confidential Information to Franchisor upon the expiration or termination of their Franchise Agreements.

11.3 **Maintain Confidentiality**. To protect the Skinny Wimp System, the Skinny Wimp Marks, the Skinny Wimp trade secrets, and the goodwill associated with the same, Franchisee shall not, during the Term of this Agreement or thereafter, communicate, divulge, or use for the benefit of anyone else, any information that Franchisor considers its trade secrets and/or Confidential Information. Franchisee shall divulge such Confidential Information only to its supervisorial or managerial personnel who shall have access to it in order to perform their employment responsibilities.

11.4 **Irreparable Injury from Disclosure of Confidential Information**. Franchisee acknowledges that failure to comply with the requirements of this Article 11 will result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Franchisee consents to the issuance of, and agrees to pay all court costs and reasonable attorney's fees incurred by Franchisor in obtaining, without the posting of any bond, an ex parte or other order for injunctive or other legal or equitable relief with respect to the requirements of this Article 11.

11.5 **Confidentiality Covenants from Individuals Associated with Franchisee**. Franchisee shall require any supervisorial or managerial employee who may have access to any Confidential Information of Franchisor to execute covenants that they will maintain the confidentiality of the Confidential Information they receive in connection with their association with Franchisee. Such covenants shall be in a form satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them.

12. ACCOUNTING AND RECORDS.

12.1 **General Reporting**. Franchisee shall maintain an accounting and record keeping system for basic accounting information for the Franchised Business to enable Franchisee to prepare financial statements, a general ledger and reports required by this Agreement and the Manuals. Franchisee shall maintain accurate, adequate and verifiable books and supporting documentation relating to the accounting information. Franchisee shall submit statistical control forms and other financial, operational and statistical information that Franchisor may require (i) to assist Franchisee in the operation of the Franchised Business; (ii) to allow Franchisor to monitor Gross Revenue, purchases, costs and expenses; (iii) to enable Franchisor to develop chain wide statistics; (iv) to assist Franchisor in the development of new Authorized Skinny Wimp Products or the removal of existing unsuccessful Authorized Skinny Wimp Products; (v) to enable Franchisor to refine existing Authorized Skinny Wimp Products; and (vi) to generally improve chain-wide understanding of the Skinny Wimp System.

12.2 **Manner of Reporting; Administrative Assessments**. The required information shall be reported in the manner, at the times, and in the formats specified by Franchisor in the Manuals. The manner of reporting may include electronic transmission or the uploading of information through the use of the Technology Services that can be accessed by Franchisor or that automatically transmit information to Franchisor. If Franchisee fails to transmit the reporting information to Franchisor in the manner, at the times, and in the formats specified by Franchisor, or fails to timely close jobs and process open jobs or fails to provide accurate information to Franchisor, in addition to all other remedies available to Franchisor under this Agreement, Franchisee shall pay Franchisor, upon demand, the applicable Administrative Assessment as reimbursement to Franchisor. Franchisor and Franchisee acknowledge that violations of these reporting requirements will damage Franchisor in amounts that cannot be quantified as of the Effective Date and that each of these Administrative Assessments is a reasonable, good faith estimate of those damages.

12.3 **Specific Reporting**. Unless otherwise agreed by Franchisor in writing, Franchisee shall submit condensed reports of daily Gross Revenue to Franchisor on a weekly basis in accordance with the guidelines established by Franchisor. Franchisee will electronically link the Franchised Business to Franchisor and will allow Franchisor to poll the computer system on a daily basis at a time selected by Franchisor to retrieve the reporting information. Further:

12.3.1 Within ten (10) days following the end of each month during the Term, or at any other interval that Franchisor may establish, Franchisee shall submit a Gross Revenue report signed by Franchisee, in the form and manner prescribed by Franchisor, reporting all Gross Revenue for the preceding month, together with the additional financial information that Franchisor may, from time to time, request.

12.3.2 Within forty-five (45) days following the end of each calendar quarter during the Term, Franchisee shall submit to Franchisor financial statements for the preceding quarter, including a balance sheet and profit and loss statement, prepared in the form and manner prescribed by Franchisor and in accordance with generally accepted accounting principles, which shall be certified by Franchisee to be accurate and complete.

12.3.3 Within forty-five (45) days following the end of each calendar year during the Term, Franchisee shall submit to Franchisor an unaudited annual financial statement prepared in accordance with generally accepted accounting principles, and in the form and manner prescribed by Franchisor, which shall be certified by Franchisee to be accurate and complete. Franchisee shall also provide Franchisor with copies of signed original sales and use tax forms contemporaneously with their filing with the appropriate Governmental Authority. Franchisor reserves the right to require the further information concerning the Franchised Business that Franchisor may, from time to time, reasonably request.

12.4 **Audits**. Franchisee shall prepare, and keep for not less than three (3) years following the end of each of its fiscal years, adequate books and records showing daily receipts in, at and from the Franchised Businesses, applicable sales tax returns, if any, all pertinent original serially numbered sales slips and cash register records, and the other sales records as may be reasonably required by Franchisor, from time to time, to verify the Gross Revenue reported by Franchisee to Franchisor, in a form suitable for an audit of Franchisee's records by an authorized auditor or agent of Franchisor. Such information shall be broken down by categories of Skinny Wimp Authorized Services provided when possible. Franchisor, its agents or representatives may, at any reasonable time during normal working hours, audit or review Franchisee's books and records in accordance with generally accepted standards established by certified public accountants. If an audit becomes necessary because of Franchisee's failure to furnish any of the reporting information required by this Article 12, or if any audit or other investigation reveals an under-reporting or under-payment error of three percent (3%) or more of any fees due to Franchisor under this Agreement, then in addition to any other sums due, the expenses of the audit/inspection shall be borne and paid by Franchisee upon billing by Franchisor, which shall include, without limitation, Franchisor's travel, lodging and wage expenses and reasonable accounting and legal expenses, plus interest at the highest compound rate permitted by Applicable Law, but not to exceed the rate of eighteen percent (18%) per annum.

12.5 **Books and Records**. Franchisee shall maintain an accounting and record keeping system, which shall provide for basic accounting information necessary to prepare financial statements, a general ledger and reports required by this Agreement and the Manuals. Franchisee shall use the Skinny Wimp System standard chart of accounts ("**Chart of Accounts**") as specified by Franchisor and must have its Chart of

Accounts approved by Franchisor before Franchisee begins operation of the Franchised Business. Franchisee shall maintain and safeguard all of its business records for the greater of seven (7) years; or the time period specified by Applicable Law.

12.6 **Multiple Businesses and Protected Territories; Affiliates of Franchisee**. If Franchisee or its Affiliates operate multiple Skinny Wimp Moving Businesses and have a central accounting office for those Skinny Wimp Moving Businesses, Franchisor may require Franchisee and its Affiliates to store all business records at the central accounting office. If Franchisee operates multiple Skinny Wimp Moving Businesses, Franchisee must, if required by Franchisor, provide separate reporting information for each Skinny Wimp Moving Business. Further, Franchisor may require Franchisee to provide financial documents, accounting reports, tax returns and other books and records as requested by Franchisor for Affiliates of Franchisee that are involved in the Franchised Business or that provide assets or services of any kind to the Franchised Business. If Franchisee is member of a group of Affiliates, Franchisor may require consolidated reporting from Franchisee and all of the Affiliates. If Franchisee and its Affiliates operate Franchised Businesses in more than one Protected Territory, Franchisor may audit the business records of Franchisee and its Affiliates for any and all of the Protected Territories to determine if revenue may have been shifted from one Protected Territory to another Protected Territory to satisfy Minimum Performance Requirements or to otherwise gain any improper advantage, and for any other business reason that Franchisor deems appropriate.

12.7 **Use of Financial Statements In Disclosure Document**. Franchisee hereby irrevocably consents to Franchisor's use of information contained in its financial statements, at Franchisor's election, in its Franchise Disclosure Document for the offer and sale of franchises.

12.8 **Credit Reports**. Franchisee hereby authorizes Franchisor to obtain credit reports on Franchisee and the Owners on a semi-annual basis during the Term, upon Franchisee's submission of an application for an Assignment and upon Franchisor's receipt of a Renewal Notice from Franchisee.

13. INSURANCE.

13.1 **Franchisee's Insurance Obligations**. Franchisee shall obtain and maintain throughout the Term the types and amounts of insurance required by Franchisor and shall provide Franchisor with proof of coverage and Certificates of Insurance upon demand. At a minimum, such policies shall include the following: (i) commercial general liability insurance coverage in the amount of $1,000,000, per person/per occurrence for bodily injury and property damage combined with a general aggregate of $2,000,000, with products/completed operations coverage with an aggregate limit of $1,000,000, personal and advertising insurance with a limit of $1,000,000, fire damage coverage with a limit for any one fire of $50,000, and medical expense coverage with a limit for any one person of $5,000; (ii) motor moving truck liability coverage, which shall include bodily injury and property damage, on all leased, owned, rented or borrowed motor moving trucks having a combined single limit of at least $1,000,000 resulting from each occurrence; additionally, if renting moving trucks, the business auto policy shall include hired and non- owned liability coverage with a limit of $1,000,000 and hired car physical damage coverage with a limit of at least $75,000 or equal to the value stipulated in a truck/automobile rental agreement; (iii) cargo insurance coverage with a limit of $50,000 per truck, regardless of the size of the truck, and, in addition to insurance coverage for damage or loss to cargo while it is being moved, coverage while items are being loaded and unloaded or otherwise in the possession of Franchisee; (iv) umbrella policy (covering general liability, automobile and employer's liability) with a limit of $2,000,000; (v) business personal property insurance with a limit of at least $10,000 per Business Location; (vi) employee dishonesty insurance with a limit of at least $10,000, and third-party dishonesty bond insurance with a limit of at least $10,000; (vii) worker's compensation coverage that at least meets the minimum coverage available in the state where the Business Office is located, which coverage shall be provided as a benefit to Franchisee's employees whether or not it is required by law; and (viii) all other insurance coverage required by the Applicable Law in the state where the Business Office is located or that Franchisor otherwise requires. ~~Franchisor may adjust the amounts of coverage required under these policies at any time and from time to time and may require different or additional kinds of insurance in its business judgment.~~ Also, Franchisor may require Skinny Wimp Franchisees who exceed a specified revenue threshold to maintain additional insurance coverage. Optional insurance coverage includes "Cyber-Event" liability insurance, third-party employee dishonesty coverage, directors and officers liability coverage, fiduciary liability coverage, including plan purchaser protection, and third-party discrimination liability coverage. Franchisor reserves the right to change the insurance requirements during the term of this Agreement, including the types of coverage and the amounts of coverage. Franchisee must comply with any changes to these requirements.

13.2 **Additional Requirements**. Each policy shall: (i) be written by insurers licensed and admitted to write coverage in the jurisdiction in which the Franchised Business is located and with a rating of "A" or better as set forth in the most recent edition of Best's Key Rating Guide; (ii) name Franchisor as an additional insured; and (iii) comply with the requirements prescribed by Franchisor at the time the policies are obtained. Franchisee and Franchisee's insurers shall agree to waive their rights of subrogation against Franchisor, and Franchisee shall provide evidence of the waiver in accordance with this Section 13.2. Franchisee's obligation to obtain and maintain insurance shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section 18.4.

13.3 **Required Endorsements and Certificates**. All public liability and property damage policies shall contain a provision that Franchisor and its Affiliates, although named as an additional insured, shall nevertheless be entitled to recover under the policies on any loss occasioned to Franchisor, or its Affiliates, partners, shareholders, directors, agents, or employees by reason of the negligence of Franchisee or its partners, shareholders, directors, agents, or employees. At least ten (10) days prior to the time any insurance is first required to be carried by Franchisee, and thereafter at least thirty (30) days prior to the expiration of any policy, Franchisee shall deliver to Franchisor Certificates of Insurance evidencing the proper types and minimum amounts of required coverage. All Certificates shall expressly provide that no less than thirty (30) days prior written notice shall be given Franchisor in the event of material alteration to or cancellation or non-renewal of the coverages evidenced by the Certificates. Certificates evidencing the insurance required by this Article 13 shall name Franchisor, and each of its Affiliates, partners, shareholders, directors, agents, and employees as additional insureds on the additional-insured Grantor of Franchise Form CG-2029 or an insurer's comparable form, and shall expressly provide that any interest of each shall not be affected by any breach by Franchisee of any policy provisions for which the Certificates evidence coverage.

13.4 **Franchisor's Right to Reports of Losses and EMOD**. Franchisor may require Franchisee to provide or require Franchisee to authorize Franchisee's insurance carriers to provide Franchisor with monthly, quarterly, and/or annual reports of losses paid by the Franchisee's insurance carriers on behalf of Franchisee for losses suffered under the Franchisee's insurance policies. These policies may include worker's compensation, cargo, automobile liability, general liability, excess liability policies and others specified by Franchisor. In addition, Franchisor may require Franchisee to provide Franchisor or to authorize Franchisee's insurance carrier to provide Franchisor with proof of Franchisee's worker's compensation experience modification ("EMOD"). Franchisee hereby grants Franchisor its power of attorney, authorizing

Franchisor to obtain all loss reports and EMOD reports Franchisor determines, in its sole discretion, are necessary to protect the integrity of the Skinny Wimp Marks and the Skinny Wimp System or for any other reasonable business purpose. Franchisee shall cooperate with Franchisor and Franchisee's insurance carriers to enable Franchisor to obtain the insurance loss reports and EMOD reports as promptly and efficiently as possible, which cooperation may include Franchisee's written authorization to permit Franchisor to obtain the reports.

13.5 **Franchisor's Right to Secure Insurance on Behalf of Franchisee.** Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as the requirements may be revised from time to time by Franchisor in the Manuals or otherwise in writing, Franchisor shall have the right and authority (but not the obligation) to immediately procure the insurance and to charge the same to Franchisee, which charges, together with Franchisor's expenses in so acting, shall be payable by Franchisee immediately upon notice. The foregoing remedies shall be in addition to any other remedies Franchisor may have.

14. TRANSFER OF INTEREST.

14.1 **Transfer by Franchisor.** Franchisor shall have the right to transfer or assign all or any part of its rights or obligations under this Agreement to any Person or legal Entity without the consent or approval of Franchisee. With respect to any assignment which results in the subsequent performance by the assignee of all of Franchisor's obligations under this Agreement, the assignee shall expressly assume and agree to perform the obligations, and shall become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment. Franchisor and or its Affiliates may sell their assets, the Skinny Wimp Marks, or the Skinny Wimp System, may sell securities in a public offering or in a private placement, may merge, acquire other corporations, or be acquired by another corporation, and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring all without the consent or approval of Franchisee.

14.2 **Assignment by Franchisee.** Franchisee acknowledges and agrees that the rights granted to Franchisee under this Agreement are personal and are granted in reliance upon, among other considerations, the individual or collective character, skill, aptitude, attitude, experience, business ability and financial condition and capacity of Franchisee and, if Franchisee is an Entity, that of the Owners. Accordingly, to protect the Skinny Wimp System, the Skinny Wimp Marks, the Skinny Wimp trade secrets, and the goodwill associated with the same, Franchisee shall not offer, sell, or negotiate the sale of its rights under this Agreement to any third party, either in Franchisee's own name or in the name and/or on behalf of Franchisor, except as otherwise provided in this Agreement. Franchisee acknowledges and agrees that Franchisee has no right, by operation of law or otherwise, to sell, assign, transfer, pledge, donate, encumber or otherwise deal with, directly or indirectly: (i) any interest in this Agreement; or (ii) the right to use the Skinny Wimp System or the Skinny Wimp Marks (an "**Assignment**") without Franchisor's prior written consent. Franchisor shall not unreasonably withhold its consent to an Assignment if, in Franchisor's judgment, Franchisee satisfies the conditions to the Assignment identified in this Agreement.

14.2.1 Unless the Parties otherwise agree in writing, Franchisee shall not make any Assignment of this Agreement except in conjunction with a concurrent Assignment to the same approved assignee of all Franchised Businesses then owned and operated by Franchisee. As a condition to Franchisor's consent to an Assignment, the assignee shall execute Franchisor's Then-Current form of Franchise Agreement for each Franchised Business sold to the assignee. Further, without Franchisor's prior written consent, which may be withheld by Franchisor in its discretion, (i) Franchisee shall not offer for sale or transfer at public or private auction any of the rights of Franchisee under this Agreement; and (ii) Franchisee shall not, directly or indirectly, pledge, encumber, hypothecate or otherwise grant any third party a security interest in this Agreement in any manner whatsoever. To the extent that the foregoing prohibition may be ineffective under Applicable Law, Franchisee shall provide not less than fourteen (14) days prior written notice (which notice shall contain the name and address of the secured party and the terms of the pledge, encumbrance, hypothecation or security interest) of any pledge, encumbrance, hypothecation or security interest in this Agreement.

14.2.2 For purposes of this Agreement, each of the following events is an Assignment subject to the conditions to transfer identified in this Agreement: (i) the death or incapacity of any Owner; (ii) the offer or sale of securities of Franchisee pursuant to a transaction subject to registration under applicable securities laws or by private placement pursuant to a written offering memorandum; (iii) the sale, assignment, transfer, conveyance, gift, pledge, mortgage, or other encumbrance of more than twenty percent (20%) in the aggregate, whether in one or more transactions, of the Equity or voting power of Franchisee, by operation of law or otherwise or any other events or transactions which, directly or indirectly, effectively changes control of Franchisee; (iv) the issuance of any securities by Franchisee which itself or in combination with any other transactions results in the Owners, as constituted on the Effective Date, owning less than fifty-one percent (51%) of the outstanding Equity or voting power of Franchisee; and (v) any merger, stock redemption, consolidation, reorganization, recapitalization or other transfer of control of the Franchisee, however effected. Franchisee shall promptly provide Franchisor with written notice (stating the information that Franchisor may from time to time require) of each and every transfer, assignment and encumbrance by any Owner of any direct or indirect Equity or voting rights in Franchisee, notwithstanding that the same may not constitute an "**Assignment**" under this <u>Article 14</u>.

14.2.3 Neither Franchisor's right of first refusal nor the other conditions of Assignment shall apply to a transfer by Franchisee of all of Franchisee's rights under this Agreement to a newly-formed corporation, limited liability company or other business Entity provided all of the Equity or voting interests of the new business Entity are owned by the same Owners (a "**Qualified Assignment**"). Any attempted or purported Assignment which fails to comply with the requirements of this <u>Article 14</u> shall be null and void and shall constitute a Default under this Agreement.

14.3 <u>**Right of First Refusal**</u>. Except with respect to a "**Qualified Assignment**", if Franchisee or an Owner receive a bona fide written offer ("**Third Party Offer**") from a third party (the "**Proposed Buyer**") to purchase or otherwise acquire any interest in Franchisee which will result in an Assignment within the meaning of this Agreement, Franchisee or the Proposed Buyer shall, within five (14) days after receiving the Third Party Offer and before accepting it, apply to Franchisor in writing for Franchisor's consent to the proposed Assignment. To constitute a bona fide written offer, the Third Party Offer shall also apply to purchase or otherwise acquire all Franchised Businesses then owned and operated by Franchisee, or its Affiliates.

14.3.1 Franchisee, or the Proposed Buyer, shall attach to its application for consent to complete the transfer a copy of the Third Party Offer together with (i) information relating to the proposed transferee's experience and qualifications; (ii) a copy of the proposed transferee's current financial statement; and (iii) any other information material to the Third Party Offer, proposed transferee and proposed Assignment or that Franchisor requests.

14.3.2 Franchisor or its nominee shall have the right, exercisable by written notice ("**Purchase

Notice") given to Franchisee or the Proposed Buyer, within thirty (30) days following receipt of the Third Party Offer, all supporting information, and the application for consent, to notify Franchisee or the Proposed Buyer that it will purchase or acquire the rights, assets, Equity or interests proposed to be assigned on the same terms and conditions set forth in the Third Party Offer, except that Franchisor may (i) substitute cash for any form of payment proposed in the offer discounted to present value based upon the rate of interest stated in the Third Party Offer; and (ii) deduct from the purchase price the amount of all amounts then due and owing from Franchisee to Franchisor under this Agreement or otherwise.

14.3.3 If Franchisor or its nominee elects to purchase or acquire the rights, assets, Equity or interests proposed to be assigned to the Proposed Buyer, the closing shall take no later than sixty (60) days following the date that the Purchase Notice was issued by Franchisor.

14.3.4 If Franchisor does not elect to purchase or acquire the rights, assets, Equity or interests proposed to be assigned to the Proposed Buyer, the closing of the sale to the Proposed Buyer shall take no later than ninety (90) days following the date that the Third Party Offer was received by Franchisee. If there is any material change in the terms of the Third Party Offer before the closing of the sale, Franchisor shall have a right of first refusal to accept the new terms subject to the conditions stated in this Section 14.3.

14.4 **Conditions of Assignment to Third Party**. As a condition to obtaining Franchisor's consent to an Assignment, all of the following conditions shall be satisfied:

14.4.1 The Proposed Buyer shall submit a completed franchise application to Franchisor and meet Franchisor's Then-Current qualifications for new Skinny Wimp Franchisees, including qualifications pertaining to financial condition, credit rating, experience, moral character and reputation.

14.4.2 Franchisee shall be in Good Standing on the date consent is requested and until the date of closing of the Assignment.

14.4.3 The sales price of the interest to be conveyed shall not be so high, or the terms of the sale so onerous, that, in the judgment of Franchisor, the Proposed Buyer will be unlikely to meet the Proposed Buyer's financial and other obligations to Franchisor, third party suppliers and creditors following the closing. Franchisor shall have no liability to either Franchisee or the Proposed Buyer if Franchisor approves the Assignment and the Proposed Buyer thereafter experiences financial difficulties.

14.4.4 The Proposed Buyer shall sign Franchisor's Then-Current form of Franchise Agreement, the terms of which may differ materially from any and all of the terms contained in this Agreement, and which shall supersede this Agreement in all respects, except that the term of the Renewal Franchise Agreement shall be the then-remaining Term of this Agreement. In exchange for signing the Then-Current Renewal Franchise Agreement, the Proposed Buyer shall receive the rights provided for in this Agreement. If Franchisor is not offering new Skinny Wimp Franchises, is in the process of revising, amending or renewing Franchisor's form of Skinny Wimp Franchise Agreement or Disclosure Document or is not lawfully able to offer its Then-Current form of Skinny Wimp Franchise Agreement at the time of an Assignment, Franchisor may offer to amend this Agreement, upon terms and conditions that will be established by Franchisor and the Proposed Buyer at that time, or may offer to amend the Term of this Agreement on substantially the terms and conditions set forth in this Agreement on a month-to-month basis for as long as Franchisor deems necessary or appropriate so that Franchisor may subsequently offer and utilize a Then-Current form of Franchise Agreement.

14.4.5 If, at the time of the Assignment, the population of the Protected Territory has substantially changed since the Commencement Date, as measured using population estimates and statistics prepared by the U.S. Census Bureau or a substitute or successor source of population information selected by Franchisor, Franchisor shall have the right at the time of renewal to divide the Protected Territory into two (2) or more protected territories in the manner that Franchisor determines to be reasonable, in its sole discretion; provided, however, that the population in the new Protected Territory shall not be less than 400,000. In that event, the Proposed Buyer may, without payment of any additional initial franchise fee to Franchisor, purchase the franchise rights to the newly created protected territories under separate Then-Current Skinny Wimp Franchise Agreements at the time the Assignment closes.

14.4.6 If the Proposed Buyer is an Entity, each owner and each owner's spouse of the Proposed Buyer shall jointly and severally guarantee the Proposed Buyer's performance of its obligations under the Then-Current Franchise Agreement under a Guarantee in the form of **Exhibit C**. If Franchisor is not offering new Skinny Wimp franchises, is in the process of revising, amending or renewing Franchisor's form of Franchise Agreement or Franchise Disclosure Document or is not lawfully able to offer Franchisor's Then-Current form of Franchise Agreement at the time of an Assignment, Franchisor may offer to amend this Agreement, upon terms and conditions that will be established by Franchisor and the Proposed Buyer at that time, or may offer to amend the Term on substantially the terms and conditions set forth in this Agreement on a month-to-month basis for as long as Franchisor deems necessary or appropriate so that Franchisor may subsequently offer and utilize a Then-Current form of Franchise Agreement.

14.4.7 Franchisee will remain subject to all obligations stated in this Agreement that expressly, or by implication due to their nature, survive the transfer, termination or expiration of this Agreement, including, without limitation, the provisions prohibiting competition, non-interference and non-disclosure of Confidential Information.

14.4.8 Franchisee and the Proposed Buyer shall execute a General Release in a form acceptable to Franchisor.

14.4.9 Franchisee shall pay Franchisor the Transfer Fee to apply against Franchisor's administrative and other costs to process the Assignment.

14.4.10 Franchisee must simultaneously transfer its rights in all contracts for which continuation is necessary for operation of the Franchised Business to the Proposed Buyer and satisfy any separate conditions to obtain any third party consents required for the transfer of Franchisee's rights to the Proposed Buyer. The Proposed Buyer shall execute all other documents and agreements required by Franchisor to consummate the Assignment. All required third party consents to the Assignment must be obtained.

14.4.11 Franchisee's right to receive the sales proceeds from the Proposed Buyer in consideration of the Assignment shall be subordinate to the obligations of the Proposed Buyer owed to Franchisor and its Affiliates under, or pursuant to, this Agreement or any other agreement. All contracts by and between Franchisee and the Proposed Buyer shall expressly include a subordination provision permitting payment of the sales proceeds to Franchisee only after any outstanding obligations owed to Franchisor and its Affiliates are fully satisfied.

14.4.12 Except when the transferee is an existing Skinny Wimp Franchisee, the Proposed Buyer, and a supervisorial or managerial employee of the Proposed Buyer who will have general management and supervisory responsibilities for the Franchised Business who is acceptable to Franchisor, shall complete to Franchisor's sole satisfaction Franchisor's Initial Training Program prior to the effective date of the Assignment.

14.4.13 The Proposed Buyer shall conform the Franchised Business with Franchisor's Then-Current equipment specifications applicable to new Franchised Businesses.

14.4.14 Except when the Proposed Buyer is an existing Skinny Wimp ~~Skinny-Wimp~~ Franchisee, the Proposed Buyer, or a senior operations employee who will have general management and supervisory responsibilities for the Franchised Businesses who is acceptable to Franchisor, must complete to Franchisor's sole satisfaction Franchisor's Initial Training Program prior to the effective date of the Assignment.

14.4.15 Franchisee shall sign a guarantee personally guaranteeing the Proposed Buyer's obligations under the new Skinny Wimp Franchise Agreement in favor of Franchisor.

14.5 **Death or Incapacity**. In the event of the death or incapacity of an Owner, the spouse, heirs or personal representative of the deceased or incapacitated Owner, or the remaining Owners (the "**Successor**") shall have one hundred eighty (180) days from the date of death or incapacity in which to (i) purchase the interest of the deceased or incapacitated Owner; or (ii) complete an Assignment of the interest of the deceased or incapacitated Owner to a qualified, approved third party, subject to the provisions of this Article 14. If a Successor has not purchased the interest of the deceased or incapacitated Owner or completed an Assignment of the interest of the deceased or incapacitated Owner to a qualified, approved third party within one hundred eighty (180) days from the date of death or incapacity, Franchisor may terminate this Agreement.

14.6 **Transfer by Franchisee in Bankruptcy**. If, for any reason, this Agreement is not terminated pursuant to Section 16.1 and this Agreement is assumed, or Assignment of the same to any Person or Entity who has made a bona fide offer to accept an Assignment of this Agreement is contemplated, pursuant to the United States Bankruptcy Code, then notice of the proposed Assignment or assumption, setting forth (a) the name and address of the proposed assignee, and (b) all of the terms and conditions of the proposed Assignment and assumption, shall be given to Franchisor within twenty (20) days after receipt of the proposed assignee's offer to accept an Assignment of this Agreement, and, in any event, within ten (10) days prior to the date application is made to a court of competent jurisdiction for authority and approval to enter into the Assignment and assumption, and Franchisor shall thereupon have the prior right and option, to be exercised by notice given at any time prior to the effective date of the proposed Assignment and assumption, to accept an Assignment of this Agreement to Franchisor itself upon the same terms and conditions and for the same consideration, if any, as in the bona fide offer made by the proposed assignee, less any brokerage commissions which may be payable by Franchisee out of the consideration to be paid by the assignee for the Assignment of this Agreement.

14.8 **Restriction on Publicly Traded and Private Securities**. Securities, partnership or other ownership interests in Franchisee may not be offered to the public under the Securities Act of 1933, as amended, nor may they be registered under the Securities Exchange Act of 1934, as amended, or any comparable federal, state or foreign law, rule or regulation. Such interests may be offered by private offering or otherwise only with the prior written consent of Franchisor, which consent shall not be unreasonably withheld. All materials required for any private offering by federal or state law shall be submitted to Franchisor for a limited review as discussed below prior to being filed with any governmental agency; and any materials to be used in any exempt offering shall be submitted to Franchisor for such review prior to their use. No offering by Franchisee shall imply that Franchisor is participating in an underwriting, issuance or offering of securities of Franchisee or Franchisor, and Franchisor's review of any offering materials shall be limited solely to the subject of the relationship between Franchisee and Franchisor, and its Affiliates. Franchisor may, at its option, require Franchisee's offering materials to contain a written statement prescribed by Franchisor concerning the limitations described in the preceding sentence. Franchisee, its Owners and other participants in the offering must fully agree in writing to defend and indemnify Franchisor, its Affiliates, their respective partners and the officers, directors, manager(s) (if a limited liability company), shareholders, members, partners, agents, representatives, independent contractors, servants and employees of each of them, from and against any and all losses, costs and liability in connection with the offering and shall execute any documentation required by Franchisor to further evidence this indemnity. For each proposed offering, Franchisee shall pay to Franchisor a non-refundable fee of $10,000, which shall be in addition to any Transfer Fee under any Franchise Agreement and/or Development Agreement or such greater amount as is necessary to reimburse Franchisor for its reasonable costs and expenses associated with reviewing the proposed offering, including without limitation, legal and accounting fees. Franchisee shall give Franchisor written notice at least thirty (30) days prior to the date of commencement of any offering or other transaction covered by this Article.

15. COVENANTS.

15.1 **No Prior Experience, Information or Knowledge**. Franchisee specifically acknowledges and agrees that prior to becoming a Skinny Wimp Franchisee, Franchisee had no experience, information or knowledge whatsoever about the operation of a commercial or residential moving business and that Franchisee's knowledge of the Confidential Information was obtained solely from Franchisor, following Franchisee's training by Franchisor and Franchisee's subsequent operation of the Franchised Business under this Agreement. In addition, Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and Confidential Information, including, without limitation, Confidential Information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the Skinny Wimp System, which are unique and proprietary to Franchisor, derive independent economic value from not being generally known to the public and are the subject of Franchisor's efforts and that are reasonable under the circumstances to maintain their secrecy.

15.2 **Non-Competition During Term of Agreement**. Franchisee and each Owner covenants that during the Term, except as otherwise approved in writing by Franchisor, Franchisee and each Owner shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any Person, or legal Entity (i) divert or attempt to divert any present or prospective Skinny Wimp customer to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Skinny Wimp Marks and the Skinny Wimp System; ~~(ii) employ or seek to employ any Person who is or has been within the preceding thirty (30) days employed by Franchisor or an Affiliate of Franchisor as a supervisorial or managerial employee, or otherwise directly or indirectly induce the Person to leave his or her employment;~~ or (iii) own (either beneficially or of record), engage in or render services to, whether as an investor, partner, lender, director, officer, manager, employee, consultant, representative or agent, any Competitive Business, provided, however, the restrictions stated in this Section 15.2 shall not apply to any Owner after three (3) years from the date the Owner ceases to be an officer, director, shareholder, member, manager, trustee, owner, general partner, employee or otherwise associated in any capacity with Franchisee.

15.3 **Non-Competition After Expiration or Termination of Agreement**. Except as Franchisor otherwise approves in writing, beginning upon the date of: (i) an Assignment permitted under Article 14; (ii) the Expiration Date; (iii) the termination of this Agreement (regardless of the cause for termination); or (iv) a final court order (after all appeals have been taken) with respect to any of the foregoing events or with respect to enforcement of this Section 15.3, and continuing for an uninterrupted period of two (2) years thereafter, Franchisee and each Owner shall not; own (either beneficially or of record), engage in or render services to, whether as an investor, partner, lender, director, officer, manager, employee, consultant, representative or agent, any Competitive Business located at the Business Office or within a twenty (20) mile radius of any Franchised Business or the Business Office; provided, however, the restrictions stated in this Section 15.3 shall not apply to any Owner after two (2) years from the date the Owner ceases to be an officer, director, shareholder, member, manager, trustee, owner, general partner, employee or otherwise associated in any capacity with Franchisee.

15.4 **Violation of Covenants**. If Franchisee or any Restricted Person shall commit any violation of Section 15.3 during the two (2) year period following (i) the expiration or termination of this Agreement; (ii) the occurrence of any Assignment during the Term; (iii) the cession of the Restricted Person's relationship with Franchisee; or (iv) a final court order (after all appeals have been taken) with respect to any of the foregoing events or with respect to enforcement of Section 15.3, in addition to all other remedies available to Franchisor, Franchisee or the Restricted Person shall pay Franchisor, throughout the twenty-four (24) month period, six percent (6%) of all revenue derived from the operation of the Competitive Business, including the sale of any merchandise, other products and services at or from the Competitive Business, and all other income of every kind and nature of the Competitive Business ("**Post Termination Gross Revenue**") in violation of Section 15.3. Franchisee shall account for and pay the six percent (6%) of the Post Termination Gross Revenue to Franchisor on the fifteenth day of each month on the Post Termination Gross Revenue of the Competitive Business during the preceding month. Franchisor shall have the right to audit the books and records of the competing business in accordance with Section 12.3 to confirm Franchisee's compliance with this Section 15.4, upon prior notice to Franchisee.

15.5 **Exceptions to Covenants**. Section 15.2 and Section 15.3 shall not apply to ownership by Franchisee or an Owner of a less than five percent (5%) beneficial interest in the outstanding Equity securities of any Competitive Business registered under the Securities Act of 1933 or the Securities Exchange Act of 1934.

15.6 **Reducing Scope of Covenants**. Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Section 15.3, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable.

15.7 **Reasonable Good Faith Estimate**. Franchisor and Franchisee acknowledge that it would be impossible and impracticable to determine the precise amount of damages and expenses Franchisor will incur if Franchisee or any Restricted Person shall commit any violation of Section 15.3 during the two (2) year period following: (i) the expiration or termination of this Agreement; (ii) the occurrence of any Assignment during the Term; (iii) the cession of the Restricted Person's relationship with Franchisee; or (iv) a final court order (after all appeals have been taken) with respect to any of the foregoing events or with respect to enforcement of Section 15.3 due to the complications inherent in determining the amount of revenue lost by Franchisor because of the uncertainty regarding the number of months left to complete the

Then-Current Term, the uncertainty regarding the Gross Revenue of the Franchised Business during the remainder of the Then-Current Term, the amount of Royalty Fees Franchisee would have paid Franchisor based upon the Gross Revenue of the Franchised Business and the like as well as the amount of the fees that Franchisor will collect from Franchisee upon the occurrence of the circumstances described in Section 15.3. Franchisor and Franchisee further acknowledge that the fee of six percent (6%) of Post Termination Gross Revenue is a reasonable, good faith estimate of those damages.

15.8 **Covenants from Individuals**. Franchisee shall obtain and furnish to Franchisor executed covenants similar in substance to those set forth in this Article 15 (including covenants applicable upon the termination of a Person's relationship with Franchisee) from all Owners. Every covenant required by this Section 15.8 shall be in a form acceptable to Franchisor, and shall include, without limitation, a designation of Franchisor as a third party beneficiary of the covenants with the independent right to enforce them.

~~15.9 **Interference With Employment Relations**. Without Franchisor's prior written consent, during the Term and for a period of twenty four (24) months following the termination, expiration or nonrenewal of this Agreement, or if there shall occur an Assignment, neither Franchisee, its Owner(s) or their respective Affiliates, officers, directors or managers, or any of them, shall in any capacity whatsoever, either directly or indirectly, hire, solicit or encourage to leave the employment of Franchisor, or any of its Affiliates, or any licensee or franchisee of Franchisor, any employee of Franchisor or its Affiliates (or any Person who the persons knew or should have known was an employee of any licensee or Skinny Wimp Franchisee) or hire any employee who has left the employment of Franchisor, or any of its Affiliates (or any licensee or franchisee) within one (1) year of the termination of the employee's employment with Franchisor, or any of its Affiliates or its Licensees or Skinny Wimp Franchisees.~~

~~15.10~~15.9 **Effect of Applicable Law**. In the event any portion of the covenants in this Article 15 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 Applicable Law shall control and bind Franchisee. Franchisor may at any time unilaterally reduce the scope of any part of the above covenants, and Franchisee shall comply with any reduced covenant upon receipt of written notice. The provisions of this Article 15 shall be in addition to and not in lieu of any other confidentiality obligation of Franchisee, or any other Person, whether pursuant to another agreement or pursuant to Applicable Law.

~~15.11~~15.10 **Business Practices**. Franchisee shall comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Executive Order 13224 issued by the President of the United States, the USA Patriot Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority addressing or in any way relating to terrorist acts and acts of war (the "**Anti-Terrorism Laws**"). In connection with its compliance, Franchisee certifies, represents and warrants that none of Franchisee's property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee is not otherwise in violation of any of the Anti-Terrorism Laws. Any violation of the Anti-Terrorism Laws by Franchisee or Franchisee's employees or any "blocking" of Franchisee's assets under the Anti-Terrorism Laws constitute grounds for immediate termination of this Agreement and any other agreements Franchisee has entered into with Franchisor or any of its Affiliates, in accordance with the provisions of Section 16.2.

~~15.12~~15.11 **Survival**. The provisions of this Article 15 shall survive the expiration and termination of this Agreement and shall not limit, restrain or otherwise affect any right or cause of action which may accrue to Franchisor for any infringement of, violation of, or interference with, this Agreement, or the Skinny Wimp

Marks, the Skinny Wimp System, the Confidential Information, the trade secrets, or any other proprietary aspects of Franchisor's business.

16. DEFAULT AND TERMINATION.

16.1 **Termination In the Event of Franchisee's Bankruptcy or Insolvency**. Franchisee shall be deemed to be in Default under this Agreement, and all rights granted to Franchisee under this Agreement shall automatically terminate without notice to Franchisee (i) if Franchisee or its Principal Owner becomes insolvent or make a general assignment for the benefit of creditors; (ii) if a petition in bankruptcy is filed under any foreign, state or United States Bankruptcy Act by Franchisee or its Principal Owner or if a petition is filed against and not opposed by Franchisee or its Principal Owner; (iii) if Franchisee or its Principal Owner is adjudicated as bankrupt or insolvent; (iv) if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or its Principal Owner or other custodian for the Franchised Business is filed and consented to by Franchisee or its Principal Owner; (v) if a receiver or other custodian (permanent or temporary) of Franchisee's or its Principal Owner's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; (vi) if proceedings for a composition with creditors under any Applicable Law is instituted by or against Franchisee or its Principal Owner; (vii) if a final judgment in excess of $100,000 against the Franchised Business remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed); (viii) if Franchisee or its Principal Owner admits Franchisee or its Principal Owner is unable to generally pay Franchisee's or its Principal Owner's debts as they become due; (ix) if execution is levied against the Franchised Business or property; (x) if suit to foreclose any lien or mortgage against the Franchised Business, the Business Office or the equipment of the Franchised Business is instituted against Franchisee or its Principal Owner and not dismissed within thirty (30) days; or (xi) if the Franchised Business or the Business Office shall be sold after levy thereupon by any sheriff, marshal, or constable.

16.2 **Option to Terminate Without Opportunity to Cure**. Franchisee shall be deemed to be in Default and Franchisor may, at its option, terminate this Agreement and all rights granted under this Agreement, without affording Franchisee any opportunity to cure the Default, effective immediately upon receipt of notice by Franchisor upon the occurrence of any of the following events:

16.2.1 If Franchisee shall Abandon the Franchised Business.

16.2.2 If Franchisee shall purport to make any Assignment without the prior written consent of Franchisor.

16.2.3 If Franchisee shall Default in any obligation as to which Franchisee has previously received three (3) or more written notices of Default from Franchisor setting forth the Default complained of within the preceding twelve (12) months.

16.2.4 If Franchisee makes any material misrepresentations in connection with the execution of this Agreement or the operations of the Franchised Business.

16.2.5 If Franchisee fails, for a period of ten (10) days after having received notification of noncompliance from Franchisor or any Governmental Authority, to comply with any federal, state or local law or regulation applicable to the operation of the Franchised Business.

16.2.6 If Franchisee offers or sells unauthorized products or services to the public, and after receipt of a Notice of Default, thereafter sells the products or services, whether or not Franchisee has cured the Default after one or more notices.

16.2.7 If an audit or investigation conducted by Franchisor discloses that Franchisee has knowingly maintained false books or records, or submitted false reports to Franchisor, or knowingly under-reported or under-paid any fees due to Franchisor under this Agreement or withheld the reporting of the same as required by this Agreement.

16.2.8 If Franchisee or any of its Owners, are convicted of or plead guilty or *nolo contendere* to a felony or any other crime or offense that is reasonably likely, in the sole opinion of Franchisor, to adversely affect Franchisor's reputation, the Skinny Wimp System, the Skinny Wimp Marks or the goodwill associated with the same; however, if the crime or offense is committed by an Owner other than the Principal Owner, Franchisor may only terminate this Agreement under this Section 16.2.8 if the convicted Owner fails to sell its interest in Franchisee to Franchisee's other Owners within thirty (30) days after the conviction or guilty plea.

16.2.9 If Franchisee materially misuses or makes any unauthorized use of the Skinny Wimp Marks or otherwise materially impairs the goodwill associated therewith or Franchisor's rights therein, or takes any action which reflects materially and unfavorably upon the operation and reputation of the Franchised Business or the Skinny Wimp chain generally.

16.2.10 If Franchisee makes any unauthorized use, disclosure, or duplication of the trade secrets or Confidential Information.

16.2.11 If Franchisee and/or any of its Affiliates perform acts or omissions that discourage, prevent, or otherwise retard or stop a prospective or existing Skinny Wimp Franchisee or the Skinny Wimp System from obtaining a household products moving authority or other license or authority generally possessed by persons in the household moving industry, including without limitation, the filing of protests or petitions with any Governmental Authority objecting to a prospective or existing Skinny Wimp Franchisee from obtaining such authority, cooperating or assisting another to undertake any acts or omissions to discourage, prevent or otherwise retard or stop a prospective or existing Skinny Wimp Franchisee from obtaining a household moving authority;

16.2.12 If Franchisee shall or purports to purchase Designated Supplies & Equipment or Skinny Wimp Branded Products from other than an Designated Supplier and fails to cease use of the non-complying product or service within three (3) days after having received notification from Franchisor to do so.

16.2.13 If Franchisee shall Default in any obligation under this Agreement that by its nature is not capable of being cured by Franchisee.

16.2.14 If Franchisee fails to meet the site selection requirements, select a site for the Business Office or open the Franchised Business within the applicable time period provided for in this Agreement.

16.2.15 If, within ten (10) days after receipt of written notice from Franchisor that any required payment is overdue, Franchisee fails to make the payment to Franchisor, its Affiliates, or, to Franchisee's landlord, suppliers, creditors or employees unless, with respect to Franchisee's suppliers, creditors or employees, Franchisee notifies Franchisor of the existence on a bona fide dispute and takes immediate action to resolve it.

16.3 **Termination With Notice and Opportunity To Cure**. Except for any Default by Franchisee under Section 16.1 or Section 16.2, and as expressly provided elsewhere in this Agreement, Franchisee shall have five (5) days, in the case of any monetary Default and ten (10) days in the case of any other type of Default, following the receipt of a notice of Default (a "**Notice of Default**") demanding the cure of the Default and to provide evidence of the cure to Franchisor. If any Default is not cured within that time period, or any longer time period that Applicable Law may require or that Franchisor may specify in the Notice of Default, this Agreement and all rights granted in this Agreement shall automatically terminate without further notice or opportunity to cure.

16.4 **Reimbursement of Franchisor Costs**. Upon a Default by Franchisee, all of Franchisor's costs and expenses arising from the Default, including reasonable attorney's fees, shall be paid to Franchisor within five (5) days after cure or upon demand by Franchisor if the Default is not cured.

16.5 **Cross-Default**. Any Default by Franchisee under the terms and conditions of this Agreement, any Area Development Agreement or any other agreement between Franchisor, or its Affiliates, and Franchisee, or its Owners or Affiliates, shall be deemed to be a Default of each and every other agreement. In the event of termination, for any cause, of this Agreement or any other agreement between the Parties, Franchisor may, at its option, terminate any or all of the agreements.

16.6 **Discontinue Services**. Franchisor shall have the right to suspend its performance of any of its obligations to Franchisee under this Agreement if Franchisee is in Default of its obligations under this Agreement until the Default is cured to the reasonable satisfaction of Franchisor, if the Default, by its nature, is capable of being cured by Franchisee.

16.7 **Notice Required By Law**. Notwithstanding anything to the contrary contained in this Article 16, if any valid Applicable Law of a competent Governmental Authority having jurisdiction over this Agreement and the Parties shall limit Franchisor's rights of termination under this Agreement or shall require longer notice periods than those set forth above, this Agreement shall be deemed amended to conform to the minimum notice periods or restrictions upon termination required by that Applicable Law. Franchisor shall not, however, be precluded from contesting the validity, enforceability or application of Applicable Laws in any action, hearing or dispute relating to this Agreement or the termination of this Agreement.

16.8 **Interim Management**. To protect the Skinny Wimp System, the Skinny Wimp Marks, the Skinny Wimp trade secrets, and the goodwill associated with the same, after Franchisor has given Franchisee written notice that Franchisee is in Default, Franchisor may (but is not obligated to) assume interim management of the Franchised Business during the pendency of any cure period or in lieu of immediately terminating this Agreement. If Franchisor elects to assume interim management of the Franchised Business (i) Franchisor's election will not relieve Franchisee of Franchisee's obligations under this Agreement; (ii) Franchisor will not be liable for any debts, losses, costs or expenses incurred in the operation of the Franchised Business during any interim management period; (iii) Franchisor will have the right to charge a reasonable fee for the management services; and (iv) Franchisee agrees to, and hereby does, indemnify and hold Franchisor harmless against any and all claims, demands, judgments, fines, losses, liabilities, costs, amounts paid in settlement and reasonable expenses (including, without limitation attorney's fees) incurred in connection with the interim management of the Franchised Business, other than those arising solely from the gross negligence or willful misconduct of Franchisor.

16.9 **Delay by Force Majeure**. Franchisee shall provide Franchisor, within ten (10) days after the occurrence of an event that Franchisee believes is an event of Force Majeure, with notice of the specific nature and extent of the Force Majeure and an explanation as to how the event has delayed Franchisee's performance under this Agreement. The determination of whether an event of Force Majeure has occurred shall be made by Franchisor upon Franchisor's assessment of the event causing the delay. Franchisee shall provide Franchisor with continuing updates and all information requested by Franchisor regarding Franchisee's progress and diligence in responding to and overcoming the event of Force Majeure. If Franchisor determines that the Default is the result of an event of Force Majeure, the required date for performance by Franchisee shall be extended by the number of days equal to the number of days that the event of Force Majeure exists.

16.10 **Termination by Franchisee**. Franchisee may terminate this Agreement due to a material Default by Franchisor of its obligations under this Agreement, which Default is not cured by Franchisor within sixty (60) days after Franchisor's receipt of prompt written notice by Franchisee to Franchisor detailing the alleged Default with specificity; provided, that if the Default is such that it cannot be reasonably cured within such sixty (60) day period, Franchisor shall not be deemed in Default for so long as it commences to cure such Default within sixty (60) days and diligently continues to prosecute such cure to completion. If Franchisee terminates this Agreement pursuant to this Section 16.10, Franchisee shall comply with all of the terms and conditions of Article 17.

17. OBLIGATIONS FOLLOWING TERMINATION OR EXPIRATION.

17.1 **General**. To protect the Skinny Wimp System, the Skinny Wimp Marks, the Skinny Wimp trade secrets, and the goodwill associated with the same, upon the expiration or termination of Franchisee's rights granted under this Agreement, Franchisee shall immediately cease to use all trade secrets, Confidential Information, the Skinny Wimp Marks, and any confusingly similar trademark, service mark, trade name, logotype, or other commercial symbol or insignia. Franchisee shall at its own cost immediately return the Manuals and all written materials incorporating trade secrets and all copies of any of the same to Franchisor. Franchisee shall at its own cost make cosmetic changes to the Business Office and its moving trucks so that they no longer contain or resemble Franchisor's proprietary designs and shall remove all Skinny Wimp identifying materials and distinctive Skinny Wimp cosmetic features and signage from the Business Office that Franchisor may reasonably direct.

17.2 **Prior Payments**. Franchisor may retain all fees paid to Franchisor pursuant to this Agreement, and Franchisee shall immediately pay any and all amounts remaining due to Franchisor and its Affiliates. If this Agreement terminates due to a Default by Franchisee, the amounts to be paid by Franchisee shall include all damages, and costs, and expenses, including reasonable attorney's fees, incurred by Franchisor as a result of the Default, which obligation shall remain, until paid in full, a lien in favor of Franchisor against assets of the Franchised Business. Franchisee hereby appoints Franchisor as its attorney in fact, with full power and authority to execute on Franchisee's behalf all documents necessary to obtain and perfect this lien. In addition to the foregoing, Franchisee shall pay Franchisor, within thirty (30) days following the date of termination, an amount equal to the product of two (2) multiplied by the total Royalty Fees paid (or if unpaid, payable) by Franchisee during the twelve (12) months immediately preceding the effective date of termination to account for the actual damages that Franchisor shall suffer as a result of the termination of this Agreement during the time period that Franchisor estimates will expire while Franchisor searches for a replacement franchisee for the Franchised Business or for a replacement Franchised Business location in the trade area of the Franchised Business. Franchisor and Franchisee acknowledge and agree that it would be impossible and impracticable to determine the precise amount of damages Franchisor will incur upon the termination of this Agreement due to the complications inherent in determining the amount of revenue lost by Franchisor and the uncertainty regarding the number of months that will expire while Franchisor searches for a replacement franchisee for the Franchised Business or for a replacement Franchised Business location in the trade area of the Franchised Business. Franchisor and Franchisee further acknowledge and agree that this calculation of Franchisor's potential damages is a reasonable, good-faith estimate of those damages. If Franchisor is unable to make this calculation because of Franchisee's failure to report the Gross Revenue of the Franchised Business, Franchisor may estimate the Gross Revenue of the Franchised Business for the applicable period based upon the historical financial information available to Franchisor at that time.

17.3 **Termination of Obligations and Rights**. Following the termination or expiration of this Agreement, any and all obligations of Franchisor to Franchisee under this Agreement shall immediately cease and terminate. Likewise, any and all rights of Franchisee under this Agreement shall immediately cease and terminate and Franchisee shall immediately cease and thereafter refrain from representing itself as a then or former Franchisee or other Affiliate of Franchisor.

17.4 **Electronic Communications and Media**. The goodwill associated with all telephone and fax numbers, email addresses, domain names, Websites or web pages, social media and other Internet addressed used in operation of the Franchised Business ("**Electronic Communications and Media**") is an asset that belongs to Franchisor. Franchisor shall have the option, exercisable by written notice within thirty (30) days after the cancellation, termination or expiration of this Agreement, to take an assignment of all Electronic Communications and Media for the Franchised Business. If Franchisor exercises this option, Franchisee will be deemed to have assigned to Franchisor or Franchisor's designee all right, title and interest in and to these and/or services associated with the same. If Franchisor exercises this option,, Franchisee shall notify the telephone company, domain name registrars and all listing agencies of the cancellation, termination or expiration of Franchisee's right to use the Electronic Communications and Media associated with the Franchised Business and shall authorize their transfer to Franchisor. Franchisee hereby appoints Franchisor as it true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as may be necessary to effect an assignment of all Electronic Communications and Media for the Franchised Business. This power of attorney is coupled with an interest and shall survive the cancellation, termination or expiration of this Agreement. Franchisee, by executing this Agreement, authorizes Franchisor and hereby appoints Franchisor and all of Franchisor's officers as Franchisee's attorney-in-fact to direct the telephone company, domain name registrars and all listing agencies to transfer the same to Franchisor, should Franchisee fail or refuse to do so. The telephone, company, domain name registrars, and all listing agencies may accept this Agreement as conclusive evidence of Franchisor's exclusive right to the Electronic Communications and Media and Franchisor's authority to direct their transfer. Franchisee must sign the instruments Franchisor requests to confirm the assignments and transfers to Franchisor. Franchisee shall not be entitled to any compensation from Franchisor if Franchisor exercises this option.

17.5 **Purchase Franchise Assets**. Upon the expiration of this Agreement or the termination of this Agreement for any Default of Franchisee, Franchisor shall have the option, to be exercised by written notice to Franchisee within thirty (30) days after the Expiration Date or termination date, to purchase any or all of the assets of the Franchised Business, regardless of whether the Franchised Business is under construction or is open and operating, and any or all of assets of Franchisee related to the Franchised Business that Franchisor elects to purchase (collectively, the "**Franchise Assets**"). The purchase price for the Franchise

Assets (the "**Purchase Price**") shall be the "**Fair Market Value**" of the Franchise Assets as determined under this Section 17.5. "**Fair Market Value**" means the price that a willing buyer would pay to a willing seller when neither is acting under compulsion and when both have reasonable knowledge of the relevant facts on the date the option is first exercisable (the "**Exercise Date**"). Franchisor and Franchisee shall use their best efforts to mutually agree upon the Fair Market Value. If they are unable to so agree within thirty (30) days after the Exercise Date, Franchisor shall appoint, within forty (40) days of the Exercise Date, one (1) appraiser, and Franchisee shall appoint within forty (40) days of the Exercise Date, one (1) appraiser. The two (2) appraisers shall within a period of five (5) additional days, agree upon and appoint an additional appraiser. The three (3) appraisers shall, within sixty (60) days after the appointment of the third appraiser, determine the Purchase Price in writing and submit their report to Franchisor and Franchisee. The Purchase Price shall be determined by disregarding the appraiser's valuation that diverges the greatest from each of the other two (2) appraisers' valuations, and the arithmetic mean of the remaining two (2) appraisers' valuations shall be the Purchase Price. Franchisor and Franchisee shall each pay for the services of the appraiser they select, plus one half (1/2) of the fee charged by the third appraiser, and one half (1/2) of all other costs relating to the determination of the Purchase Price. The Purchase Price as so determined shall be payable as Franchisor and Franchisee mutually agree. If they are unable to so agree within ten (10) days after final determination of the Purchase Price, fifty percent (50%) of the Purchase Price shall be payable in cash and the remaining fifty percent (50%) of the Purchase Price shall be paid in eighty-four (84) equal monthly payments and shall bear interest at a rate equal to the greater of the prime rate of interest, as published by the Western Edition of the Wall Street Journal, plus three percent (3%), OR ten percent (10%) per annum, but in no event in excess of the maximum rate permitted by Applicable Law. Payment of the portion of the Purchase Price not paid in cash shall be secured by a security interest in the Franchise Assets. Any purchase of the Franchise Assets shall include the assumption by Franchisor and the assignment by Franchisee, of the Lease for the Franchised Business.

17.6 **Survival of Obligations**. Termination or expiration of this Agreement shall be without prejudice to any other rights or remedies that Franchisor or Franchisee, as the case may be, shall have in law or in equity, including, without limitation, the right to recover benefit of the bargain damages. In no event shall a termination or expiration of this Agreement affect Franchisee's obligations to take or abstain from taking any action in accordance with this Agreement. The provisions of this Agreement which by their nature or expressly constitute post-termination or post-expiration covenants and agreements, including the obligation of Franchisor and Franchisee to attempt to resolve all disputes by mediation, shall survive the termination or expiration of this Agreement.

17.7 **No Ownership of Skinny Wimp Marks**. Franchisee acknowledges and agrees that the rights to the Skinny Wimp Marks and the use of the Skinny Wimp Marks shall be and remain the property of Franchisor. Franchisee acknowledges and agrees that any use of the Skinny Wimp Marks after the termination or expiration of this Agreement shall constitute an unauthorized use of an identical mark and shall entitle Franchisor to damages due to, without limitation, trademark infringement and counterfeiting.

17.8 **Government Filings**. If Franchisee has registered any of the Skinny Wimp Marks or the name Skinny Wimp or Skinny Wimp as part of an assumed, fictitious or corporate name, Franchisee shall promptly amend those registrations to delete the Skinny Wimp Marks and any confusingly similar marks or names.

18. INDEPENDENT CONTRACTOR AND INDEMNIFICATION.

18.1 **No Fiduciary Relationship**. This Agreement does not create a fiduciary relationship between the Parties. Franchisee shall be an independent contractor, and nothing in this Agreement is intended to constitute or appoint either Party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

18.2 **Public Notice of Independent Status**. Franchisee shall conspicuously identify itself in all dealings with its customers, contractors, suppliers, public officials, and others, as an independent Franchisee of Franchisor, and shall place the notice of independent ownership on all forms. Franchisor shall have the right to specify the language of any notice.

18.3 **Independent Contractor**. Franchisee acknowledges and agrees that it is not authorized to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligations in Franchisor's name, and that Franchisor shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any action, nor shall Franchisor be liable by reason of any act or omission of Franchisee in its conduct of the Franchised Business or for any claim or judgment arising therefrom against Franchisee or Franchisor.

18.4 **Indemnification**. Franchisee and its Owners and Affiliates (collectively, the **"Indemnitors"**) shall indemnify, defend and hold harmless to the fullest extent permitted by Applicable Law, Franchisor and its Constituents (collectively, the **"Indemnitees"**), from any and all **"Losses and Expenses"** incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof (collectively, an **"Indemnifiable Claim"**) which arises directly or indirectly from, as a result of, or in connection with Franchisee's operation of the Franchised Business and regardless of whether the Indemnifiable Claim or the Losses and Expenses resulted from any strict or vicarious liability imposed by law on Franchisee; provided, however, that this indemnity shall not apply to any liability arising from the gross negligence of Franchisor (except to the extent that joint liability is involved, in which event the indemnification provided for in this Section 18.4 shall extend to any finding of comparative negligence or contributory negligence attributable to Franchisee). For the purpose of this Section 18.4, the term **"Losses and Expenses"** shall mean and include compensatory, exemplary, or punitive damages, fines and penalties, attorney's fees, experts' fees, court costs, costs associated with investigating and defending against claims, settlement amounts, judgments, compensation for damages to a Party's reputation and goodwill, and all other costs associated with any of the foregoing Losses and Expenses.

18.4.1 The Indemnitees shall give the Indemnitors prompt notice of any Indemnifiable Claim of which the Indemnitees are aware for which indemnification is required under this Section 18.4. The notice shall specify whether the Indemnifiable Claim arises as a result of an Indemnifiable Claim by a third party against the Indemnitees (a **"Third Party Claim"**) or whether the Indemnifiable Claim does not result from an Indemnifiable Claim by a third party against the Indemnitees (a **"Direct Claim"**), and shall also specify with reasonable particularity (to the extent that the information is available) the factual basis for the Indemnifiable Claim and the amount of the Indemnifiable Claim, if known. If, through the fault of the Indemnitees, the Indemnitors do not receive notice of any Indemnifiable Claim in time to effectively contest the determination of any Losses and Expenses susceptible of being contested, the Indemnitors shall be entitled to set off against the amount claimed by the Indemnitees the amount of any Losses and Expenses incurred by the Indemnitors resulting from the Indemnitees' failure to give such notice on a timely basis.

18.4.2 With respect to Third Party Claims, the Indemnitors shall have the right, at their expense and at their election, to assume control of the negotiation, settlement and defense of Third Party Claims through counsel of their choice. The election of the Indemnitors to assume such control shall be made within thirty (30) days after the Indemnitors' receipt of notice of a Third Party Claim. If the Indemnitors elect to assume control, the Indemnitors shall do so at the Indemnitors' sole expense. The Indemnitees shall have the right to be informed and consulted with respect to the negotiation, settlement or defenses of the Third Party Claim and to retain counsel to act on the Indemnitees' behalf, at the Indemnitees' sole expense, unless the Indemnitors consent to the retention of the Indemnitees' counsel at the Indemnitors' expense or unless the Indemnitors and the Indemnitees are both named in any action or proceeding and the representation of both the Indemnitors and the Indemnitees by the same counsel would be appropriate because of the absence of any actual or potential differing interests between them (such as the availability of different defenses).

18.4.3 If the Indemnitors elect to assume control, but thereafter fail to defend the Third Party Claim within a reasonable time, the Indemnitees shall be entitled to assume control and the Indemnitors shall be bound by the results obtained by the Indemnitees with respect to the Third Party Claim. If any Third Party Claim is of a nature that the Indemnitees are required by Applicable Law to make a payment to any claimant with respect to the Third Party Claim before the completion of settlement negotiations or related legal proceedings, the Indemnitees may make such payment and the Indemnitors shall, within thirty (30) days after demand by the Indemnitees, reimburse the Indemnitees for the amount of the payment. If the Indemnitees' liability under the Third Party Claim, as finally determined, is less than the amount paid by the Indemnitors to the Indemnitees, the Indemnitees shall, within thirty (30) days after receipt of the difference from the claimant, pay the difference to the Indemnitors.

18.4.4 If the Indemnitors fail to assume control of the defense of any Third Party Claim, the Indemnitees shall have the exclusive right to consent, settle or pay the amount claimed. Whether or not the Indemnitors assume control of the negotiation, settlement or defenses of any Third Party Claim, the Indemnitors shall not settle any Third Party Claim without the written consent of the Indemnitees, which consent shall not be unreasonably withheld or delayed. The Indemnitees and the Indemnitors shall cooperate fully with each other with respect to Third Party Claims, and shall keep each other fully advised with respect to Third Party Claims (including supplying copies of all relevant documentation promptly as they become available).

18.4.5 With respect to Direct Claims, following receipt of notice from the Indemnitees of the Direct Claim, the Indemnitors shall have thirty (30) days to make such investigation of the Direct Claim as is considered necessary or desirable. For the purpose of the investigation, the Indemnitees shall make available to the Indemnitors the information relied upon by the Indemnitees to substantiate the Direct Claim, together with all other information that the Indemnitors may reasonably request. If the Indemnitors and the Indemnitees agree at or prior to the expiration of the thirty (30) day period (or any mutually agreed upon extension thereof) to the validity and amount of a Direct Claim, the Indemnitors shall immediately pay the Indemnitees the full agreed upon amount of the Direct Claim. If the Indemnitors fails to pay the same, the matter shall be resolved in the manner described in <u>Article 15</u>.

18.4.6 The Indemnitees shall exert commercially reasonable efforts to mitigate the Losses and Expenses upon and after becoming aware of any Indemnifiable Claim which could reasonably be expected to give rise to the payment of Losses and Expenses.

19. **DISPUTE RESOLUTION.**

19.1 **Mediation**. The Parties shall first attempt to resolve any dispute arising out of or relating to this Agreement by mediation under procedures established by the Commercial Mediation Rules of the AAA unless Franchisor and Franchisee agree on alternative rules and a mediator within fifteen (15) days after either Party first gives notice of mediation. Mediation shall be conducted in Ventura County, California, and shall be conducted and completed within forty-five (45) days following the date either Party first gives notice of mediation unless otherwise agreed to in writing by Franchisor and Franchisee. The fees and expenses of the mediator shall be shared equally by Franchisor and Franchisee. The mediator shall be disqualified as a witness, expert or counsel for any Party with respect to the Dispute and any related matter. Mediation is a compromise negotiation and shall constitute privileged communications under California and other Applicable Laws. The entire mediation process shall be confidential and the conduct, statements, promises, offers, views and opinions of the mediator and Franchisor and Franchisee shall not be discoverable or admissible in any legal proceeding for any purpose; provided, however, that evidence which is otherwise discoverable or admissible shall not be excluded from discovery or admission as a result of its use in the mediation. Notwithstanding anything to the contrary set forth in this Agreement, any Party that fails to reasonably cooperate in scheduling and completing a mediation within forty-five (45) days after giving or receiving notice thereof shall be precluded from recovering costs, expenses, and/or prevailing Party attorney's fees in any subsequent legal action. If any Dispute remains unresolved ninety (90) days after a demand for mediation by either Party, the Parties shall each be free to pursue their respective legal remedies under Section 19.2.

19.2 **Judicial Relief**. The Parties agree that all disputes arising out of or relating to this Agreement shall be brought in the Superior Court of California, County of Ventura, or the United States District Court of the Central District of California. To the fullest extent that the Parties may do so under Applicable Law, the Parties waive the defense of inconvenient forum to the maintenance of an action in these Courts and agree not to commence any action of any kind except in these Courts. This Agreement shall be interpreted and construed under the laws of California. In the event of any conflict of law, the law of California shall prevail, without regard to the application of California conflict of law rules. If, however, any provision of this Agreement would not be enforceable under the laws of California, and if the Franchised Business is located outside of California and such provision would be enforceable under the laws of the state in which the Franchised Business is located, then such provision shall be interpreted and construed under the laws of that state. Nothing in this Section 19.2 is intended by the Parties to subject this Agreement to any franchise or similar law, rules, or regulation of any state to which it would not otherwise be subject.

19.3 **Waivers**. The Parties agree, to the extent permitted by Applicable Law, that any legal action of any kind by either Party arising out of or relating to this Agreement or its breach shall be commenced by no later than the last to occur of the following: (i) one hundred eighty (180) days after obtaining knowledge of the facts which constituted or gave rise to the alleged violation or liability; or (ii) one (1) year after the act, event, occurrence or transaction which constituted or gave rise to the alleged violation or liability. Franchisor and Franchisee, for themselves, and for and on behalf of the Owners, respectively, hereby waive to the fullest extent permitted by Applicable Law, any right to, or claim for, punitive or exemplary damages against the other and agree that, in the event of a dispute between them, Franchisor and Franchisee shall each be limited to recovering only the actual damages proven to have been sustained by that Party, except as provided in Section 19.5.

19.4 **Specific Performance**. Franchisor and Franchisee acknowledge that each Party would be irreparably damaged if the provisions of this Agreement were not capable of being specifically enforced, and for this reason, Franchisor and Franchisee agree that the provisions of this Agreement shall be specifically enforceable. Franchisor and Franchisee further agree that any act or failure to act which does not strictly comply with the provisions and conditions of this Agreement may be specifically restrained, and that the equitable relief provided for in this Agreement shall not in any way limit or deny any other remedy at law or in equity that either Franchisor or Franchisee might otherwise have.

19.5 **Exclusive Remedy**. In no event shall either Party make or have any claim for money damages based on any claim or assertion that the other Party has unreasonably withheld, conditioned or delayed any consent, approval or authorization required under this Agreement. Each Party waives any claim for damages. Neither Party may claim any damages by way of setoff, counterclaim or defense. Each Party's sole remedy for such a claim shall be an action or proceeding to enforce the provisions of this Agreement, for specific performance or for declaratory judgment.

19.6 **Attorney's Fees**. In any legal action or proceeding brought to enforce any provision of this Agreement or arising out of, or in connection with, this Agreement, the prevailing Party shall be entitled to recover from the other Party its reasonable attorney's fees and costs in addition to any other relief that may be awarded by a court of competent jurisdiction.

19.7 **Exceptions to Mediation**. The mediation provision in Section 19.1 shall not apply to any action for injunctive or other provisional relief, including, without limitation, enforcement of liens, security agreements, or attachment, as Franchisor deems to be necessary or appropriate to compel Franchisee to comply with Franchisee's obligations to Franchisor and/or to protect the Skinny Wimp Marks. Any claim or dispute involving or contesting the validity of any of the Skinny Wimp Marks shall not be subject to mediation.

20. NOTICES.

All notices or demands to be given under this Agreement shall be in writing and shall be served in person, by air courier delivery or by certified mail. Service shall be deemed conclusively made (i) at the time of service, if personally served; (ii) three (3) business days after delivery by the Party giving the notice, statement or demand if by air courier with a guaranteed tracking facility; and (iii) three (3) business days after placement in the United States mail by Certified Mail, Return Receipt Requested, with postage prepaid. Notices and demands shall be given to the respective Parties at the following addresses, unless and until a different address has been designated by written notice to the other Party:

Notices to Franchisor:

Skinny Wimp Moving Franchise Corporation
2470 Stearns Street, #273
Simi Valley, California 93063
Attention: President

With a copy to (which shall not constitute notice):

Barry Kurtz, Esq.
Lewitt, Hackman, Shapiro, Marshall and Harlan,

16633 Ventura Boulevard, 11th Floor
Encino, California 91436

Notices to Franchisee: ________________________
____
____
____
Attention: ________________

Either Party may change its address for the purpose of receiving notices, demands and other communications provided by a written notice given in the manner aforesaid to the other Party.

21. ACKNOWLEDGMENTS.

21.1 **Waiver and Delay**. No waiver by Franchisor of any Default, or series of Defaults in performance by Franchisee, and no failure, refusal or neglect of Franchisor to exercise any right, power or option given to it under this Agreement or under any agreement between Franchisor and Franchisee, whether entered into before, after or contemporaneously with the execution of this Agreement, or to insist upon strict compliance with or performance of Franchisee's obligations under this Agreement or any Franchise Agreement or other agreement between Franchisor and Franchisee, whether entered into before, after or contemporaneously with the execution of this Agreement, shall constitute a waiver of the provisions of this Agreement with respect to any continuing or subsequent Default or a waiver by Franchisor of its right at any time thereafter to require exact and strict compliance with the provisions thereof. Time is of the essence of this Agreement with respect to each and every provision of this Agreement in which time is a factor.

21.2 **Survival of Covenants**. The covenants contained in this Agreement which, by their nature or terms, require performance by the Parties after the expiration or termination of this Agreement shall be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

21.3 **Successors and Assigns**. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Franchisor and shall be binding upon and inure to the benefit of Franchisee and his or their respective, heirs, executors, administrators, and its successors and assigns, subject to the prohibitions and restrictions against Assignment contained in this Agreement.

21.4 **Joint and Several Liability**. If Franchisee consists of more than one Owner, the obligations and liabilities of each Person or Entity to Franchisor are joint and several.

21.5 **Entire Agreement**. This Agreement and the Exhibits contain all of the terms and conditions agreed upon by the Parties concerning the subject matter of this Agreement. No other agreements concerning the subject matter of this Agreement, written or oral, shall be deemed to exist or to bind either of the Parties and all prior agreements, understandings and representations are merged into this Agreement and superseded by this Agreement. No officer or employee or agent of Franchisor has any authority to make any representation or promise not included in this Agreement and Franchisee agrees that it has executed this Agreement without reliance upon any representation or promise not included in this Agreement. This Agreement cannot be modified or changed except by written instrument signed by both of the Parties. Notwithstanding anything to the contrary, nothing in this Agreement is intended to disclaim any representations made in the Franchise Disclosure Document.

21.6 **Titles and Recitals**. Article and Section titles used in this Agreement are for convenience only and shall not be deemed to affect the meaning or construction of any of the terms, provisions, covenants, or conditions of this Agreement. The Recitals set forth in Recitals A and B of this Agreement are true and correct and are hereby incorporated by reference into the body of this Agreement.

21.7 **Gender and Construction**. The terms of all Exhibits attached to this Agreement are hereby incorporated into and made a part of this Agreement as if the same had been set forth in full in this Agreement. All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any Article or Section in this Agreement may require. As used in this Agreement, the words "include," "includes" or "including" are used in a non-exclusive sense. Unless otherwise expressly provided in this Agreement to the contrary, any consent, approval, acceptance or authorization of Franchisor or Franchisee that may be required under this Agreement shall be in writing and shall not be unreasonably withheld, conditioned or delayed by the Party whose consent, approval, acceptance or authorization has been requested. To protect the Skinny Wimp System, the Skinny Wimp Marks, the Skinny Wimp trade secrets, and the goodwill associated with the same, on any occasion where Franchisor is required or permitted to make any judgment, determination or use its discretion, including any decision as to whether any condition or circumstance meets Franchisor's standards or satisfaction, Franchisor may do so in its sole subjective judgment and discretion. Neither this Agreement nor any uncertainty or ambiguity in this Agreement shall be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by the Parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of both Parties. Franchisor and Franchisee intend that if any provision of this Agreement is susceptible to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, then the provision shall be given the meaning that renders it enforceable.

21.8 **Severability; Modification**. Nothing contained in this Agreement shall be construed as requiring the commission of any act contrary to Applicable Law. Whenever there is any conflict between any provisions of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the Parties have no legal right to contract, the latter shall prevail, but in that event, the provisions of this Agreement thus affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law. In the event that any part, article, paragraph, sentence or clause of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision shall be deemed deleted, and the remaining part of this Agreement shall continue in full force and effect.

21.9 **Counterparts and Electronic Transmission; Electronic Signatures**. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Agreement with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Agreement for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Agreement. In addition, this Agreement and all Exhibits to this Agreement may be signed electronically by the Parties and electronic signatures appearing on this Agreement and the Exhibits shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Agreement and the Exhibits.

21.10 **Intent to Comply**. Franchisee, and its Owners, jointly and severally acknowledge that they have carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution of this Agreement, that they have obtained the advice of counsel in connection with entering into this Agreement, that they understand the nature of this Agreement, and that they intend to comply with the terms of this Agreement and be bound by the terms of this Agreement. Franchisor expressly disclaims making, and Franchisee acknowledges that it or they have not received or relied on any warranty or guarantee, express or implied, as to the potential volume, profits, expenses, or success of the business venture contemplated by this Agreement.

21.11 **Independent Investigation**. Franchisee acknowledges that Franchisee has conducted an independent investigation of the business franchised under this Agreement, recognizes that the business venture contemplated by this Agreement involves business risks, and that its success will be largely dependent upon the ability of Franchisee and, if an Entity, the abilities of its Owners as independent businesspersons. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

21.12 **Copy of Agreement**. Franchisee acknowledges that it received a copy of this Agreement, the Exhibits attached to this Agreement and all other agreements relating to this Agreement, if any, with all of the blank lines filled in, at least five (5) business days prior to the Effective Date.

21.13 **Opportunity to Consult**. Franchisee acknowledges that it has read and understood this Agreement, the Exhibits attached to this Agreement, and all other agreements relating to this Agreement, if any, and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement.

21.14 **Franchise Disclosure Document**. Franchisee acknowledges that it has received a copy of the complete Skinny Wimp Franchise Disclosure Document which contains a copy of this Agreement, at least fourteen (14) calendar days prior to the date on which this Agreement was executed. Franchisee acknowledges and agrees that Franchisor has made no promises, representations, warranties or assurances to Franchisee which are inconsistent with the terms of this Agreement or Franchisor's Franchise Disclosure Document, concerning the profitability or likelihood of success of the Franchised Business, that he has been informed by Franchisor that there can be no guarantee of success in the franchised business and that Franchisee's business ability and aptitude is primary in determining his success.

21.15 **Atypical Terms**. Franchisee acknowledges and agrees that Franchisor may modify the offer of its franchises to other Skinny Wimp Franchisees in any manner and at any time, which offers have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement. Franchisee further acknowledges and agrees that Franchisor has made no warranty or representation that all Skinny Wimp Franchise Agreements previously issued or issued after this Agreement by Franchisor do or will contain terms substantially similar to those contained in this Agreement. Franchisor may, in its reasonable business judgment and its sole and absolute discretion, due to local business conditions or otherwise, waive or modify comparable provisions of other Franchise Agreements previously executed or executed after the date of this Agreement with other Skinny Wimp Franchisees in a non-uniform manner.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the Effective Date.

FRANCHISOR:	**FRANCHISEE:**
SKINNY WIMP MOVING FRANCHISE CORPORATION, a California corporation	____________________________ A ____________________________
By: ____________________________	By: ____________________________
Name: ____________________________	Name: ____________________________
Title: ____________________________	Title: ____________________________

SKINNY WIMP MOVING FRANCHISE CORPORATION
FRANCHISE AGREEMENT

EXHIBIT A
FRANCHISE INFORMATION

SKINNY WIMP MOVING FRANCHISE CORPORATION
FRANCHISE AGREEMENT

EXHIBIT A
FRANCHISE INFORMATION

1. **Initial Fees**. Franchisee shall pay to Franchisor the amount of ______________________, and this amount above shall be paid by Franchisee to Franchisor as follows:

[ ] In full, in cash, on the Effective Date; or

For Experienced Movers Only under the Single Territory Program:

[ ] Pursuant to the terms of a Promissory Note attached to the Franchise Agreement as Exhibit G.

2. **Royalty Fees**. ~~If Franchisee pays Royalty Fees after the 10th day of each month, the~~ Royalty Fees will be 6% of Franchisee's monthly Gross Revenue. ~~If Franchisee is in good standing under the Franchise Agreement and pays Royalty Fees on or before the 10th day of each month, the following Royalty Fees shall apply, based on Franchisee's Gross Revenue:~~

~~Monthly Gross Revenue~~	~~Royalty Fees~~
~~$0-$14,999~~	~~6%~~
~~$15,000 - $19,999~~	~~5.7%~~
~~$20,000 - $29,000~~	~~5.4%~~
~~$30,000 - $39,999~~	~~5.1%~~
~~$40,000 - $49,999~~	~~4.8%~~
~~$50,000 - $59,999~~	~~4.5%~~
~~$60,000 - $69,999~~	~~4.2%~~
~~$70,000 - $79,999~~	~~3.9%~~
~~$80,000 and above~~	~~3.6%~~

3. **Technology Services Fees**. __________ percent (___%) of Gross Revenue.

4. **Local Marketing Expenditure**. The sum of $1,300 per month during months 1 through 12 of operations of the Franchised Business and the greater of five percent (5%) of Gross Revenue or the sum of $2,000 each month thereafter.

5. **Protected Territory**. The following area has been designated by Franchisor and accepted by Franchisee as the **"Protected Territory"** of the Franchised Business in accordance with Section 2.2 of the Franchise Agreement:

[ ] A radius of _____ miles surrounding the Business Office.

[ ] The area outlined on the attached map and described as follows:

____

____

If the Protected Territory is defined by streets, highways, freeways or other roadways, or rivers, streams, or tributaries, then the boundary of the Protected Territory shall extend to the center line of each such street, highway, freeway or other roadway, or river, stream, or tributary.

6. **Business Office**. ______________________________

7. **Number of Moving Trucks**.

____

8. **Number of Additional Moving Trucks**.

____

9. **Specified Time Period to Acquire Additional Moving Trucks**.

____

IN WITNESS WHEREOF, the Parties have executed this **Exhibit A** on ______________.

FRANCHISOR:

SKINNY WIMP MOVING FRANCHISE CORPORATION,
a California corporation

By: ______________________________

Name: ______________________________

Title: ______________________________

FRANCHISEE:

____

A ______________________________

By: ______________________________

Name: ______________________________

Title: ______________________________

SKINNY WIMP MOVING FRANCHISE CORPORATION
FRANCHISE AGREEMENT

EXHIBIT B
ENTITY INFORMATION DISCLOSURE

SKINNY WIMP MOVING FRANCHISE CORPORATION
FRANCHISE AGREEMENT

EXHIBIT B
ENTITY INFORMATION DISCLOSURE

Franchisee represents and warrants that the following information is accurate and complete in all material respects:

(1) Franchisee is a (check as applicable):

[ ] corporation
[ ] limited liability company
[ ] general partnership
[ ] limited partnership
[ ] Other (specify): ________________________

State of incorporation/organization: ________________

Entity name: ___________________________________

Federal Tax Identification #: ________________________

(2) Franchisee shall provide to Franchisor concurrently with the execution of this Agreement true and accurate copies of its charter documents including Articles of Incorporation/Organization, Bylaws, Operating Agreement, Partnership Agreement, resolutions authorizing the execution of this Agreement and any amendments to the foregoing (the "**Entity Documents**").

(3) Franchisee promptly shall provide all additional information that Franchisor may from time to time request concerning all persons who may have any, direct or indirect, financial interest in Franchisee.

(4) The name and address of each Owner is:

NAME	ADDRESS	NUMBER OF SHARES OR PERCENTAGE INTEREST

(5) The names, addresses and titles of Franchisee Owner who will be devoting their full time to the Franchised Business are:

NAME	ADDRESS	TITLE

(6) The address where Franchisee's financial records and Entity Documents are maintained is:

____.

(7) The Principal Owner is ____.

(8) Franchisee represents and warrants to Franchisor, as an inducement to Franchisor's execution of the Franchise Agreement, that the information set forth in this Entity Information Disclosure is true, accurate and complete in all material respects on the Effective Date and that Franchisee shall provide Franchisor with all additional information Franchisor may request with respect to the Owners and the ownership of Franchisee. In addition, Franchisee shall notify Franchisor within ten (10) days of any change in the information set forth in the Entity Information Disclosure and shall provide Franchisor with a revised Entity Information Disclosure certified by Franchisee to be true, correct and complete in all material respects. Franchisor grants Franchisee the rights in the Franchise Agreement in reliance upon each and all of the terms of this Entity Information Disclosure.

IN WITNESS WHEREOF, the Parties have executed this **Exhibit B** on the Effective Date.

FRANCHISOR:	**FRANCHISEE:**
SKINNY WIMP MOVING FRANCHISE CORPORATION a California corporation	______________________________ A ______________________________
By: ______________________________	By: ______________________________
Name: ______________________________	Name: ______________________________
Title: ______________________________	Title: ______________________________

SKINNY WIMP MOVING FRANCHISE CORPORATION
FRANCHISE AGREEMENT

EXHIBIT C
GUARANTEE OF FRANCHISE AGREEMENT

SKINNY WIMP MOVING FRANCHISE CORPORATION
FRANCHISE AGREEMENT

EXHIBIT C
GUARANTEE OF FRANCHISE AGREEMENT

The undersigned (collectively, "**Guarantors**") have requested **SKINNY WIMP MOVING FRANCHISE CORPORATION**, a California corporation ("**Franchisor**"), to enter into that certain Franchise Agreement dated __________ (the "**Franchise Agreement**") with ____ ("**Franchisee**"). In consideration for, and as an inducement to, Franchisor's execution of the Franchise Agreement, Guarantors hereby grant this guarantee (this "**Guarantee**") and agree as follows:

1. "**Obligations**" means and includes any and all obligations of Franchisee arising under or pursuant to the Franchise Agreement and all other obligations, whether now existing or hereafter arising, of Franchisee to Franchisor of whatever nature.

2. Guarantors irrevocably and unconditionally, fully guarantee to Franchisor the prompt, full and complete payment of any and all Obligations of Franchisee to Franchisor and the performance of any and all obligations of Franchisee including, without limitation, obligations under the Franchise Agreement or any other agreement, instrument or document relating to, evidencing or securing any Obligations.

3. If Franchisee fails to pay any of the Obligations, Guarantors shall, within five (5) days after a written demand therefore has been given to Guarantors by Franchisor, pay all of the Obligations in like manner as if the Obligations constituted the direct and primary obligation of Guarantors. Guarantors agree that if any obligation, covenant or agreement contained in the Franchise Agreement is not observed, performed or discharged as required by the Franchise Agreement (taking into consideration any applicable cure periods), Guarantors shall, within five (5) days after a written demand therefore has been given to Guarantors by Franchisor, to observe, perform or discharge the obligation, covenant or agreement in like manner as if the same constituted the direct and primary obligation of Guarantors.

4. No exercise or non-exercise by Franchisor of any right under this Guarantee, no dealing by Franchisor with Franchisee or any other person and no change, impairment or suspension of any right or remedy of Franchisor shall in any way affect any Obligations of Guarantors under this Guarantee or give Guarantors any recourse against ~~Franchisee~~Franchisor. Without limiting the generality of the foregoing, Guarantors agree that, regardless of whether Franchisor gives notice thereof or obtains the consent of Guarantors thereto, Guarantors' liability under this Guarantee shall not be released, extinguished or otherwise reduced in any way by reason of (i) any amendment, modification, renewal, extension, substitution or replacement of the Franchise Agreement or of any of the Obligations, in whole or in part; (ii) any acceptance, enforcement or release by Franchisor of any security for the Franchise Agreement or of any of the Obligations, any addition, substitution or release of any of the Guarantors, or any enforcement, waiver, surrender, impairment, release, compromise or settlement of any matter with respect to the Franchise Agreement or the Obligations or any security therefore; (iii) any assignment of this Guarantee, in whole or in part by Franchisor, or any Assignment or transfer of the Franchise Agreement (or any of them) by Franchisor or Franchisee; (iv) the invalidity or unenforceability of any provision of the Franchise Agreement or any of the Obligations; or (v) any failure, omission or delay of Franchisor in enforcing the Franchise Agreement, the Obligations or this Guarantee.

5. Guarantors waive and agree not to assert or take advantage of (i) any right to require Franchisor to proceed against Franchisee or any other person, firm or corporation or to proceed against or exhaust any security held by Franchisor at any time or to pursue any other remedy in Franchisor's power; (ii) any statute of limitations in any action under this Guarantee to collect any Obligations guaranteed hereby; (iii) any defense that may arise by reason of Franchisee's incapacity, lack of authority, insolvency or bankruptcy or Franchisor's failure to file or enforce a claim against the estate (either in bankruptcy or other proceeding) of Franchisee, any other or others; (iv) any defense arising out of any alteration of the Franchise Agreement or the Obligations; (v) notice of Franchisee's Default in the payment or performance of any of the Obligations; (vi) demand, protest and notice of any kind including, without limitation, notice of acceptance, notice of the existence, creation or incurring of new or additional Obligations or obligations or of any action or non-action on the part of Franchisee, Franchisor, any endorser, creditor of Franchisee or Guarantors under this or any other instrument, or any other person, in connection with any obligation or evidence of Obligations held by Franchisor or in connection with any Obligations hereby guaranteed; (vii) all rights and defenses arising out of an election of remedies by Franchisor, even though that election of remedies, such as non-judicial foreclosure with respect to security for a guaranteed obligation, has destroyed Guarantors' rights of subrogation and reimbursement against Franchisee by operation of Applicable Law or otherwise; (viii) any duty of Franchisor to disclose to Guarantors any facts that Franchisor may now or hereafter know about Franchisee, regardless of whether Franchisor has reason to believe that those facts materially increase the risk beyond that which Guarantors intends to assumes or has reason to believe that the facts are unknown to Guarantors or has a reasonable opportunity to communicate the facts to Guarantors, it being understood and agreed that Guarantors is responsible to be and to keep informed of Franchisee's financial condition and of all circumstances bearing on the risk of nonpayment of any Obligations hereby guaranteed; and (ix) any right to the benefit of or to direct the application of any security held by Franchisor.

6. Until all Obligations to Franchisor are paid in full and fully performed, Guarantors shall have no right of subrogation and waive any right to enforce any remedy that Franchisor now has or may hereafter have against Franchisee. All existing or future indebtedness of Franchisee to Guarantors and any right to withdraw capital invested in Franchisee by Guarantors are hereby subordinated to all Obligations.

7. Guarantors' liabilities and all rights, powers and remedies of Franchisor under this Guarantee and under any other agreement now or at any time hereafter in force between Franchisor and Guarantors shall be cumulative and not alternative and the rights, powers and remedies shall be additional to all rights, powers and remedies given to Franchisor by Applicable Law. Without limiting the generality of anything contained in this Guarantee, Guarantors waive and agree not to assert or take advantage of (i) all rights described in California Civil Code Sections 2856(a)(1) through 2856(a)(3), inclusive, including, without limitation, any rights and defenses which are or may become available to Guarantors by reason of California Civil Code Sections 2787 through 2855, inclusive; and (ii) California Civil Code Section 2899.

8. The liability of Guarantors under this Guarantee shall be an absolute, direct, immediate and unconditional continuing guarantee of payment and performance and not of collection. Guarantors' obligations under this Guarantee are independent of Franchisee's obligations. This is a continuing Guarantee. It shall be irrevocable during the term and through any extensions, amendments, modifications, substitutions or replacements of the Franchise Agreement and until all Obligations has been fully paid and the Obligations have been fully performed. In the event of any Default under this Guarantee, a separate action and/or successive actions may be brought and prosecuted against Guarantors regardless of whether action is brought against Franchisee or whether Franchisee is joined in any action or actions. Franchisor may maintain successive actions for other Defaults. Franchisor's rights under this Guarantee shall not be

exhausted by Franchisor's exercise of any rights or remedies or by any action or by any number of successive actions until and unless all Obligations have fully been paid and performed. The obligations of Guarantors shall be primary and are independent of the obligations of Franchisee and Franchisor may directly enforce its rights under this Guarantee without proceeding against or joining Franchisee or any other person or Entity, or applying or enforcing any security of the Franchise Agreement. Guarantors acknowledge and agree that Guarantors shall, and hereby are, bound by each and all of the confidentiality and non-competition provisions of the Franchise Agreement.

9. Nether any provision of this Guarantee nor right of Franchisor under this Guarantee can be waived, nor can Guarantors be released from Guarantors' obligations under this Guarantee except by a written agreement executed by Franchisor. If any provision or portion of any provision of this Guarantee is found by a court of competent jurisdiction to be illegal or unenforceable, all other provisions shall, nevertheless, remain enforceable and effective. This Guarantee constitutes the entire agreement of Guarantors and Franchisor with respect to the subject matter of this Guarantee and no representation, understanding, promise or condition concerning the subject matter of this Guarantee shall bind Franchisor unless expressed in this Guarantee.

10. All written notices permitted or required under this Guarantee shall be deemed given and delivered in accordance with Article 20 of the Franchise Agreement. Notices to Guarantors shall be sent to the address set forth below each Guarantors' signature below.

11. This Guarantee may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Guarantee with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Guarantee for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Guarantee. In addition, this Guarantee may be signed electronically by the Guarantors and electronic signatures appearing on this Guarantee shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Guarantee.

12. This Guarantee shall be interpreted and construed under the laws of California. In the event of any conflict of law, the law of California shall prevail, without regard to the application of California conflict of law rules. If, however, any provision of this Guarantee would not be enforceable under the laws of California, and if the Franchised Business is located outside of California and such provision would be enforceable under the laws of the state in which the Franchised Business is located, then such provision shall be interpreted and construed under the laws of that state. Nothing in this Section 12 is intended by the Parties to subject this Agreement to any franchise or similar law, rules, or regulation of the state of California to which it would not otherwise be subject. Venue for purposes of any legal proceedings brought in connection with or arising out of this Guarantee shall be conclusively presumed to be in the State of California, County of Ventura. Guarantors hereby submit to the jurisdiction of the United States District Court for the Central District of California.

(Signature Page Follows)

Executed by or on behalf of Guarantors on the date set forth below.

______________________________________ Date: ____________________

______________________________________ Date: ____________________

Address

______________________________________ Date: ____________________

______________________________________ Date: ____________________

Address

SKINNY WIMP MOVING FRANCHISE CORPORATION
FRANCHISE AGREEMENT

EXHIBIT D
DEBIT AUTHORIZATION FORM

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS
(DIRECT DEBITS)

The undersigned franchisee/depositor ("**Depositor**") hereby (1) authorizes SKINNY WIMP MOVING FRANCHISE CORPORATION and its affiliates ("**Franchisor**") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account indicated below and (2) authorizes the depository designated below ("**Depository**") to debit such account pursuant to Franchisor's instructions.

______________________	______________________
Depository	Branch
______________________	______________________
City and State	Zip Code
______________________	______________________
Bank Transit /ABA Number	Account Number

This authority is to remain in full force and effect until Depository has received joint written notification from Franchisor and Depositor of the Depositor's termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity to act on it. Notwithstanding the foregoing, Depository shall provide Franchisor and Depositor with thirty (30) days prior written notice of the termination of this authority. If an erroneous debit entry is initiated to Depositor's account, Depositor shall have the right to have the amount of such entry credited to such account by Depository, if (a) within fifteen (15) calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to such entry or forty-five (45) days after posting, whichever comes first, Depositor shall have sent to Depository a written notice identifying such entry, stating that such entry was in error, and requesting Depository to credit the amount thereof to such account. These rights are in addition to any rights Depositor may have under federal and state banking laws. Depositor shall be responsible for all charges assessed by Depository to process all debit entries and/or credit corrections entries to the undersigned's checking and/or savings account initiated by Franchisor. Franchisor will credit Depositor for fees if error is deemed to be caused by Franchisor.

______________________	______________________
DEPOSITOR (Print Name)	DEPOSITORY (Print Name)
By: ______________________	By: ______________________
Its: ______________________	Its: ______________________

SKINNY WIMP MOVING FRANCHISE CORPORATION
FRANCHISE AGREEMENT

EXHIBIT E
VEHICLE LEASE AGREEMENT

VEHICLE LEASE AGREEMENT

This Vehicle Lease Agreement ("**Agreement**") is entered by and between **Skinny Wimps Moving Company,** a California Corporation ("**Lessor**") on one hand, and __________________ ("**Lessee**") on the other hand. This Agreement is dated ______________, 20__ for reference purposes only and is effective when signed by all parties.

In consideration of the exchange of agreements and promises set forth in this Agreement, the sufficiency of which is acknowledged, the Parties agree as follows:

1. **Vehicle**. Lessor is the owner of a ________ *(year)* __________ *(make)* __________ *(model)* Vehicle Identification Number ______________ ("Vehicle").

2. **Lease Payments, Term and Purchase Option**. The lease payments for the Vehicle shall be as follows: Monthly payments of $____________, or seven percent (7%) of the monthly Gross Proceeds of Lessee's moving business, whichever amount is greater from month to month. ("Gross Proceeds" shall mean the money collected by Lessee from contracts for moving household and/or commercial goods, before subtracting any payroll or other costs.). Lease payments will be made on the 1st of each month, until the lease payments total $_________, at which time Lessee has the option of returning the Vehicle to Lessor or purchasing the Vehicle from Lessor for the sum of one dollar ($1.00). All monies paid in accordance with this Agreement will be made by cash, cashier's check, certified check, wire transfer, or equivalent, in United States Dollars.

3. **Release of Liability**. Lessee, during the term of this lease, is to have absolute control and use of the Vehicle in the same manner as though he/she/it were the absolute owner. Lessee will employ and have absolute control and supervision of the operators of the Vehicle. Lessee agrees to waive any claim and relinquish and release Lessor from any liability for any injury or damage occasioned to the Vehicle during the term of this lease, whether caused by negligence of the driver or otherwise.

4. **Late Payments**. If any lease payment to Lessor is not postmarked by the 1st of the month, a late fee of $100 is due, and shall be added to the following month's payment. If by the tenth (10th) of any month, all payments then due and owing (including late fees) are not paid in full, Lessee will be in Default and will be prohibited from further use of the Vehicle. After such Default, and upon demand by Lessor, Lessee shall return the Vehicle to Lessor within twenty-four (24) hours of said demand. Local authorities may be notified of any unauthorized use.

5. **Repossession**. Should Lessee's failure to make any payment continue beyond ten (10) days following the payment due date, Lessor may at its option charge Lessee a late fee equal to six percent (6%) of the overdue payment or payments. If upon Default and demand made, Lessee shall refuse to return the Vehicle, Lessor may~~,~~ at its option repossess the Vehicle or resort to legal process to recover possession thereof. Should Lessor commence legal process to recover possession, Lessee agrees to pay all costs, expenses and attorney's fees incurred as a result of said action or proceeding.

6. **Insurance**. Lessee agrees, at Lessee's expense, to carry theft and accident insurance to protect Lessor against loss and injury to the Vehicle. Lessee also agrees, at Lessee's expense, to carry commercial automobile liability insurance so as to fully protect Lessor and Lessee against all losses, costs and damages. This insurance shall be provided by an insurance company acceptable to Lessor, and shall have a minimum

combined single limit of $500,000 or separate limits for bodily injury (including personal injury) and death of not less than $100,000 person and $300,000 per occurrence and property damage of not less than fifty thousand dollars ($50,000) or such other minimum limits as required by law in the jurisdictions in which Lessee operates, whichever is higher.

7. **Warranties and Repairs**. Lessor represents that the Vehicle is in first class condition and in every respect suitable for the transportation and moving of household goods. Any repairs necessary to keep the Vehicle in good running condition throughout the life of this lease shall be at the expense of Lessee.

8. **License and Registration**. If required by applicable state law, Lessee will register and title the Vehicle with the appropriate Department of Motor Vehicles within thirty (30) days of the date of this Agreement listing Lessor as owner and having said title delivered to Lessor. All fees and costs in respect to licenses, permits, registrations, plates, and cards that are required because of or otherwise incidental to Lessee's lease operations shall be borne by Lessee.

9. **Assignment**. This Agreement shall not be assigned without prior written consent of Lessor.

10. **Additional Terms**. In consideration of Lessor's agreement to lease the Vehicle to Lessee for the terms agreed upon in this Agreement, Lessee agrees that he will use the Vehicle only in connection with business pursuant to the franchise agreement signed between himself and Skinny Wimp Franchise Corporation on ___________________, 20__. Lessee further agrees that if he does business in the next five (5) years as a mover, for himself as a sole proprietor or for any other company in which he has an ownership interest, he will pay to Lessor a one-time fee of fifty thousand dollars ($50,000.00), and will grant Lessor fifty percent (50%) interest (stock, membership, or other ownership interest) in that company.

11. **Indemnity**. Upon delivery of Vehicle to Lessee, he/she/it agrees to indemnify and hold Lessor harmless from all claims suits, damages or losses, including reasonable attorney's fees, sustained by Lessor and arising directly or indirectly, from the breach by Lessee of any provision of this lease or any rider thereto, or the use or operation of Vehicle by any one including, without limitation, Lessee or the violation of any applicable law.

12. **Waiver**. Either party's failure to enforce any provision of this Agreement against the other party shall not be construed as a waiver thereof so as to excuse the other party from future performance of that provision or any other provision.

13. **Severability**. Should any portion of the Agreement be declared invalid or unenforceable, it shall not affect the validity of the remaining portions of the Agreement.

14. **Entire Agreement**. This Agreement constitutes the entire Agreement between the parties. No statements, promises, or inducements made by any party to this Agreement, or any agent or employees of either party, which are not contained in this written contract shall be valid or binding. This Agreement may not be enlarged, modified, or altered except in writing signed by the parties.

15. **Mediation**. Any disputes between the parties shall first be subject to a private mediation, utilizing the services of a mediator to be agreed upon by the parties. Each of these two parties shall pay equally the costs of mediation.

16. **Arbitration**. If all or any portion of a dispute remains unresolved after mediation, then the remaining dispute shall be decided by arbitration, in accordance with the commercial arbitration rules of any alternative resolution service agreed upon by the parties. Lessor and Lessee shall initially advance an equal share of the costs of arbitration (excluding each parties' own attorney's fees and costs), with the arbitrator awarding all costs to the prevailing party. The decision of the arbitrator shall be rendered by the arbitrator within thirty (30) days after the submission of all evidence from all parties to the arbitrator for decision, and shall be binding upon the parties. If necessary a judgment upon the decision rendered by the arbitrator may be entered in any court having jurisdiction over the matter. Nothing in this section shall prohibit either party from seeking temporary injunctive relief in a court of law to preserve the status quo pending the outcome of arbitration proceedings. Reasonable discovery shall be permitted at the discretion of the arbitrator. Nothing in this section shall prohibit any party from seeking injunctive relief from any court to preserve the status quo pending arbitration. All mediations and/or arbitrations shall take place in Ventura County, California.

17. **Attorney's Fees / Costs**. Each party shall bear its own attorney's fees and costs leading up to and in the negotiation, drafting and editing of this and related documents, including subsequent actions necessary to effectuate this Agreement. In the event of a dispute regarding the terms of this Agreement or the enforcement thereof, the prevailing party in any such matter shall be entitled to recover its reasonable attorney's fees and costs.

18. **Additional Documents/Agreements**. All Parties agrees to execute and deliver, at any time and from time to time, upon the request of another party, such further instruments or documents as may reasonably be necessary or appropriate to carry out the provisions contained in this Agreement, and to take such other action as another party may reasonably request to effectuate the purposes of this Agreement.

19. **Governing Law/Venue**. This Agreement shall be interpreted under the laws of the State of California without regard to its conflict of law principles. In the event that either party seeks to enforce any rights under this Agreement at law or equity, venue shall be in Ventura County, California.

20. **Notices**. Any notices to be given under this Agreement shall be by electronic mail, to the following email addresses:

Seller: lance@skinnywimpmoving.com
With a copy to: JStuart@SmallBusinessLaw.Org

Buyer: ________________________
With a copy to: ____________________

21. **Entire Agreement**. This Agreement constitutes the entire understanding among the parties to this Agreement with respect to the subject matter of this Agreement and supersedes any prior agreements or understandings, written or oral, with respect thereto. This Agreement may be modified or amended only in a writing signed by all Parties.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date below.

Lessor:

Skinny Wimps Moving Company,
A California Corporation

By: ___________________________
Lance Clauson, President

Date: ___________________________

Lessee:

By: ___________________________
, Individually

Date: ___________________________

By: ___________________________

Date: ___________________________

SKINNY WIMP MOVING FRANCHISE CORPORATION
FRANCHISE AGREEMENT

EXHIBIT F
VEHICLE PURCHASE AGREEMENT

VEHICLE PURCHASE AGREEMENT

This Vehicle Purchase Agreement ("**Agreement**") is entered by and between **Skinny Wimps Moving Company**, a California Corporation ("**Seller**") on one hand, and ______________ ("**Buyer**") on the other hand. This Agreement is dated ____________ for reference purposes only and is effective when signed by all parties.

In consideration of the exchange of agreements and promises set forth in this Agreement, the sufficiency of which is acknowledged, the Parties agree as follows:

1. **Vehicle**. Seller is the owner of a _________ *(year)* ____________ *(make)* ____________ *(model)* Vehicle Identification Number _______________ ("Vehicle").

2. **Warranty of Title**. Seller warrants that title will be transferred to Buyer, free and clear of any known liens, claims, charges, or encumbrances. Upon delivery of the Vehicle and payment of the balance of the purchase price pursuant to this Agreement, Seller shall execute a bill of sale and any other necessary documents in accordance with the procedures in effect at the Department of Motor Vehicles. Seller's warranty of title shall expire upon Buyer receiving a Registration Certificate from the Department of Motor Vehicles.

3. **Purchase Price**. The purchase price of the Vehicle is ____________ Dollars ($____________ USD), which will be paid by Buyer in installments as follows: Monthly payments of $____, or __% of the monthly gross proceeds of Buyer's moving business, whichever amount is greater from month to month. ("Gross proceeds" shall mean the money collected by Buyer from contracts for moving household and/or commercial goods, before subtracting any payroll or other costs.) Installment payments will be made on the 1st of each month, until the Purchase Price is paid in full. Upon transfer of the Vehicle, Buyer will make an initial deposit of $_________, which sum shall be subtracted from the Purchase Price. All monies paid in accordance with this Agreement will be made by cash, cashier's check, certified check, wire transfer, or equivalent, in United States Dollars.

4. **Late Payments and Default**. If any payment to Seller is not postmarked by the 1st of the month, a late fee of $100 is due, and shall be added to the following month's payment. If by the tenth (10^{th}) of any month, all payments then due and owing (including late fees) are not paid in full, Seller may give Buyer a Notice of Default. If Buyer does not cure the Notice of Default by paying all sums then due and owing within five (5) days of such Notice, then Buyer shall be deemed in actual Default, which is not curable. Once in Default, all sums due Seller under this Agreement accelerate and become immediately due and payable, which Seller may seek to enforce via any and all legal and equitable remedies, which are cumulative. If in actual Default, interest on the entire amount due Seller shall accrue at ten percent (10%) APR, or the legal rate, whichever is lower.

5. **Limitations of Seller's Warranty; Vehicle Sold "As Is".** Seller warrants only that:
   a. Vehicle is in operable condition and has been reasonably maintained;
   b. All equipment shown in Exhibit 'A' is currently installed in Vehicle;

EXCEPT AS PROVIDED OTHERWISE IN THIS AGREEMENT, THIS VEHICLE IS SOLD "AS IS." THERE ARE NO WARRANTIES, EITHER EXPRESS OR IMPLIED WITH RESPECT TO MERCHANTABILITY OR FITNESS APPLICABLE TO THE VEHICLE OR ANY EQUIPMENT APPLICABLE THERETO, MADE BY

SELLER. Buyer agrees that no warranty has been expressed or implied by Seller, and that Buyer has the right to inspect the Vehicle and understands that it is being purchased "as is." Buyer hereby expressly waives any claim for incidental or consequential damages, including damages resulting in personal injury against Seller.

6. **Pre-purchase Inspection**. After the signing of this Agreement, the Buyer shall have the right to perform a pre-purchase inspection of the Vehicle. Such inspection shall be at the Buyer's expense and may be performed by an individual(s) of Buyer's choice, so long as he/she/they are a certified mechanic.

a. Any items of concern identified through the pre-purchase inspection shall be corrected at Buyer's expense, except for those which would render the vehicle inoperable, which shall be corrected at Seller's expense.
b. If Buyer does not complete this pre-purchase inspection within fourteen (14) days of the date this Agreement is executed by all parties, Buyer's right to do so are deemed waived.
c. Within ten (10) days of the completion of the final inspection report by the mechanic or repair station, Buyer shall either: i) reject the results and terminate its purchase obligations, or ii) such rejection rights are deemed waived.

7. **Vehicle Delivery**. Upon the signing of this Agreement, the Vehicle shall be delivered to Buyer as soon as practical. Title and risk of loss or damage to the Vehicle shall pass to Buyer at the time of delivery. The Vehicle will be delivered to Buyer in its present condition, except for normal wear and tear between the time of execution of this Agreement and delivery. Buyer may cancel the sale and seek a refund of all monies paid to Seller if Seller cannot deliver the Vehicle as promised within 10 days of the date of the signing of this Agreement, save delays for adverse weather and Vehicle maintenance. If Buyer fails to accept delivery as scheduled, Seller may secure the Vehicle and related documents, notify Buyer as such, and leave the keys with a trusted third party, in which case Buyer is responsible for completing Buyer's obligations of the delivery. The parties shall complete Exhibit B – Vehicle Delivery Receipt.

8. **Ability to Perform**. If Vehicle is destroyed or damaged beyond repair (in Seller's reasonable discretion), Seller may cancel the sale. Should this occur, Seller shall promptly notify Buyer and refund any monies received to date (less Buyer's one-half share of Escrow fees and costs). Buyer shall not be reimbursed for any expenses incurred, including but not limited to monies spent on a pre-purchase inspection.

9. **Additional Terms**. In consideration of Sellers agreement to sell the Vehicle to buyer for the terms agreed upon in this Agreement, Buyer agrees that he will use the Vehicle only in connection with business pursuant to the franchise agreement signed between himself and Skinny Wimp Franchise Corporation on ____________________, 20__. Buyer further agrees that if he does business in the next five (5) years as a mover, for himself as a sole proprietor or for any other company in which he has an ownership interest, he will pay to Seller a one-time fee of fifty thousand dollars ($50,000.00), and will grant Seller fifty percent (50%) interest (stock, membership, or other ownership interest) in that company.

10. **Additional Documents**. Buyer and Seller shall diligently complete all required documents, including but not limited to the Department of Motor Vehicles Certificate of Title.

11. **Taxes**. Buyer shall pay any and all taxes imposed by any governmental agency which results from the sale of the Vehicle, except for the following, which shall be paid by Seller: a) Income taxes imposed for recapture of prior depreciation of the Vehicle; b) Income or capital gains taxes resulting from Seller's

profit over any prior purchase price. Personal property taxes, if any, shall be pro-rated between Seller and Buyer based on the sale date of the Vehicle.

12. **Waiver**. Either party's failure to enforce any provision of this Agreement against the other party shall not be construed as a waiver thereof so as to excuse the other party from future performance of that provision or any other provision.

13. **Severability**. Should any portion of the Agreement be declared invalid or unenforceable, it shall not affect the validity of the remaining portions of the Agreement.

14. **Entire Agreement**. This Agreement constitutes the entire Agreement between the parties. No statements, promises, or inducements made by any party to this Agreement, or any agent or employees of either party, which are not contained in this written contract shall be valid or binding. This Agreement may not be enlarged, modified, or altered except in writing signed by the parties.

15. **Mediation**. Any disputes between the parties shall first be subject to a private mediation, utilizing the services of a mediator to be agreed upon by the parties. Each of these two parties shall pay equally the costs of mediation.

16. **Arbitration**. If all or any portion of a dispute remains unresolved after mediation, then the remaining dispute shall be decided by arbitration, in accordance with the commercial arbitration rules of any alternative resolution service agreed upon by the parties. Seller and Buyer shall initially advance an equal share of the costs of arbitration (excluding each parties' own attorney's fees and costs), with the arbitrator awarding all costs to the prevailing party. The decision of the arbitrator shall be rendered by the arbitrator within thirty (30) days after the submission of all evidence from all parties to the arbitrator for decision, and shall be binding upon the parties. If necessary a judgment upon the decision rendered by the arbitrator may be entered in any court having jurisdiction over the matter. Nothing in this section shall prohibit either party from seeking temporary injunctive relief in a court of law to preserve the status quo pending the outcome of arbitration proceedings. Reasonable discovery shall be permitted at the discretion of the arbitrator. Nothing in this section shall prohibit any party from seeking injunctive relief from any court to preserve the status quo pending arbitration. All mediations and/or arbitrations shall take place in Ventura County, California.

17. **Attorney's Fees / Costs**. Each party shall bear its own attorney's fees and costs leading up to and in the negotiation, drafting and editing of this and related documents, including subsequent actions necessary to effectuate this Agreement. In the event of a dispute regarding the terms of this Agreement or the enforcement thereof, the prevailing party in any such matter shall be entitled to recover its reasonable attorney's fees and costs.

18. **Additional Documents/Agreements**. All Parties agrees to execute and deliver, at any time and from time to time, upon the request of another party, such further instruments or documents as may reasonably be necessary or appropriate to carry out the provisions contained in this Agreement, and to take such other action as another party may reasonably request to effectuate the purposes of this Agreement.

19. **Governing Law/Venue**. This Agreement shall be interpreted under the laws of the State of California without regard to its conflict of law principles. In the event that either party seeks to enforce any rights under this Agreement at law or equity, venue shall be in Ventura County, California.

20. **Notices**. Any notices to be given under this Agreement shall be by electronic mail, to the following email addresses:

Seller: lance@skinnywimpmoving.com
With a copy to: JStuart@SmallBusinessLaw.Org

Buyer: ________________________
With a copy to: ________________________.

21. **Entire Agreement**. This Agreement constitutes the entire understanding among the parties with respect to its subject matter and supersedes any prior agreements or understandings, written or oral, with respect thereto. This Agreement may be modified or amended only in a writing signed by all Parties.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date below.

Seller:	**Buyer:**
Skinny Wimps Moving Company, A California Corporation	By: ___________________________
	Date: ______________________
By: ___________________________ Lance Clauson, President	
	By: ___________________________
Date: ______________________	Date: ______________________

EXHIBIT A

VEHICLE DESCRIPTION

Make: *Model:* *Year:*

VIN Number: *Registration state:*

Other Equipment:

Vehicle Registration Expires:

Known damage history:

Note: As used in this Agreement, "known damage history" excludes cosmetic damage not involving structural repair, and other in-motion damage not exceeding $500 USD per incident.

[Exhibit B Appears on the Next Page]

EXHIBIT B

VEHICLE DELIVERY RECEIPT

A) **Buyer Confirmation**. Buyer has inspected the Vehicle and all related documents, as defined in the Agreement, and found no discrepancies. Buyer accepts delivery of Vehicle at ____________________ on ____________ *(date)*.

B) **Seller Confirmation**. Seller confirms receipt of the deposit due pursuant to the Agreement.

Seller:

Skinny Wimps Moving Company,
A California Corporation

By: ____________________________
Lance Clauson, President

Date: ________________________

Buyer:

By: ____________________________

Date: ________________________

By: ____________________________

Date: ________________________

SKINNY WIMP MOVING FRANCHISE CORPORATION
FRANCHISE AGREEMENT

EXHIBIT G
PROMISSORY NOTE

SKINNY WIMP MOVING FRANCHISE CORPORATION
PROMISSORY NOTE

$______________ ______________, California ___________, 20__

1. **PRINCIPAL, INTEREST AND PAYMENT.**

FOR VALUE RECEIVED, the undersigned, ___________________________ ("**Franchisee**"), promise(s) to pay to SKINNY WIMP MOVING FRANCHISE CORPORATION, a California corporation ("**Franchisor**"), at the address specified for notice to Franchisor in Section 9 of this Promissory Note (or at such other place as Franchisor shall specify in writing), in lawful money of the United States of America, the principal amount of forty thousand DOLLARS ($40,000), with interest at zero percent (0%) per annum. Franchisee shall pay Franchisor the amount due in monthly payments of $100 per month for the first 12 months, then $200 per month until paid in full. Franchisee shall pay Franchisor the principal due under this Promissory Note in full by __________, 20__.

2. **PREPAYMENT.**

This Promissory Note may be prepaid by Franchisee at the option of Franchisee at any time or from time to time, in whole or in part, without premium or penalty.

3. **APPLICATION OF PAYMENTS.**

Each payment on this Promissory Note (whether made when due or otherwise) shall first be credited against any interest then due, all costs of collection, and the remainder of the payment shall be credited against the unpaid principal.

4. **DEFAULT; ACCELERATION.**

If one or more of the following events shall occur ("**Event of Default**"):

a. Franchisee shall Default in the due and punctual payment of the principal amount due hereunder, whether at maturity, upon acceleration or otherwise, and the Default shall continue for a period of least ten (10) days after written notice of the Default is given by Franchisor to Franchisee; or

b. Franchisee shall Default in the performance of Franchisee's obligations under the Franchise Agreement between Franchisee and Franchisor dated _________, 20__ [and under the Area Development Agreement between Franchisee and Franchisor dated _________, 20__] and the Default shall continue for a period of at least ten (10) days after written notice of the Default is given by Franchisor to Franchisee; or

c. Franchisee shall sell, exchange, transfer or make any other disposition of all or substantially all of the assets (other than a transfer by Franchisee to an Affiliate) of any Skinny Wimp Moving Business owned by Franchisee, whether individually or collectively, or any transfer of forty nine (49%) percent or more of the capital stock, membership interest, partnership rights, or other ownership interests of Franchisee; or

d. Franchisee shall be adjudicated bankrupt or insolvent, or make an assignment for the benefit of creditors; or Franchisee shall apply for or consent to the appointment of a custodian, receiver, trustee, or similar officer for it or for all or any substantial part of its property; or the custodian, receiver, trustee or similar officer shall be appointed without the application or consent of Franchisee, and the appointment shall continue undischarged for a period of sixty (60) days; or

e. Franchisee shall institute (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency, reorganization, moratorium, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction; or any proceeding shall be instituted (by petition, application or otherwise) against Franchisee and shall remain undismissed for a period of sixty (60) days;

THEN

upon the occurrence of an Event of Default under Sections 4(c), 4(d) or 4(e) above, automatically, and, upon the occurrence of an Event of Default under Sections 4(a) and 4(b), upon the election of Franchisor following the expiration of the ten (10) day period provided therein, the entire principal balance of this Note, without further demand, shall immediately become due and payable.

5. <u>INTEREST UPON EVENT OF DEFAULT</u>.

Upon the occurrence of an Event of Default, interest shall begin to accrue on the unpaid principal balance at the rate of eight percent (8%) per annum until the Default is cured or this Promissory Note is paid in full, whichever first occurs.

6. <u>WAIVER</u>.

Franchisee waives presentment, protest and demand, notice of protest, demand, dishonor and nonpayment of this Promissory Note, notice of acceleration, notice of intent to accelerate, and any and all other notices or matters of a like nature, provided that the waiver shall not extend to any notice of Default to be given by Franchisor under Section 4. No delay or omission on the part of Franchisor in exercising any right under this Promissory Note shall operate as a waiver of that right.

7. <u>ATTORNEYS' FEES</u>.

Franchisee agrees that if any legal action is brought to enforce or collect this Promissory Note, the prevailing party shall recover reasonable attorney's fees and costs, including any and all costs of collection, in addition to any other relief to which that Party may be entitled. This provision shall be applicable to the entire Promissory Note.

8. <u>SEVERABILITY</u>.

Every provision of this Promissory Note is intended to be severable. If any term or provision hereof is declared by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, the illegality or invalidity shall not affect the balance of the terms and provisions hereof, which term and provisions shall remain binding and enforceable.

9. **NOTICES.**

All notices, statements or demands shall be in writing and shall be served in person, by Express Mail, by certified mail or by private overnight delivery. Service shall be deemed conclusively made: (a) at the time of service, if personally served; (b) twenty-four (24) hours (exclusive of weekends and national holidays) after deposit in the United States mail, properly addressed and postage prepaid, if served by Express Mail; (c) upon the earlier of actual receipt or three (3) calendar days after deposit in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by certified mail; or (d) twenty-four (24) hours after delivery by the Party giving the notice, statement or demand if by private overnight delivery.

Notices to Franchisor:	Skinny Wimp Moving Franchise Corporation 2470 Stearns Street, #273 Simi Valley, California 93063 Attention: President
Notices to Franchisee:	____________________ ____________________ ____________________ Fax: ________________

Either Party may change its address for the purpose of receiving notices, demands and other communications as provided in this Promissory Note by a written notice given in the manner aforesaid to the other Party.

10. **ASSIGNMENT BY FRANCHISOR.**

Franchisor shall have the absolute right to assign this Promissory Note at any time and from time to time until this Promissory Note is paid in full.

11. **BINDING EFFECT.**

All the terms and provisions of this Promissory Note shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

12. **GOVERNING LAW AND VENUE.**

This Promissory Note takes effect upon its acceptance and execution by Franchisee in California, and shall be interpreted and construed under the Applicable Laws of California. In the event of any conflict of law, the Applicable Laws of California shall prevail, without regard to the application of California conflict of law rules. If, however, any provision of this Promissory Note would not be enforceable under the Applicable Laws of California, and if the Skinny Wimp Moving Business is located outside of California and the provision would be enforceable under the Applicable Laws of the state in which the Skinny Wimp Moving Business is located, then the provision shall be interpreted and construed under the Applicable Laws of that state. Nothing in this Section 12 is intended by the Parties to subject this Promissory Note to any franchise or similar law, rules, or regulation of the state of California to which it would not otherwise be subject. Franchisee agrees that any action brought by Franchisor against Franchisee shall be brought in the Superior Court of California, County of Ventura, or the United States District Court, of the Central District of

California, and the parties submit to the exclusive jurisdiction of said Courts. The Parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

FRANCHISEE:

____,

[ ] an individual;
[ ] a ____________ general partnership;
[ ] a ____________ limited partnership;
[ ] a ____________ limited liability company;
[ ] a ____________ corporation

By:____
Its: ____________________, and individually

SKINNY WIMP MOVING FRANCHISE CORPORATION
FRANCHISE AGREEMENT

EXHIBIT H
SECURITY AGREEMENT

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "**Agreement**") is made this _____ day of ____________, 20___, by and between **SKINNY WIMP MOVING FRANCHISE CORPORATION,** a California corporation ("**Secured Party**" or "**Franchisor**"), on the one hand, and ________________________ ("**Debtor**"), on the other hand, with reference to the following facts:

A. Debtor has entered into a financing arrangement with Secured Party to finance the Initial Franchise Fee. In conjunction with this financing arrangement, Debtor has agreed to pay Secured Party the sum of ____________________ ($__________) in accordance with the terms of a Promissory Note (the "**Note**"), a copy of which is attached hereto as **Exhibit A**.

B. Secured Party and Debtor desire to enter into this Agreement to grant Secured Party a security interest in all of the "**Franchise Assets**" at the Skinny Wimp Moving Business franchised location to secure payment of the Promissory Note on the terms and conditions set forth herein.

NOW, THEREFORE, IT IS AGREED:

1. **INCORPORATION OF RECITALS.**

The Recitals set forth in Paragraphs A and B of this Agreement are true and correct and are incorporated herein as part of this Agreement.

2. **SECURITY INTEREST.**

In consideration of the foregoing, Debtor hereby grants to Secured Party a security interest as follows:

a. **Collateral**. Debtor hereby grants to Secured Party a continuing security interest in all of the right, title and interest of Debtor in and to all leasehold improvements, fixtures, furnishings and equipment, inventory, supplies and delivery vehicles located at or used in connection with Debtor's business at the franchised location and the Skinny Wimp Moving Business, now or hereafter leased or acquired by Debtor, together with all accounts, payment intangibles, attachments, accessories, additions, substitutions and replacements, all cash and non-cash proceeds derived from insurance or the disposition of such assets, all rights of Debtor to use the Skinny Wimp trademarks, service marks, trade names, trade styles, patents, copyrights and their registrations, trade secret information and other proprietary rights, and all rights granted, owned or licensed to Debtor under contracts and licenses and franchise agreements for the use of the Skinny Wimp trademarks, service marks, trade names, trade styles, patents, copyrights, trade secret information and other proprietary rights (collectively, the "**Collateral**") (i) to secure payment and performance by Debtor of the Note; and (ii) to secure payment to Secured Party by Debtor of all reasonable costs and expenses (including, without limitation, reasonable attorneys' fees) which Secured Party may incur to enforce the terms of the Note and this Agreement.

b. **Security Interest**. Debtor hereby grants Secured Party a valid and continuing lien on, and perfected security interest in, the Collateral.

c. **<u>Financing Statement</u>**. Debtor hereby authorizes Secured Party to file UCC-1 Financing Statements with the Secretary of State for any state Secured Party deems necessary, which shall evidence the security interests in the Collateral.

3. **<u>WARRANTIES OF DEBTOR</u>**.

Debtor warrants, covenants and represents to Secured Party that:

a. **<u>Ownership of Collateral</u>**. Debtor is the owner of all of the Collateral, free and clear of all liens and encumbrances, except liens in favor of Secured Party.

b. **<u>Encumbrances</u>**. Until all obligations of Debtor have been paid and performed under the Note and this Agreement, Debtor shall not create, incur, assume or suffer to exist any encumbrances on the Collateral, without the prior written consent of Secured Party.

c. **<u>Defense and Indemnity</u>**. Debtor will defend its title and Secured Party's interest in the Collateral against all claims which may affect title to or Secured Party's security interest in the Collateral and will take any action necessary to remove any liens or encumbrances in the Collateral not authorized by this Agreement.

d. **<u>Sale of Collateral</u>**. Until all obligations of Debtor have been paid and performed under the Note and this Agreement, Debtor shall not sell or otherwise dispose of any assets or properties comprising the Collateral without the prior written consent of Secured Party.

e. **<u>Maintenance and Insurance</u>**. Debtor shall maintain the Collateral in good repair, working order and condition and shall maintain or cause to be maintained, at no cost or expense to Secured Party for the mutual benefit of Debtor and Secured Party, comprehensive broad form general public liability insurance against claims and liability for personal injury, death, or property damage arising from the use, occupancy or condition of the Skinny Wimp Moving Business and the improvements at the Skinny Wimp Moving Business. All insurance policies carried by Debtor shall provide that the policies cannot be canceled or materially changed except after thirty (30) days prior notice by the insurer to Secured Party. All policies shall name Secured Party as an additional insured.

4. **<u>EVENTS OF DEFAULT</u>**.

If one or more of the following events shall occur, Debtor shall be in default under the Note and this Agreement:

a. **<u>Note</u>**. If Debtor shall default in the due and punctual payment of any installment due under the Note, whether at maturity, upon acceleration or otherwise, and such default shall continue for a period of ten (10) days after written notice of such default is given by Secured Party to Debtor.

b. **<u>Security Agreement and Other Agreements</u>**. If Debtor shall default in the performance of Debtor's obligations under this Agreement, or under the Promissory Note referenced herein, or under the "**Franchise Agreement**" between Debtor and Franchisor dated ________________, ________, and such default shall continue for a period of ten (10) days after written notice of such default is given by Secured Party to Debtor.

c. **Sale of Collateral or Business**. If Debtor shall sell, exchange, transfer or make any other disposition of all or substantially all of the assets (other than a transfer by Debtor to an affiliated entity) of the Skinny Wimp Moving Business or the business located at the Skinny Wimp Moving Business.

d. **Adjudication**. If Debtor shall be adjudicated bankrupt or insolvent, or make an assignment for the benefit of creditors; or Debtor shall apply for or consent to the appointment of a custodian, receiver, trustee, or similar officer for it or for all or any substantial part of its Collateral; or such custodian, receiver, trustee or similar officer shall be appointed without the application or consent of Debtor, and such appointment shall continue undischarged for a period of sixty (60) days.

e. **Institution of Proceedings**. If Debtor shall institute (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency, reorganization, moratorium, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction; or any such proceeding shall be instituted (by petition, application or otherwise) against Debtor and shall remain undismissed for a period of sixty (60) days.

Upon the occurrence of an event of default under Paragraphs 4(c), 4(d) or 4(e) above, automatically, and, upon the occurrence of an event of default under Paragraphs 4(a) or 4(b), upon the election of Secured Party following the expiration of the ten (10) day period provided therein, the entire principal balance of the Note, and any accrued interest, without further demand, shall immediately become due and payable. No delay or omission on the part of Secured Party in exercising any right under the Note shall operate as a waiver of such right.

f. **Remedies**. Upon any such event of default, or at any time thereafter, Secured Party may, following notice to or demand on Debtor, declare all obligations secured hereby to be immediately due and payable, and may proceed to enforce payment of the same and exercise any and all of its rights and remedies provided by the California Uniform Commercial Code now or hereafter existing, as well as any and all other rights and remedies afforded Secured Party by law. Secured Party will give Debtor reasonable notice of the time and place of any public sale of the Collateral, or any portion thereof, and of the time after which any private sale or other intended disposition thereof is to be made. Reasonable notice shall be deemed given if such notice is given in accordance with Paragraph 5(b) hereof at least ten (10) business days prior to the time of the sale or disposition of the Collateral. Expenses incurred by Secured Party in the sale or other disposition of the Collateral shall include all Secured Party's reasonable attorneys' fees and legal expenses, and Debtor shall be liable to Secured Party for all such expenses which Secured Party incurs.

5. **GENERAL PROVISIONS**.

a. **Governing Law and Venue**. This Agreement shall be governed by the laws of the State of California. Any dispute arising out of this Agreement shall be brought in the Superior Court of California, County of Ventura, or the United States District Court, of the Central District of California, and the parties submit to the exclusive jurisdiction of said Courts. To the fullest extent that the Parties may do so under Applicable Law, the Parties waive the defense of inconvenient forum to the maintenance of an action in these Courts and agree not to commence any action of any kind except in these Courts. This Agreement shall be interpreted and construed under the laws of California. In the event of any conflict of law, the law of California shall prevail, without regard to the application of California conflict of law rules. If, however, any provision of this Agreement would not be enforceable under the laws of California, and if the Skinny Wimp

Moving Business is located outside of California and such provision would be enforceable under the laws of the state in which the Skinny Wimp Moving Business is located, then such provision shall be interpreted and construed under the laws of that state. Nothing in this Section 5 is intended by the Parties to subject this Agreement to any franchise or similar law, rules, or regulation of any state to which it would not otherwise be subject.

b. **Notices**. All notices or demands shall be in writing and shall be served in person, by Express Mail, by certified mail, by private overnight delivery or by electronic transmission (fax). Service shall be deemed conclusively made (i) at the time of service, if personally served; (ii) twenty-four (24) hours (exclusive of weekends and national holidays) after deposit in the United States mail, properly addressed and postage prepaid, if served by Express Mail; (iii) upon the earlier of actual receipt or three (3) calendar days after deposit in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by certified mail; (iv) twenty-four (24) hours after delivery by the party giving the notice, statement or demand if by private overnight delivery; and (v) at the time of electronic transmission, if such transmission occurs prior to 5:00 p.m. on a business day and a copy of such notice is mailed within twenty-four (24) hours after the transmission.

Any notice or demand to Secured Party shall be given to:

Skinny Wimp Moving Franchise Corporation
2470 Stearns Street, #273
Simi Valley, California 93063
Attention: President

With a copy to (which shall not constitute notice):

Barry Kurtz, Esq.
Lewitt, Hackman, Shapiro, Marshall & Harlan
16633 Ventura Boulevard, 11th Floor
Encino, California 91436
Facsimile: (818) 981-4764

Any notice or demand to Debtor shall be given to:

____
____
____
Fax: ________________________

Either party may change its address for the purpose of receiving notices, demands and other communications by a written notice given in the manner set forth above to the other party.

c. **Waivers**. The delay, omission or forbearance by Secured Party to take action to remedy or seek damages for the breach or default of any term, covenant or condition herein contained or to exercise any right, power or duty arising from such breach or default shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach or default of the same or any other term, covenant or condition herein contained. The subsequent acceptance of payments by Secured Party shall not be deemed to be a waiver of any preceding breach or default by Debtor other than its failure to pay the particular payment so accepted, regardless of Secured Party's knowledge of such preceding breach or default at the time of acceptance of such payment.

d. **Attorneys' Fees**. If Secured Party becomes a party to any legal proceedings concerning this Agreement or the Note by reason of any act or omission of Debtor or its authorized representatives, Debtor shall be liable to Secured Party for the reasonable attorneys' fees and court costs incurred by Secured Party in the legal proceedings.

e. **Modification**. This Agreement may be modified only by a writing executed by the party sought to be bound.

f. **Entire Agreement**. This Agreement, the other agreements referred to herein and any other agreement that may be executed by the parties concurrently with the execution of this Agreement, set forth the entire agreement and understanding of the parties and any agreement, representation or understanding, express or implied, heretofore made by either party or exchanged between the parties are hereby waived and canceled.

g. **Cumulative Remedies**. Any specific right or remedy set forth in this Agreement, legal, equitable, or otherwise, shall not be exclusive, but shall be cumulative with all other rights or remedies set forth herein or allowed or allowable by law.

h. **Titles**. The various titles of the Paragraphs herein are used solely for convenience and shall not be used in interpreting or construing any word, clause, paragraph, or subparagraph of this Agreement.

i. **Gender**. All words used in this Agreement in the singular shall include the plural and the masculine gender shall include the feminine and neuter and the neuter shall include the masculine and feminine.

j. **Successors**. This Agreement shall be binding upon all of the parties hereto, their respective heirs, executors, administrators, personal representatives, successors and assigns.

k. **Severability**. The invalidity of any one or more of the provisions contained in this Agreement as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

l. **Additional Documents**. Debtor agrees to execute, acknowledge and deliver to Secured Party and to procure the execution, acknowledgment and delivery to Secured Party of any additional documents or instruments which Secured Party may reasonably require to fully effectuate and carry out the provisions of this Agreement.

m. **Counterparts and Electronic Transmission; Electronic Signatures**. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Agreement with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Agreement for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Agreement. In addition, this Agreement may be signed electronically by the Parties and electronic signatures appearing on this Agreement shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Agreement.

n. **Representation By Counsel**. Debtor acknowledges and agrees that Debtor has been represented by independent legal counsel of Debtor's choice in connection with the negotiation and review of the terms and conditions of this Agreement, or has had the opportunity to have legal counsel assist Debtor, but has voluntarily elected not to do so.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

SECURED PARTY:

SKINNY WIMP MOVING FRANCHISE CORPORATION
A California corporation

By: ______________________________

Name: ______________________________

Its: ______________________________

DEBTOR:

____

____

EXHIBIT A

PROMISSORY NOTE

SKINNY WIMP MOVING FRANCHISE CORPORATION
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT B
AREA DEVELOPMENT AGREEMENT

SKINNY WIMP MOVING FRANCHISE CORPORATION

AREA DEVELOPMENT AGREEMENT

SKINNY WIMP MOVING FRANCHISE CORPORATION
AREA DEVELOPMENT AGREEMENT

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EXHIBITS

SKINNY WIMP MOVING FRANCHISE CORPORATION
AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (the "**Agreement**") is made and entered into as of ____________ (the "**Effective Date**"), by and between **SKINNY WIMP MOVING FRANCHISE CORPORATION**, a California corporation ("**Franchisor**"), on the one hand, and ________________________, a ____________________________ ("**Area Developer**"), on the other hand, who are individually referred to in this Agreement as a "**Party**", and collectively referred to in this Agreement as "**Parties**", with reference to the following facts:

A. Franchisor has developed the "**Skinny Wimp System**" for the establishment and operation of Skinny Wimp moving businesses ("**Skinny Wimp Moving Businesses**") that offer residential and commercial moving services, including packing and unpacking, and related services and products, including junk removal services to the public under the trade name "**Skinny Wimp**" and other related trademarks, service marks, logos and commercial symbols (the "**Skinny Wimp Marks**").

B. Franchisor desires to expand and open a number of Skinny Wimp Moving Businesses (the "**Franchised Businesses**") in the Development Territory and Area Developer desires to open, own and operate Franchised Businesses in the Development Territory in accordance with the terms of this Agreement.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. <u>DEFINITIONS</u>

The capitalized terms in this Agreement that are not defined elsewhere in the text of this Agreement are assigned these definitions:

"**Affiliate**" or "**Affiliates**" mean any person or Entity that controls, is controlled by, or is under common control with a Party to this Agreement. Control of a person or Entity means the power, direct or indirect, to direct or cause the direction of the management and policies of such person or Entity whether by contract or otherwise.

"**Applicable Law**" means and includes applicable common law and all statutes, laws, rules, regulations, ordinances, policies and procedures established by any Governmental Authority with jurisdiction over the operation of the Franchised Businesses that are in effect on or after the Effective Date, as they may be amended from time to time.

"**Business Office**" means the principal place of business of the Franchised Business where Area Developer shall receive and conduct business and keep all of the books and records of the Franchised Businesses.

"**Commencement Date**" means the day that (i) Area Developer receives written authorization from Franchisor and all applicable Governmental Authorities to commence business operations of a Franchised Business; and (ii) Area Developer actually begins to offer residential and commercial moving services to the public in the Development Territory, whichever occurs first.

"**Competitive Business**" means any business that offers residential and commercial moving services, including packing and unpacking, and related services and products to the public and any business that looks like, copies, imitates, or operates in a manner similar to a Skinny Wimp Moving Business.

"**Constituents**" means past, present and future Affiliates, parents, subsidiaries, divisions, partners, members, trustees, receivers, executors, representatives, administrators, owners, shareholders, distributors, parents, predecessors, officers, directors, agents, managers, principals, employees, insurers, successors, assigns, representatives and attorneys and the past, present and future officers, directors, agents, managers, principals, members, employees, insurers, successors, assigns, representatives and attorneys of each of the foregoing.

"**Default**" means any breach of, or failure to comply with, any of the terms or conditions of an agreement.

"**Designated Suppliers**" means suppliers of Designated Supplies & Equipment who have been accepted and approved by Franchisor because they have demonstrated to Franchisor their ability to supply products and services for Franchised Businesses meeting Franchisor's specifications as to brand names, models, contents, quality, compliance with governmental standards and regulations, reliability with respect to delivery and consistency in the quality of their products or services. Franchisor and its Affiliates may be Designated Suppliers.

"**Designated Supplies & Equipment**" means and includes all equipment, parts, inventory, supplies, insurance, telephones, computer hardware and software, fixtures and signs and other products or services specified by Franchisor as necessary for the operation of Skinny Wimp Moving Businesses that have been accepted and approved by Franchisor and that shall be purchased from Designated Suppliers. As of the Effective Date, Designated Supplies & Equipment include, without limitation, moving trucks, satellite-based global positioning systems, appliance dollies, boxes, box dollies, floor protection, furniture dollies, moving pads, tie-down webbing, tools, clothing and novelty items, any or all of which may be Skinny Wimp Branded Products.

"**Development Fee**" means the development fee payable to Franchisor by Area Developer on the Effective Date in the amount set forth on **Exhibit A**.

"**Development Fee Credit**" means that portion of the Development Fee that will be credited against the Initial Franchise Fee for each Franchised Business upon the Parties' execution of a Skinny Wimp Franchise Agreement for each Franchised Business in the amount set forth on **Exhibit A**.

"**Development Period**" means each of the time periods indicated on **Exhibit A** during which Area Developer shall have the right and obligation to equip, open and thereafter operate the Franchised Businesses in accordance with the Minimum Development Obligation.

"**Development Territory**" means the geographic area designated on **Exhibit A** within which Area Developer shall open and operate the Franchised Businesses.

"**Entity**" means any limited liability company, partnership, trust, association, corporation or other entity, which is not an individual. If Area Developer is an Entity, the Entity shall conduct no business other than the development of Franchised Businesses in the Development Area, in accordance with the Development Obligation.

"**Equity**" means capital stock, membership interests, partnership rights or other equity ownership interests of an Entity.

"**Expiration Date**" means the fifth anniversary of the Effective Date.

"**Force Majeure**" means any event (i) that was reasonably unforeseeable as of the Effective Date; (ii) that is beyond the reasonable control, directly or indirectly, of a Party; (iii) that could not reasonably have been prevented or avoided by that Party with the exercise of reasonable efforts and due diligence; (iv) that does not result from the fault or negligence of that Party or its agents, employees or contractors; and (v) that causes performance by that Party to be delayed, in whole or in part, or unable to partially or wholly perform its obligations under this Agreement. Subject to the satisfaction of the foregoing criteria, "**Force Majeure**" includes (a) acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); (b) strikes, lockouts or other industrial disturbances; (c) war, terrorist acts, riot, or other civil disturbance; (d) unilateral governmental action affecting or restricting residential and commercial moving businesses generally; and (e) epidemics, transportation shortages, inadequate supply of labor, material or energy.

"**General Release**" means the form of general release prescribed by Franchisor of any and all known and unknown obligations, liabilities, demands, costs, expenses, damages, claims, actions and causes of action, of whatever nature, character or description, against Franchisor and its Constituents. A General Release will cover future consequences of acts, omissions events and circumstances predating the date of the General Release, but will not release, in advance, future acts, omissions or events which have not occurred at the time the General Release is executed.

"**Good Standing**" means Area Developer is in substantial compliance with the material requirements of this Agreement, the Skinny Wimp Franchise Agreements, the Manuals and all other agreements then in effect between Area Developer and Franchisor or its Affiliates, and has substantially cured each curable Default for which Franchisor has issued a notice of Default to Area Developer within the time periods set forth in Section 11.3.

"**Governmental Authority**" means all Federal, state, county, municipal and local governmental and quasi-governmental agencies, commissions and authorities.

"**Initial Franchise Fee**" means the initial fee that Area Developer must pay Franchisor for each Franchised Business opened and operated by Area Developer in the Development Territory in the amount set forth on **Exhibit A**.

"**Manuals**" means Franchisor's Operations Manual, which may consist of one or more manuals, and any other written directive related to the Skinny Wimp System, as the same may be amended and revised from time to time, including all bulletins, supplements and ancillary and additional manuals and written directives established by Franchisor as in effect and amended from time to time.

"**Minimum Development Obligation**" means Area Developer's right and obligation to equip, open, and thereafter operate the cumulative number of Skinny Wimp Moving Businesses set forth in **Exhibit A** within each Development Period.

"**Owner**" means each of the individuals listed on **Exhibit B** and each future direct or indirect shareholder, member, general or limited partner, trustee or other Equity Owner of Area Developer. If Area Developer is an Entity, each Owner and each Owner's spouse shall jointly and severally guarantee Area Developer's performance of its obligations in this Agreement under a Guarantee in the form of **Exhibit C**.

"**Principal Owner**" means the individual designated by Area Developer on **Exhibit B**, and accepted by Franchisor, to serve as the primary operator of the Franchised Business, as the authorized representative of Area Developer, who shall act as Area Developer's representative in all matters with Franchisor, as Area Developer's liaison with Franchisor and the Owners; and shall have the authority to act on behalf of Area Developer during the Term without the participation of any other Owner.

"**Protected Territory**" means the designated geographic area located within the Development Territory in which Area Developer shall operate each Franchised Business under a Skinny Wimp Franchise Agreement.

"**Relocation Fee**" means the $2,500 fee that Area Developer must pay Franchisor if Area Developer requests Franchisor to consent to a relocation of the Business Office.

"**Skinny Wimp Area Developers**" means third parties who enter into Skinny Wimp Area Development Agreements with Franchisor to open, own and operate Skinny Wimp Moving Businesses.

"**Skinny Wimp Area Development Agreements**" means the form of agreement prescribed by Franchisor and used to grant Skinny Wimp Area Developers the right to own and operate Skinny Wimp Moving Businesses, including all exhibits, riders, guarantees or other related instruments, all as amended from time to time.

"**Skinny Wimp Authorized Services**" means residential and commercial local moving services, long distance moving services and other products and services that Franchisor designates or requires in the Manuals or otherwise, including packing and unpacking, storage services, and junk removal services. Providing junk removal services is currently optional for Skinny Wimp franchisees, but Franchisor reserves the right to require Franchisee to provide junk removal services in the future.

"**Skinny Wimp Branded Products**" means all products that bear the Skinny Wimp Marks, such as containers, equipment, uniforms, clothing, accessories and promotional merchandise.

"**Skinny Wimp Franchise Agreements**" means the form of agreement prescribed by Franchisor and used to grant Area Developer the right to own and operate Skinny Wimp Moving Businesses in the Development Territory, including all exhibits, riders, guarantees or other related instruments, all as amended from time to time, and the form of agreement prescribed by Franchisor and used to grant other Skinny Wimp Area Developers and Skinny Wimp Franchisees the right to own and operate Skinny Wimp Moving Businesses other than the Franchised Businesses.

"**Skinny Wimp Franchisees**" means third parties who enter into Skinny Wimp Franchise Agreements with Franchisor to open, own and operate Skinny Wimp Moving Businesses.

"**Skinny Wimp System**" means the operating methods and business practices related to Skinny Wimp Moving Businesses, the relationship between Franchisor and Skinny Wimp Franchisees, specifications for Designated Supplies & Equipment and Designated Suppliers, the Technology Services and other products and services necessary for the development and operation of Franchised Businesses; Franchisor specified pricing and promotions; restrictions on ownership, standard operating and administrative procedures, management and technical training programs, marketing and public relations programs and Franchisor's website, all as Franchisor may modify from time to time.

"**Term**" means the five (5) year period beginning on the Effective Date and ending on the Expiration Date.

"Then-Current" means the form of agreement then-currently provided by Franchisor to similarly situated prospective Skinny Wimp Area Developers and Skinny Wimp Franchisees which may contain terms and conditions that are materially different from this Agreement, or if not then being so provided, then a form of agreement selected by Franchisor in its discretion which previously has been delivered to and executed by a Skinny Wimp Area Developer or a Skinny Wimp Franchisee; or, as the context of this Agreement indicates, the fees then-currently charged by Franchisor for services provided by Franchisor.

"Transfer Fee" means the $10,000 fee that Area Developer must pay Franchisor as a condition precedent to an Assignment of this Agreement.

2~~2~~. EXCLUSIVE LICENSE

2~~2~~.1~~1~~ **Grant and Minimum Development Obligation**. Franchisor hereby grants Area Developer, and Area Developer hereby accepts the right and obligation to use the Skinny Wimp Marks and the Skinny Wimp System to open, own and operate the number of Skinny Wimp Moving Businesses to satisfy the Minimum Development Obligation only in the Development Territory during the individual Development Periods listed on **Exhibit A** under the Development Schedule set forth on **Exhibit A** in accordance with the terms and conditions set forth in this Agreement. Any approval or assistance furnished by Franchisor in selecting and/or approving the Development Territory is not, and shall not be deemed to be, a guarantee or assurance by Franchisor that the Franchised Businesses shall be profitable or successful. Except as provided in Section 2.6, Area Developer may not open, own or operate more Skinny Wimp Moving Businesses in the Development Territory than the number necessary to satisfy the Minimum Development Obligation during the Term. Area Developer shall not subcontract, sublicense, enter any management agreement, share, divide or partition the rights and obligations granted to Area Developer under this Agreement and nothing in this Agreement will be construed as granting Area Developer the right to do so.

2.2 **Exclusive License**. Except as otherwise provided in Section 2.3, the rights granted to Area Developer under this Agreement are exclusive during the Term so long as Area Developer is in Good Standing and neither Franchisor nor any of its Affiliates shall themselves open, own and operate, or grant third parties the right to open, own and operate, Skinny Wimp Moving Businesses in the Development Territory during the Term.

2.3 **Rights Reserved by Franchisor**. Franchisor and its Affiliates expressly reserve all other rights with respect to the Skinny Wimp System, the Skinny Wimp Marks and Skinny Wimp Moving Businesses, including the exclusive right, in their discretion, directly or indirectly, without paying Area Developer any compensation or granting Area Developer any rights in the same (i) to open, own and operate, and to grant franchises to third parties to open, own and operate, Skinny Wimp Moving Businesses outside of the Development Territory, regardless of their proximity to the Development Territory; (ii) to open, own and operate, and to grant franchises to third parties to open, own and operate any other business other than a Competitive Business, under marks and systems different from the Skinny Wimp Marks and the Skinny Wimp System at any location within and outside of the Development Territory regardless of their proximity to the Development Territory; (iii) to sell or distribute, at retail or wholesale, directly or indirectly, or license others to sell or distribute, Skinny Wimp Branded Products at any location, within and outside of the Development Territory, through the Internet, mail order catalogs, direct mail marketing and through other distribution methods; and (iv) to market on the Internet and use the Skinny Wimp Marks on the Internet, including all use of websites, domain names, URLs, directory addresses, email addresses, metatags, linking, marketing, co-branding and other arrangements, and in all other forms of electronic media.

2.4 **Adherence to Development Schedule**. Area Developer shall satisfy the Minimum Development Obligation by opening the number of Franchised Businesses in the Development Territory within each Development Period as required by the Development Schedule and by operating and continuing to operate the cumulative number of Franchised Businesses required by the Minimum Development Obligation. Failure to comply in the Development Schedule shall constitute a Default under this Agreement and shall entitle Franchisor to terminate this Agreement, unless the Default results from an event of Force Majeure, in which case, a Commencement Date may be extended by Franchisor as provided in Section 2.6.

2.5 **Closures and Assignments of Franchised Businesses**. To protect the Skinny Wimp System, the Skinny Wimp Marks, the Skinny Wimp trade secrets, and the goodwill associated with the same, if, during the Term, Area Developer ceases to operate any Franchised Business developed and opened under this Agreement for any reason, Area Developer must open a replacement Franchised Business to fulfill Area Developer's obligation to have open and in operation the required number of Franchised Businesses at the expiration of each Development Period. The replacement Franchised Businesses must be opened within twelve (12) months after the closing of the Franchised Business that will be replaced. Franchised Businesses that are open and operating that are assigned to Affiliates of Area Developer with Franchisor's consent shall be included when determining whether Area Developer has satisfied the Minimum Development Obligation.

2.6 **Force Majeure**. Neither Party will be in default in the performance of its obligations under this Agreement if such performance is prevented or delayed due to Force Majeure. If Area Developer is unable to meet the Minimum Development Obligation for any Development Period solely as the result of Force Majeure or any legal disability of Franchisor to deliver a Disclosure Document pursuant to Section 5.3, which results in the inability of Area Developer to construct and open the Franchised Businesses as required by this Agreement, Area Developer shall provide Franchisor, within ten (10) days after the occurrence of an event that Area Developer believes is an event of Force Majeure, with notice of the specific nature and extent of the Force Majeure and an explanation as to how the event has delayed Area Developer's performance under this Agreement. The determination of whether an event of Force Majeure has occurred shall be made by Franchisor upon Franchisor's assessment of the event causing the delay. Area Developer shall provide Franchisor with continuing updates and all information requested by Franchisor regarding Area Developer's progress and diligence in responding to and overcoming the event of Force Majeure.

2.7 **National Accounts Programs**. Franchisor may, in its discretion, establish and maintain a National Accounts Program under which Franchisor may enter into arrangements with manufacturers, suppliers or transport companies to have the Skinny Wimp franchise system provide residential and commercial moving services on a national or regional basis. The arrangement may include set fees for each residential and commercial moving job and service standards, and other rules for participation. As long as Area Developer is not in Default under this Agreement or its Skinny Wimp Franchise Agreements, and in Franchisor's reasonable business judgment, has the appropriate equipment, personnel, resources and training, Area Developer shall be given the opportunity to accept jobs within the Development Territory pursuant to the requirements of any National Accounts Program that Franchisor may implement. Area Developer shall not be required to accept any job referred to Area Developer under this Section 2.7; provided, however, that if Area Developer accepts a job referred by Franchisor, Area Developer shall abide by all applicable policies and procedures with respect to the National Account Program, including the pricing of jobs and any fees related thereto. Area Developer shall not otherwise solicit the business of, or provide Skinny Wimp Authorized Services to, any National Account customer in the Development Territory.

2.8 **No Rights to Use the Skinny Wimp Marks or the Skinny Wimp System**. This Agreement is not a Skinny Wimp Franchise Agreement, and does not grant Area Developer any right to use the Skinny Wimp Marks or the Skinny Wimp System or to provide Skinny Wimp Authorized Services. To protect the Skinny Wimp System, the Skinny Wimp Marks, the Skinny Wimp trade secrets and the goodwill associated with the same, Area Developer's rights to use the Skinny Wimp Marks and the Skinny Wimp System will be granted to Area Developer solely under the terms of a Skinny Wimp Franchise Agreement.

3. TERM.

The Term shall commence on the Effective Date and shall expire on the Expiration Date. Following the Expiration Date (i) Area Developer shall have no further right to open additional Franchised Businesses in the Development Territory and no further rights or obligations under this Agreement; (ii) Area Developer shall have the right to continue to own and operate all Franchised Businesses opened by Area Developer prior to the Expiration Date under Skinny Wimp Franchise Agreements with Franchisor that remain in full force and effect on the Expiration Date; and (iii) Franchisor, may, but shall not be required to, open, own and operate, and grant franchises to third parties to open, own and operate Skinny Wimp Moving Businesses at any location within or outside of the Development Territory, without restriction other than in compliance with protected territory rights granted to Area Developer under Skinny Wimp Franchise Agreements that remain in full force and effect on the Expiration Date.

4. PAYMENTS BY AREA DEVELOPER.

4.1 **Development Fee**. On the Effective Date, Area Developer shall pay the Development Fee to Franchisor for the rights granted to Area Developer under this Agreement by a wire transfer of immediately available funds to a bank account designated by Franchisor. The Development Fee is fully earned by Franchisor when paid and is nonrefundable, in whole or in part, under any circumstances.

4.2 **Initial Franchise Fees**. Area Developer shall pay Franchisor an Initial Franchise Fee for each Franchised Business to be operated under this Agreement. Area Developer shall sign the Franchise Agreement ~~pay Franchisor the Initial Franchise Fee~~ for the first Franchised Business to be operated under this Agreement and pay Franchisor an Initial Franchise Fee, on the Effective Date by a wire transfer of immediately available funds to a bank account designated by Franchisor, when Area Developer signs this Agreement. ~~on the Effective Date by a wire transfer of immediately available funds to a bank account designated by Franchisor.~~ The Initial Franchise Fee for each additional Franchised Business shall be payable upon execution by Area Developer of each Skinny Wimp Franchise Agreement entered into under this Agreement, less the Development Fee Credit for each Franchised Business, not to exceed a credit of $5,000 for any one Skinny Wimp Franchise Agreement. The Initial Franchise Fee is fully earned by Franchisor when paid and is non-refundable, in whole or in part, under any circumstances.

5. BUSINESS OFFICE; EXECUTION OF DOCUMENTS.

5.1 **Business Office**. Area Developer shall operate the Franchised Businesses from the Business Office. The Business Office must be located in the Development Territory unless otherwise agreed in writing by Franchisor. Area Developer shall, within thirty (30) days after the Effective Date, locate one or more proposed sites for the Business Office. Once located, Area Developer shall submit all information regarding the proposed sites to Franchisor. Franchisor shall accept or reject a proposed site for the Business Office within fifteen (15) days after Franchisor receives all of the information that Franchisor requires to evaluate the site. Among the factors that Franchisor shall consider before approving proposed sites for the Business

Office are population density, general location within the Development Territory, traffic patterns, parking, size, physical characteristics of the building and lease terms, zoning restrictions, the population data for the Development Territory (determined by using population estimates prepared by the U.S. Census Bureau or a substitute or successor source of population information selected by Franchisor), and the location of other Skinny Wimp Moving Businesses in the geographic areas adjacent to the Development Territory. The Business Office must be open and ready to conduct and receive business before Area Developer may provide Skinny Wimp Authorized Services for its first customer. Area Developer shall retain all of the original books, records, customer files, computer data, financial records and comparable data of the Franchised Business at the Business Office. Once opened, the Business Office may be relocated only with the prior written approval of Franchisor, which approval shall not be unreasonably withheld, and with the payment of the Relocation Fee.

5.2 **Commencement Date**. Area Developer shall not commence operation of any Franchised Business without the express written consent of Franchisor, which may be conditioned upon Area Developer's full compliance with the requirements set forth in this Agreement and the Manuals.

5.3 **Franchise Disclosure Document**. Subject to Section 5.4, Franchisor shall deliver to Area Developer a copy of Franchisor's Then-Current Franchise Disclosure Document as required by Applicable Law (the "**Disclosure Document**") and a copy of the Then-Current Skinny Wimp Franchise Agreement for each Protected Territory selected for the operation of a Franchised Business. If Franchisor is not legally able to deliver a Disclosure Document to Area Developer by reason of any lapse or expiration of its franchise registration, or because Franchisor is in the process of amending its registration, or for any reason beyond Franchisor's reasonable control, Franchisor may delay the delivery of a Skinny Wimp Franchise Agreement for a Franchised Business until Franchisor is able to deliver a Disclosure Document to Area Developer in compliance with Applicable Law. No sooner than immediately after the expiration of any applicable waiting period prescribed by Applicable Law, but no later than thirty (30) days after Area Developer's receipt of the Skinny Wimp Franchise Agreement, Area Developer shall execute the Skinny Wimp Franchise Agreement and return it to Franchisor together with the applicable Initial Franchise Fee. If Area Developer has executed and returned the signed Skinny Wimp Franchise Agreement, paid Franchisor the Initial Franchise Fee, and has otherwise satisfied the conditions set forth in Section 5.4, Franchisor shall execute the Skinny Wimp Franchise Agreement and return one (1) fully executed copy of the Skinny Wimp Franchise Agreement to Area Developer.

5.4 **Conditions to Franchisor's Obligations**. To protect the Skinny Wimp System, the Skinny Wimp Marks, the Skinny Wimp trade secrets and the goodwill associated with the same, Area Developer acknowledges and agrees that, as a condition precedent to Franchisor's performance of Franchisor's obligations under Section 5.1, Section 5.2 and Section 5.3, and to Area Developer's right to open each and every Franchised Business, all of the following conditions precedent must be satisfied and Franchisor shall execute a Skinny Wimp Franchise Agreement for each Franchised Business if, and only if (i) Area Developer has fully performed all of its obligations under this Agreement and all other agreements between the Parties and is in Good Standing on the date of Franchisor's execution of a Skinny Wimp Franchise Agreement; (ii) Area Developer demonstrates Area Developer's Then-Current financial ability to implement and complete open and equip the Franchised Business; (iii) Area Developer has opened and continues to operate no fewer than the aggregate number of Franchised Businesses required by the Minimum Development Obligation in compliance with the Development Schedule; (iv) Area Developer has executed the Skinny Wimp Franchise Agreement and delivered it to Franchisor; (v) Area Developer executes and delivers a General Release to Franchisor in a form acceptable to Franchisor; and (vi) Area Developer has paid Franchisor the Initial

Franchise Fee when Area Developer executed the Skinny Wimp Franchise Agreement and returned it to Franchisor.

6. OBLIGATIONS OF AREA DEVELOPER

To protect the Skinny Wimp System, the Skinny Wimp Marks, the Skinny Wimp trade secrets, and the goodwill associated with the same:

6.1~~1~~ **Opening and Operation of Franchised Businesses**. Area Developer shall, at all times during the Term, exert Area Developer's best efforts to faithfully, honestly and diligently open, own and operate the number of Franchised Businesses in the Development Territory in order to satisfy the Minimum Development Obligation and the Development Schedule in accordance with the requirements of this Agreement and each Skinny Wimp Franchise Agreement for each Franchised Business.

6.2 **Skinny Wimp System**. Area Developer shall operate the Franchised Business in compliance with the terms of the Franchise Agreements and the Manuals. Area Developer acknowledges and agrees that Area Developer alone shall exercise day-to-day control over all operations, activities and elements of the Franchised Business, including over Area Developer's employees, and that under no circumstance shall Franchisor do so or be deemed to do so. Area Developer further acknowledges and agrees that the various requirements, restrictions, prohibitions, specifications and procedures of the Skinny Wimp System that Area Developer must comply with under the Franchise Agreements, the Manuals or otherwise, do not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day operations of the Franchised Business, which Area Developer alone controls, but only constitute standards to which Area Developer must adhere when exercising Area Developer's control over the day-to-day operations of the Franchised Business consistent with the policies of Franchisor. Area Developer shall comply with each Skinny Wimp Franchise Agreement and shall operate the Franchised Businesses in conformity with the Skinny Wimp System and the methods, standards, and specifications that Franchisor may from time to time prescribe in the Manuals or otherwise. Since every detail of the Skinny Wimp System is essential in order to develop and maintain quality operating standards, to increase the demand for the Skinny Wimp Authorized Services and to protect the Skinny Wimp Marks and Franchisor's reputation and goodwill, Franchisor shall have the right to disapprove, as it believes necessary, any modification of, or addition to, the Skinny Wimp System suggested by Area Developer that is reasonably likely to have an adverse material effect on the Skinny Wimp System, the Skinny Wimp Marks or Franchisor's reputation or goodwill.

7. SKINNY WIMP MARKS

Franchisor and its Affiliates continue to develop, use and control the use of the Skinny Wimp Marks in order to identify for the public the source of services and products marketed under the Skinny Wimp Marks and the Skinny Wimp System, and to represent the Skinny Wimp System's high standards of quality, appearance and service. To protect the Skinny Wimp System, the Skinny Wimp Marks, the Skinny Wimp trade secrets, and the goodwill associated with the same:

7.1~~1~~ **Ownership and Goodwill of Skinny Wimp Marks**. Area Developer acknowledges that its right to use the Skinny Wimp Marks is derived solely from this Agreement and is limited to use in operating as Area Developer pursuant to and in compliance with this Agreement and as a Skinny Wimp Franchisee pursuant to the Skinny Wimp Franchise Agreements between Area Developer and Franchisor. Any unauthorized use of the Skinny Wimp Marks by Area Developer shall constitute a breach of this Agreement and an infringement of Franchisor's rights in and to the Skinny Wimp Marks. Area Developer acknowledges and agrees that (i) Franchisor owns the Skinny Wimp Marks and the Skinny Wimp System; (ii) Area Developer owns no goodwill or rights in the Skinny Wimp Marks or the Skinny Wimp System except for the license granted by this Agreement; and (iii) Area Developer's use of the Skinny Wimp Marks and any goodwill established by that use shall inure to the exclusive benefit of Franchisor. Area Developer agrees not to contest, or assist any other person to contest, the validity of Franchisor's rights and interest in the Skinny Wimp Marks or the Skinny Wimp System either during the Term or after this Agreement terminates or expires.

7.2~~2~~ **Limitations on Use**. Area Developer shall not use any Skinny Wimp Mark (i) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos licensed to Area Developer under this Agreement); (ii) in connection with unauthorized services or products; (iii) as part of any domain name or electronic address maintained on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system; or (iv) in any other manner not expressly authorized in writing by Franchisor. Area Developer shall give all notices of trademark and service mark registration as Franchisor specifies and shall use and obtain all fictitious or assumed name registrations required by Franchisor or under Applicable Law. Area Developer further agrees that no trademark other than "**Skinny Wimp**" or other Skinny Wimp Marks specified by Franchisor shall be used in marketing, promoting, or operating the Franchised Businesses.

7.3~~3~~ **Modifications**. Franchisor reserves the right to (i) modify or discontinue licensing any of the Skinny Wimp Marks; (ii) add new names, marks, designs, logos or commercial symbols to the Skinny Wimp Marks and require that Area Developer use them; and (iii) require that Area Developer introduce or observe new practices as part of the Skinny Wimp System in operating the Franchised Businesses. Area Developer acknowledges and agrees that the term Skinny Wimp Marks means the specific names, marks, designs, logos or commercial symbols licensed by Franchisor at any given point in time, subject to Franchisor's right to impose changes. Area Developer shall comply, at Area Developer's sole expense, with Franchisor's directions regarding changes in the Skinny Wimp Marks and Skinny Wimp System within a reasonable time after written notice from Franchisor. Franchisor shall have no liability to Area Developer for any cost, expense, loss or damage that Area Developer incurs in complying with Franchisor's directions and conforming to required changes.

7.4 **Defense of Skinny Wimp Marks and Skinny Wimp System**. Franchisor shall have the sole right to handle disputes with Area Developers and third parties concerning Franchisor's or Franchisor's Affiliates' ownership of, rights in, or Area Developer's use of, the Skinny Wimp Marks or the Skinny Wimp System. Area Developer shall immediately notify Franchisor in writing if Area Developer receives notice, or is informed, of any: (i) improper use of any of the Skinny Wimp Marks or elements of the Skinny Wimp System, including misuse by Area Developers; (ii) use by any third party of any mark, design, logo or commercial symbol which, in Area Developer's judgment, may be confusingly similar to any of the Skinny Wimp Marks; (iii) use by any third party of any business practice which, in Area Developer's judgment, unfairly simulates the Skinny Wimp System in a manner likely to confuse or deceive the public; or (iv) claim, challenge, suit or demand asserted against Area Developer based upon Area Developer's use of the Skinny Wimp Marks or the Skinny Wimp System. Franchisor shall have sole discretion to take all action as it deems appropriate, including, without limitation, to take no action, and the sole right to control any legal proceeding or negotiation arising out of any infringement, challenge or claim or otherwise relating to the Skinny Wimp Marks or the Skinny Wimp System. Area Developer shall not settle or compromise any claim, suit or demand asserted against it and agrees to be bound by Franchisor's decisions in handling disputes regarding the Skinny Wimp Marks and the Skinny Wimp System. Area Developer shall cooperate fully with

Franchisor and execute all documents and perform all actions as may, in Franchisor's judgment, be necessary, appropriate or advisable in the defense of all claims, suits or demands and to protect and maintain Franchisor's rights in the Skinny Wimp Marks and the Skinny Wimp System. Unless it is established that a third party claim asserted against Area Developer is based directly upon Area Developer's misuse of the Skinny Wimp Marks or the Skinny Wimp System, Franchisor agrees to defend Area Developer against the third party claim and indemnify Area Developer for any losses resulting therefrom, provided Area Developer has notified Franchisor as soon as practical after learning of the claim and fully cooperates in the defense of the action. Because Franchisor will defend the third party claim, Area Developer is not entitled to be reimbursed for legal or other professional fees or costs paid to independent legal counsel or others in connection with the matter. Area Developer has no right, independent of Franchisor, to make any demand against any such user or challenger or to prosecute any claim of any kind or nature whatsoever relating to the Skinny Wimp Marks.

8. CONFIDENTIAL INFORMATION

8.1~~1~~ **Confidential Information**. Area Developer acknowledges and agrees that the Skinny Wimp System is comprised of confidential information that has been developed by Franchisor and its Affiliates by the investment of time, skill, effort and money and is widely recognized by the public, is of substantial value, and is proprietary, confidential and constitutes trade secrets of Franchisor and its Affiliates, and includes, without limitation, tangible and intangible information (whether or not in electronic form) relating to Franchisor's business operations, products and services, sources of inventory and equipment, client management and other software, data, other content, formulations, patterns, compilations, programs, devices and processes, business relationships, contact information for industry professionals, designs, developmental or experimental work and services, improvements, discoveries, plans for research, potential new or supplemental products and services, websites, advertisements or ancillary products and services, marketing and selling methods and/or plans, business plans, budgets and unpublished financial statements, licenses, prices and costs, vendors, collaborators, current customer and prospective customer names and addresses, information regarding credit extensions to customers, customer service purchasing histories and prices charged to customers, customer lists and other customer data, information regarding the skills and compensation of employees of Franchisor and contractors of Franchisor, designs, drawings, specifications, source code, object code, documentation, diagrams, flowcharts, research, development, marketing techniques and materials, trademarks, trade secrets, sales/license techniques, inventions, copyrightable material, trademarkable material, databases, relationships between Franchisor and other companies, persons or Entities, knowledge or know-how concerning the methods of operation of the Franchised Business which may be communicated to Area Developer, or of which Area Developer may be apprised, by virtue of Area Developer's operation of the Franchised Business under the terms of this Agreement, and any other information or material considered proprietary by Franchisor whether or not designated as confidential information by Franchisor, that is not generally known by the public, or which derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor or its Affiliates and which is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain its secrecy, and any other information in oral, written, graphic or electronic form which, given the circumstances surrounding its disclosure, would be considered confidential (collectively, the "**Confidential Information**"). Confidential Information does not include any information that was in the lawful and unrestricted possession of Area Developer prior to its disclosure by Franchisor; is or becomes generally available to the public by acts other than those of Area Developer after receiving it; has been received lawfully and in good faith by Area Developer from a third party who did not derive it from Franchisor or Area Developer; or is shown by acceptable evidence to have been independently developed by Area Developer.

8.2 **Value**. Area Developer acknowledges and agrees the Confidential Information is not generally known by the public or parties other than Franchisor, its Affiliates, Skinny Wimp Franchisees and Area Developer; derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor, Skinny Wimp Franchisees or Area Developer; and is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain the secrecy of the Confidential Information, including, without limitation, (i) not revealing the Confidential Information to unauthorized parties; (ii) requiring its Skinny Wimp Franchisees to acknowledge in writing that the Confidential Information is confidential; (iii) requiring its Skinny Wimp Franchisees to agree in writing to maintain the confidentiality of the Confidential Information; (iv) monitoring electronic access to the Confidential Information by the use of passwords and other restrictions so that electronic access to the Confidential Information is limited to authorized parties; and (v) requiring its Skinny Wimp Franchisees to return all Confidential Information to Franchisor upon the expiration or termination of their Skinny Wimp Franchise Agreements.

8.3 **Maintain Confidentiality**. To protect the Skinny Wimp System, the Skinny Wimp Marks, the Skinny Wimp trade secrets, and the goodwill associated with the same, Area Developer shall not, during the Term or thereafter, communicate, divulge, or use for the benefit of anyone else, any information that Franchisor considers its trade secrets and/or Confidential Information. Area Developer shall divulge such Confidential Information only to its supervisorial or managerial personnel who must have access to it in order to perform their employment responsibilities.

8.4 **Irreparable Injury from Disclosure of Confidential Information**. Area Developer acknowledges that failure to comply with the requirements of this Section 8 will result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Area Developer consents to the issuance of, and agrees to pay all court costs and reasonable attorney's fees incurred by Franchisor in obtaining, without the posting of any bond, an ex parte or other order for injunctive or other legal or equitable relief with respect to the requirements of this Section 8.

8.5 **Confidentiality Covenants from Individuals Associated with Area Developer**. Area Developer shall require any supervisorial or managerial personnel who may have access to any Confidential Information of Franchisor to execute covenants that they will maintain the confidentiality of the Confidential Information they receive in connection with their association with Area Developer. Such covenants shall be in a form satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them.

9. TRANSFER OF INTEREST

9.1 **Transfer by Franchisor**. Franchisor shall have the right to transfer or assign all or any part of its rights or obligations under this Agreement to any person or legal Entity without the consent or approval of Area Developer. With respect to any assignment which results in the subsequent performance by the assignee of all of Franchisor's obligations under this Agreement, the assignee shall expressly assume and agree to perform such obligations, and shall become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment. Franchisor and or its Affiliates may sell their assets, the Skinny Wimp Marks, or the Skinny Wimp System, may sell securities in a public offering or in a private placement, may merge, acquire other corporations, or be acquired by another corporation, and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring (collectively, a "**Capital Event**"), all without the consent or approval of Area Developer. Upon the occurrence of a Capital

Event, Franchisor shall have the right (the "**Take-Along Right**") to compel Area Developer to sell and, in such event, Area Developer shall sell the assets of any or all of the Franchised Businesses, regardless of whether such Franchised Businesses are under construction or are open and operating (collectively the "**Take-Along Assets**") at the same value attributable to Franchised Businesses owned and operated by Franchisor or its Affiliates at the closing of a Capital Event. Franchisor shall exercise this Take-Along Right to compel the sale of the Take-Along Assets by Area Developer by providing Area Developer with written notice (the "**Take-Along Notice**") setting forth the time and place of the closing of the Capital Event, which time and place shall not be less than thirty (30) days after the date of the Take-Along Notice, and the expected price and form of consideration to be paid for the Take-Along Assets at the closing.

9.2 **Assignment by Area Developer**. Area Developer acknowledges and agrees that the rights granted to Area Developer under this Agreement are personal and are granted in reliance upon, among other considerations, the individual or collective character, skill, aptitude, attitude, experience, business ability and financial condition and capacity of Area Developer and, if Area Developer is an Entity, that of the Owners. Accordingly, to protect the Skinny Wimp System, the Skinny Wimp Marks, the Skinny Wimp trade secrets, and the goodwill associated with the same, Area Developer shall not offer, sell, or negotiate the sale of its rights under this Agreement to any third party, either in Area Developer's own name or in the name and/or on behalf of Franchisor, except as otherwise provided in this Agreement. Area Developer acknowledges and agrees that Area Developer has no right, by operation of law or otherwise, to sell, assign, transfer, pledge, donate, encumber or otherwise deal with, directly or indirectly, (i) any interest in this Agreement; or (ii) the right to use the Skinny Wimp System or the Skinny Wimp Marks granted pursuant to this Agreement (an "**Assignment**") without Franchisor's prior written consent. Franchisor shall not unreasonably withhold its consent to an Assignment if, in Franchisor's judgment, Area Developer satisfies the conditions to the Assignment identified in this Agreement.

9.2.1 Unless the Parties otherwise agree in writing, Area Developer shall not make any Assignment of this Agreement except in conjunction with a concurrent Assignment to the same approved assignee of all Franchised Businesses then owned and operated by Area Developer in the Development Territory. As a condition to Franchisor's consent to such an Assignment, the assignee must execute Franchisor's Then-Current form of Skinny Wimp Franchise Agreement for each Franchised Business sold to the assignee. Further, without Franchisor's prior written consent, which may be withheld by Franchisor in its discretion (i) Area Developer shall not offer for sale or transfer at public or private auction any of the rights of Area Developer under this Agreement; and (ii) Area Developer shall not, directly or indirectly, pledge, encumber, hypothecate or otherwise grant any third party a security interest in this Agreement in any manner whatsoever. To the extent that the foregoing prohibition may be ineffective under Applicable Law, Area Developer shall provide not less than ten (10) days prior written notice (which notice shall contain the name and address of the secured party and the terms of such pledge, encumbrance, hypothecation or security interest) of any pledge, encumbrance, hypothecation or security interest in this Agreement.

9.2.2 For purposes of this Agreement, each of the following events is an Assignment subject to the conditions to transfer identified in this Agreement: (i) the death or incapacity of any Owner; (ii) the offer or sale of securities of Area Developer pursuant to a transaction subject to registration under applicable securities laws or by private placement pursuant to a written offering memorandum; (iii) the sale, assignment, transfer, conveyance, gift, pledge, mortgage, or other encumbrance of more than twenty percent (20%) in the aggregate, whether in one or more transactions, of the equity or voting power of Area Developer, by operation of law or otherwise or any other events or transactions which, directly or indirectly, effectively changes control of Area Developer; (iv) the issuance of any securities by Area Developer which itself or in combination with any other transactions results in the Owners, as constituted on the Execution

Date, owning less than fifty percent (50%) of the outstanding Equity or voting power of Area Developer; and (v) any merger, stock redemption, consolidation, reorganization, recapitalization or other transfer of control of the Area Developer, however effected. Area Developer shall promptly provide Franchisor with written notice (stating such information as Franchisor may from time to time require) of each and every transfer, assignment and encumbrance by any Area Developer Owner of any direct or indirect equity or voting rights in Area Developer, notwithstanding that the same may not constitute an "**Assignment**" as defined under this Article 9.

9.2.3 Neither Franchisor's right of first refusal nor the other conditions of Assignment shall apply to a transfer by Area Developer of all of Area Developer's rights under this Agreement to a newly-formed corporation, limited liability company or other business Entity provided all of the equity or voting interests of the new business Entity are owned by the same Owners (a "**Qualified Assignment**"). Any attempted or purported Assignment which fails to comply with the requirements of this Article 9 shall be null and void and shall constitute a Default under this Agreement.

9.3. **Right of First Refusal**. Except with respect to a "**Qualified Assignment**", if Area Developer or an Owner receive a bona fide written offer (a "**Third Party Offer**") from a third party (the "**Proposed Buyer**") to purchase or otherwise acquire any interest in Area Developer which will result in an Assignment within the meaning of this Agreement, Area Developer or the Proposed Buyer, shall, within five (5) days after receiving the Third Party Offer and before accepting it, apply to Franchisor in writing for Franchisor's consent to the proposed Assignment. To constitute a bona fide written offer, the Third Party Offer must also apply to all of the Franchised Businesses then owned and operated by Area Developer in the Development Territory.

9.3.1 Area Developer, or the Proposed Buyer, shall attach to its application for consent to complete the transfer a copy of the Third Party Offer together with (i) information relating to the proposed transferee's experience and qualifications; (ii) a copy of the proposed transferee's current financial statement; and (iii) any other information material to the Third Party Offer, proposed transferee and proposed Assignment or that Franchisor requests.

9.3.2 Franchisor or its nominee shall have the right, exercisable by written notice (a "**Purchase Notice**") given to Area Developer or the Proposed Buyer, within thirty (30) days following receipt of the Third Party Offer, all supporting information, and the application for consent, to notify Area Developer or the Proposed Buyer that it will purchase or acquire the rights, assets, equity or interests proposed to be assigned on the same terms and conditions set forth in the Third Party Offer, except that Franchisor may (i) substitute cash for any form of payment proposed in the offer discounted to present value based upon the rate of interest stated in the Third Party Offer; and (ii) deduct from the purchase price the amount of all amounts then due and owing from Area Developer to Franchisor under this Agreement or otherwise.

9.3.3 If Franchisor or its nominee elects to purchase or acquire the rights, assets, equity or interests proposed to be assigned to the Proposed Buyer, the closing shall take no later than sixty (60) days following the date that the Purchase Notice was issued by Franchisor.

9.3.4 If Franchisor does not elect to purchase or acquire the rights, assets, equity or interests proposed to be assigned to the Proposed Buyer, the closing of the sale to the Proposed Buyer shall take no later than ninety (90) days following the date that the Third Party Offer was received by Area Developer. If there is any material change in the terms of the Third Party Offer before the closing of the sale, Franchisor shall have a right of first refusal to accept the new terms subject to the conditions stated in this Section 9.3.

9.4 **Conditions of Assignment to Third Party**. As a condition to obtaining Franchisor's consent to an Assignment, all of the following conditions must be satisfied:

9.4.1 The Proposed Buyer must submit a completed franchise application to Franchisor and meet Franchisor's Then-Current qualifications for new Skinny Wimp Area Developers, including qualifications pertaining to financial condition, credit rating, experience, moral character and reputation.

9.4.2 Area Developer must be in Good Standing on the date consent is requested and until the date of closing of the Assignment.

9.4.3 The sales price of the interest to be conveyed must not be so high, or the terms of the sale so onerous, that, in the judgment of Franchisor, the Proposed Buyer will be unlikely to meet the Proposed Buyer's financial and other obligations to Franchisor, third party suppliers and creditors following the closing. Franchisor shall have no liability to either Area Developer or the Proposed Buyer if Franchisor approves the Assignment and the Proposed Buyer thereafter experiences financial difficulties.

9.4.4 The Proposed Buyer shall sign Franchisor's Then-Current form of Skinny Wimp Area Development Agreement, the terms of which may differ materially from any and all of the terms contained in this Agreement, and which shall supersede this Agreement in all respects, except that the term of the new Skinny Wimp Area Development Agreement shall be the then-remaining Term. In exchange for signing the Then-Current Skinny Wimp Area Development Agreement, the Proposed Buyer shall receive the rights provided for in this Agreement, as modified by the terms of the Then-Current form of Skinny Wimp Area Development Agreement. If Franchisor is not offering new area development franchises, is in the process of revising, amending or renewing Franchisor's form of Skinny Wimp Area Development Agreement or Disclosure Document or is not lawfully able to offer Franchisor's Then-Current form of Skinny Wimp Area Development Agreement at the time of an Assignment, Franchisor may offer to amend this Agreement, upon terms and conditions that will be established by Franchisor and the Proposed Buyer at that time, or may offer to amend the Term on substantially the terms and conditions set forth in this Agreement on a month-to-month basis for as long as Franchisor deems necessary or appropriate so that Franchisor may subsequently offer and utilize a Then-Current form of Skinny Wimp Area Development Agreement.

9.4.5 Area Developer will remain subject to all obligations stated in this Agreement that expressly, or by implication due to their nature, survive the transfer, termination or expiration of this Agreement, including, without limitation, the provisions prohibiting competition, non-interference and non-disclosure of Confidential Information.

9.4.6 If any Protected Territory within the Development Territory has or attains, at the time of the Assignment, a population of 750,000 residents or more, as measured using population estimates prepared by the U.S. Census Bureau or a substitute or successor source of population information selected by Franchisor, Franchisor shall have the right at the time of the Assignment to divide that Protected Territory into two (2) or more protected territories in the manner that Franchisor determines to be reasonable in its sole discretion. In that event, the Proposed Buyer may, without payment of any additional initial franchise fee to Franchisor, purchase the franchise rights to the newly created protected territories under separate Then-Current Skinny Wimp Franchise Agreements at the time of the Assignment closes.

9.4.7 If the Proposed Buyer is an Entity, each owner and each owner's spouse of the Proposed Buyer shall jointly and severally guarantee the Proposed Buyer's performance of its obligations under the

Then-Current Area Development Agreement under a Guarantee in the form of **Exhibit C**. If Franchisor is not offering new Skinny Wimp franchises, is in the process of revising, amending or renewing Franchisor's form of Area Development Agreement or franchise disclosure document or is not lawfully able to offer Franchisor's Then-Current form of Area Development Agreement at the time of an Assignment, Franchisor may offer to amend this Agreement, upon terms and conditions that will be established by Franchisor and the Proposed Buyer at that time, or may offer to amend the Term on substantially the terms and conditions set forth in this Agreement on a month-to-month basis for as long as Franchisor deems necessary or appropriate so that Franchisor may subsequently offer and utilize a Then-Current form of Area Development Agreement.

9.4.8 Area Developer will remain subject to all obligations stated in this Agreement that expressly, or by implication due to their nature, survive the transfer, termination or expiration of this Agreement, including, without limitation, the provisions prohibiting competition, non-interference and non-disclosure of Confidential Information.

9.4.9 Area Developer and the Proposed Buyer shall execute a General Release in a form acceptable to Franchisor.

9.4.10 Area Developer shall pay Franchisor the Transfer Fee to apply against Franchisor's administrative and other costs to process the Assignment.

9.4.11 Area Developer must simultaneously transfer its rights under all contracts for which continuation is necessary for the operation of the Franchised Businesses to the Proposed Buyer and satisfy any separate conditions to obtain any third party consents required for the transfer of Area Developer's rights to the Proposed Buyer. The Proposed Buyer must execute all other documents and agreements required by Franchisor to consummate the Assignment. All required third party consents to the Assignment must be obtained. If the Proposed Buyer is a corporation, limited liability company or other business Entity, each person who at the time of the Assignment, or later, owns or acquires, either legally or beneficially, twenty percent (20%) or more of the equity or voting interests of the Proposed Buyer must execute a Guarantee in a form acceptable to Franchisor.

9.4.12 Area Developer's right to receive the sales proceeds from the Proposed Buyer in consideration of the Assignment shall be subordinate to the obligations of the Proposed Buyer owed to Franchisor and its Affiliates under, or pursuant to, this Agreement or any other agreement. All contracts by and between Area Developer and the Proposed Buyer shall expressly include a subordination provision permitting payment of the sales proceeds to Area Developer only after any outstanding obligations owed to Franchisor and its Affiliates are fully satisfied.

9.4.13 Except when the Proposed Buyer is an existing Skinny Wimp Area Developer or Skinny Wimp Franchisee, the Proposed Buyer, and a supervisorial or managerial employee of the Proposed Buyer who will have general management and supervisory responsibilities for the Franchised Businesses who is acceptable to Franchisor, must complete to Franchisor's sole satisfaction Franchisor's Initial Training Program prior to the effective date of the Assignment.

9.4.14 The Proposed Buyer must conform the Franchised Businesses with Franchisor's Then-Current equipment specifications applicable to new Skinny Wimp Moving Businesses.

9.4.15 Area Developer must sign a guarantee personally guaranteeing the Proposed Buyer's obligations under the new Skinny Wimp Area Development Agreement in favor of Franchisor.

9.5 **Death or Incapacity**. In the event of the death or incapacity of an Owner, the spouse, heirs or personal representative of the deceased or incapacitated person, or the remaining shareholders, members, partners or Owners (the "**Successor**") shall have one hundred eighty (180) days from the date of death or incapacity in which to (i) purchase the interest of the deceased or incapacitated person; or (ii) complete an Assignment of the interest of the deceased or incapacitated person to a qualified, approved third party, subject to the provisions of this Article 9. If a Successor has not purchased the interest of the deceased or incapacitated person or completed an Assignment of the interest of the deceased or incapacitated person to a qualified, approved third party within one hundred eighty (180) days from the date of death or incapacity, Franchisor may terminate this Agreement.

9.6 **Restriction on Publicly Traded and Private Securities.** Securities, partnership or other ownership interests in Area Developer may not be offered to the public under the Securities Act of 1933, as amended, nor may they be registered under the Securities Exchange Act of 1934, as amended, or any comparable federal, state or foreign law, rule or regulation. Such interests may be offered by private offering or otherwise only with the prior written consent of Franchisor, which consent shall not be unreasonably withheld. All materials required for any private offering by federal or state law shall be submitted to Franchisor for a limited review as discussed below prior to being filed with any governmental agency; and any materials to be used in any exempt offering shall be submitted to Franchisor for such review prior to their use. No offering by Area Developer shall imply that Franchisor is participating in an underwriting, issuance or offering of securities of Area Developer or Franchisor, and Franchisor's review of any offering materials shall be limited solely to the subject of the relationship between Area Developer and Franchisor, and its Affiliates. Franchisor may, at its option, require Area Developer's offering materials to contain a written statement prescribed by Franchisor concerning the limitations described in the preceding sentence. Area Developer, its Owners and other participants in the offering must fully agree in writing to defend and indemnify Franchisor, its Affiliates, their respective partners and the officers, directors, manager(s) (if a limited liability company), shareholders, members, partners, agents, representatives, independent contractors, servants and employees of each of them, from and against any and all losses, costs and liability in connection with the offering and shall execute any documentation required by Franchisor to further evidence this indemnity. For each proposed offering, Area Developer shall pay to Franchisor a non-refundable fee of $10,000, which shall be in addition to any Transfer Fee under any Franchise Agreement and/or Area Development Agreement or such greater amount as is necessary to reimburse Franchisor for its reasonable costs and expenses associated with reviewing the proposed offering, including without limitation, legal and accounting fees. Area Developer shall give Franchisor written notice at least thirty (30) days prior to the date of commencement of any offering or other transaction covered by this Article.

10. TRANSFER BY AREA DEVELOPER IN BANKRUPTCY

If, for any reason, this Agreement is not terminated pursuant to Section 11.1 and this Agreement is assumed, or Assignment of the same to any person or Entity who has made a bona fide offer to accept an Assignment of this Agreement is contemplated, pursuant to the United States Bankruptcy Code, then notice of the proposed Assignment or assumption, setting forth (a) the name and address of the proposed assignee, and (b) all of the terms and conditions of the proposed Assignment and assumption, shall be given to Franchisor within twenty (20) days after receipt of the proposed assignee's offer to accept Assignment of this Agreement, and, in any event, within ten (10) days prior to the date application is made to a court of competent jurisdiction for authority and approval to enter into the Assignment and assumption, and

Franchisor shall thereupon have the prior right and option, to be exercised by notice given at any time prior to the effective date of the proposed Assignment and assumption, to accept an Assignment of this Agreement to Franchisor itself upon the same terms and conditions and for the same consideration, if any, as in the *bona fide* offer made by the proposed assignee, less any brokerage commissions which may be payable by Area Developer out of the consideration to be paid by the assignee for the Assignment of this Agreement.

11. DEFAULT AND TERMINATION

11.1 **Termination In the Event of Area Developer's Bankruptcy or Insolvency**. Area Developer shall be deemed to be in Default under this Agreement, and all rights granted to Area Developer under this Agreement shall automatically terminate without notice to Area Developer, (i) if Area Developer or its Principal Owner becomes insolvent or makes a general assignment for the benefit of creditors; (ii) if a petition in bankruptcy is filed under the United States Bankruptcy Act by Area Developer or its Principal Owner or such a petition is filed against and not opposed by Area Developer or its Principal Owner; (iii) if Area Developer or its Principal Owner is adjudicated as bankrupt or insolvent; (iv) if a bill in equity or other proceeding for the appointment of a receiver of Area Developer or its Principal Owner or other custodian for any Franchised Business is filed and consented to by Area Developer or its Principal Owner; (v) if a receiver or other custodian (permanent or temporary) of Area Developer's or its Principal Owner's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; (vi) if proceedings for a composition with creditors under any Applicable Law is instituted by or against Area Developer or its Principal Owner; (vii) if a final judgment in excess of $100,000 against any Franchised Businesses remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed); (viii) if Area Developer or its Principal Owner admits Area Developer or its Principal Owner is unable to generally pay Area Developer's or its Principal Owner's debts as they become due; (ix) if execution is levied against any Franchised Business or property; (x) if suit to foreclose any lien or mortgage against any Franchised Business or the equipment of any Franchised Business is instituted against Area Developer or its Principal Owner and not dismissed within thirty (30) days; or (xi) if any Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

11.2 **Termination With Notice and Without Opportunity to Cure**. Area Developer shall be in Default under this Agreement, and Franchisor may, at its option, terminate this Agreement and all rights granted under this Agreement, without affording Area Developer any opportunity to cure the Default, effective immediately upon receipt of notice by Area Developer (i) if Area Developer or any of its Owners, are convicted of or plead guilty or *nolo contendere* to a felony or any other crime or offense that is reasonably likely, in the sole opinion of Franchisor, to adversely affect Franchisor's reputation, the Skinny Wimp System, the Skinny Wimp Marks or the goodwill associated the same; however, if the crime or offense is committed by an Owner other than the Principal Owner, Franchisor may only terminate this Agreement under this Section 11.2(i) if the convicted Owner fails to sell its interest in Area Developer to Area Developer's other Owners within thirty (30) days after the conviction or guilty plea; (ii) if Area Developer fails to comply with the Development Schedule; (iii) if any of the Skinny Wimp Franchise Agreements or any other agreement between Area Developer and Franchisor or its Affiliates are terminated due to a breach or Default by Area Developer; (iv) if any purported Assignment or transfer of any direct or indirect interest in this Agreement, in the Franchised Businesses, or in all or substantially all of Area Developer's assets is made to any third party by Area Developer or an Owner without Franchisor's prior written consent; (v) if any transfer of the equity ownership interests of Area Developer or an Owner is made to any third party without Franchisor's prior written consent; (vi) if Area Developer or an Owner discloses or divulges the contents of

Franchisor's Manuals, trade secrets or other Confidential Information provided to Area Developer by Franchisor; (vii) if an approved Assignment, as required by Section 9.5, is not effected within the time provided following death or incapacity of an Owner; (viii) if Area Developer or an Owner fails to comply with the covenants in Article 13 or fails to obtain execution of and deliver the covenants required under Section 13.7; (ix) if Area Developer or an Owner has made any material misrepresentations in connection with their application to Franchisor for the development rights granted by this Agreement; (x) if Area Developer or an Owner, after curing a Default pursuant to Section 11.3, commits the same, similar, or different Default, whether or not cured after notice; (xi) if Area Developer sells unauthorized products or services to the public, and after receipt of a Notice of Default, thereafter sells the products or services, whether or not Area Developer has cured the Default after one or more notices; (xii) if any Owner fails or refuses to deliver to Franchisor, within ten (10) days after Franchisor's written request, a Guarantee in substantially the form attached to this Agreement as **Exhibit C** and current financial statements as may from time to time be requested by Franchisor; (xiii) if Area Developer, an Owner or an Affiliate fails to comply with any or all of the terms of this Agreement, or any other agreement between Franchisor, or its Affiliates, and Area Developer or an Owner beyond the applicable cure period; or (xv) upon a breach of Area Developer's obligations under this Agreement or any other agreement between Area Developer and Franchisor, which by its nature is not capable of being cured by Area Developer.

11.3 **Termination With Notice and Opportunity to Cure**. Except as provided in Section 11.1 and Section 11.2, Area Developer shall have thirty (30) days after its receipt of written notice from Franchisor within which to remedy any Default under this Agreement and to provide evidence thereof to Franchisor. If any such Default is not cured within the specified time, or such longer period as Applicable Law may require, this Agreement shall terminate without further notice to Area Developer effective immediately upon expiration of the thirty (30) day period or such longer period as Applicable Law may require. Area Developer shall be in Default pursuant to this Section 11.3 for failure to substantially comply with any of the requirements imposed by this Agreement, as it may from time to time reasonably be modified or supplemented by the Manuals, or for failure to carry out the terms of this Agreement in good faith.

11.4 **Options Upon Default**. Upon any Default under Section 11.2 or Section 11.3, Franchisor may immediately take any one or more of the following actions, by written notice to Area Developer: (i) terminate this Agreement and all rights granted to Area Developer under this Agreement; (ii) accelerate or decelerate the Development Schedule; (iii) reduce the Minimum Development Obligation; (iv) eliminate or diminish Area Developer's rights with respect to the Development Territory or the size of the Development Territory; or (v) increase the fees to be paid by Area Developer to Franchisor.

11.5 **Cross-Default**. Any Default by Area Developer under the terms and conditions of this Agreement, any Skinny Wimp Franchise Agreement, or any other agreement between Franchisor, or its Affiliates, and Area Developer, shall be deemed to be a Default of each and every other such agreement. In the event of the termination of this Agreement for any cause, or the termination of any other agreement between Franchisor, or its Affiliates, and Area Developer, Franchisor may, at its option, terminate any or all of such other agreements.

12. OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted under this Agreement to Area Developer shall forthwith terminate, and the following provisions shall apply:

12.1 <u>No Right to open Additional Franchised Businesses</u>. To protect the Skinny Wimp System, the Skinny Wimp Marks, the Skinny Wimp trade secrets, and the goodwill associated with the same, upon termination or expiration of this Agreement: (i) Area Developer shall have no further right to open any Franchised Businesses not already opened by Area Developer; (ii) Area Developer shall have no further rights or obligations under this Agreement or the Skinny Wimp Franchise Agreements that were terminated; (iii) Area Developer shall have the right to continue to own and operate all Franchised Businesses opened by Area Developer prior to the termination date under Skinny Wimp Franchise Agreements with Franchisor that remain in full force and effect on the termination date; and (iv) Franchisor may thereafter open, own and operate, and grant franchises to third parties to open, own and operate Franchised Businesses at any location within or outside of the Development Territory, without restriction.

12.2 **<u>Payment of Monies Due</u>**. Upon expiration or termination of this Agreement, Area Developer shall promptly pay all sums owing to Franchisor and its Affiliates. If this Agreement is terminated because of a Default by Area Developer, such sums also shall include all damages, costs, and expenses, including attorney's fees, incurred by Franchisor as a result of the Default. Franchisor shall have the right to set off any amounts which Franchisor deems are payable to Franchisor by Area Developer.

12.3 **<u>Return of Materials and Other Confidential Information</u>**. Upon termination or expiration of this Agreement, Area Developer shall immediately deliver to Franchisor the Manuals and all other records, files, and any instructions containing Confidential Information which are in Area Developer's possession and all copies thereof (all of which are acknowledged to be the property of Franchisor).

13. <u>COVENANTS</u>

13.1 **<u>No Prior Experience, Information or Knowledge</u>**. Area Developer specifically acknowledges and agrees that prior to becoming an area developer of Franchisor, Area Developer had no experience, information or knowledge whatsoever about the operation of a commercial or residential moving business and that Area Developer's knowledge of the Confidential Information was obtained solely from Franchisor, following Area Developer's training by Franchisor and Area Developer's subsequent operation of the Franchised Business under the Skinny Wimp Franchise Agreement. Area Developer specifically acknowledges that, pursuant to this Agreement, Area Developer will receive valuable specialized training and Confidential Information, including, without limitation, Confidential Information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the Skinny Wimp System, which are unique and proprietary to Franchisor, derive independent economic value from not being generally known to the public and are the subject of Franchisor's efforts and that are reasonable under the circumstances to maintain their secrecy.

13.2 **<u>Non-Competition During Term of Agreement</u>**. Area Developer and each Owner covenants that during the Term, except as otherwise approved in writing by Franchisor, Area Developer and each Owner shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, or legal Entity (i) divert or attempt to divert any present or prospective Skinny Wimp customer to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Skinny Wimp Marks and the Skinny Wimp System; ~~(ii) employ or seek to employ any person who is or has been within the preceding thirty (30) days employed by Franchisor or an Affiliate of Franchisor as a supervisorial or managerial employee, or otherwise directly or indirectly induce such person to leave his or her employment;~~ or (iii) own (either beneficially or of record), engage in or render services to, whether as an investor, partner, lender, director, officer, manager, employee, consultant, representative or agent, any Competitive Business, provided, however, the restrictions stated in this Section 13.2 shall not apply to any Owner after three (3) years from the date the Owner ceases to be an officer, director, shareholder, member, manager, trustee, Owner, general partner, employee or otherwise associated in any capacity with Area Developer.

13.3 **Non-Competition After Execution or Termination of Agreement**. Except as Franchisor otherwise approves in writing, commencing upon the date of: (i) an Assignment permitted under Article 9; (ii) the Expiration Date of this Agreement; (iii) the termination of this Agreement (regardless of the cause for termination); or (iv) a final court order (after all appeals have been taken) with respect to any of the foregoing events or with respect to enforcement of this Section 13.3, and continuing for an uninterrupted period of two (2) years thereafter, Area Developer and each Owner shall not, own (either beneficially or of record), engage in or render services to, whether as an investor, partner, lender, director, officer, manager, employee, consultant, representative or agent, any Competitive Business located within twenty (20) miles of any Franchised Business; provided, however, the restrictions stated in this Section 13.3 shall not apply to any Owner after two (2) years from the date the Owner ceases to be an officer, director, shareholder, member, manager, trustee, Owner, general partner, employee or otherwise associated in any capacity with Area Developer in the Development Territory.

13.4 **Exceptions to Non-Compete Covenants**. Section 13.2 and Section 13.3 shall not apply to ownership by Area Developer or an Owner of a less than five percent (5%) beneficial interest in the outstanding equity securities of any Competitive Business registered under the Securities Act of 1933 or the Securities Exchange Act of 1934.

13.5 **Reducing Scope of Covenants**. Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Section 13.2 and Section 13.3, or any portion thereof, without Area Developer's consent, effective immediately upon receipt by Area Developer of written notice thereof, and Area Developer agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable.

13.6 **Enforceability of Covenants Not Affected by Area Developer Claims**. The existence of any claims Area Developer may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Article 13. Area Developer shall pay all costs and expenses (including reasonable attorney's fees) incurred by Franchisor in connection with the enforcement of this Article 13.

13.7 **Covenants from Individuals**. Area Developer shall obtain and furnish to Franchisor executed covenants similar in substance to those set forth in this Article 13 (including covenants applicable upon the termination of a person's relationship with Area Developer) from all Owners. Every covenant required by this Section 13.7 shall be in a form acceptable to Franchisor, and shall include, without limitation, a designation of Franchisor as a third party beneficiary of the covenants with the independent right to enforce them.

13.8 **Breach of Covenants Causes Irreparable Injury**. Area Developer acknowledges that the violation of any covenant in this Article 13 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Area Developer consents to the issuance of, and agrees to pay all court costs and reasonable attorney's fees incurred by Franchisor in obtaining, without the posting of any bond, an ex parte or other order for injunctive or other legal or equitable relief with respect to such conduct or action.

13.9 **Effect of Applicable Law**. In the event any portion of the covenants in this Article 13 violates laws affecting Area Developer, or is held invalid or unenforceable in a final judgment to which Franchisor and Area Developer are parties, then the maximum legally allowable restriction permitted by Applicable Law shall control and bind Area Developer. The provisions of this Article 13 shall be in addition to and not in lieu of any other confidentiality obligation of Area Developer, or any other person, whether pursuant to another agreement or pursuant to Applicable Law.

13.10 **Survival**. The provisions of this Article 13 shall survive the expiration and termination of this Agreement and shall not limit, restrain or otherwise affect any right or cause of action which may accrue to Franchisor for any infringement of, violation of, or interference with, this Agreement, or the Skinny Wimp Marks, the Skinny Wimp System, the Confidential Information, the trade secrets, or any other proprietary aspects of Franchisor's business.

14. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

14.1 **No Fiduciary Relationship**. This Agreement does not create a fiduciary relationship between the Parties. Area Developer shall be an independent contractor, and nothing in this Agreement is intended to constitute or appoint either Party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other Party for any purpose whatsoever.

14.2 **Public Notice of Independent Status**. Area Developer shall conspicuously identify itself in all dealings with its customers, contractors, suppliers, public officials, and others, as an independent Area Developer of Franchisor, and shall place such notice of independent ownership on all forms. Franchisor shall have the right to specify the language of any such notice.

14.3 **Independent Contractor**. Area Developer acknowledges and agrees that it is not authorized to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligations in Franchisor's name, and that Franchisor shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, nor shall Franchisor be liable by reason of any act or omission of Area Developer in its conduct of the operation of the Franchised Businesses or for any claim or judgment arising therefrom against Area Developer or Franchisor.

14.4 **Indemnification**. Area Developer and its Owners and Affiliates (collectively, the "**Indemnitors**") shall indemnify, defend and hold harmless to the fullest extent permitted by Applicable Law, Franchisor, its Affiliates and their respective directors, officers, employees, shareholders and agents (collectively, the "**Indemnitees**"), from any and all "**Losses and Expenses**" incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof (collectively, an "**Indemnifiable Claim**") which arises directly or indirectly from, as a result of, or in connection with Area Developer's operation of a Franchised Business and regardless of whether the Indemnifiable Claim or the Losses and Expenses resulted from any strict or vicarious liability imposed by law on Area Developer; provided, however, that this indemnity shall not apply to any liability arising from the gross negligence of Franchisor (except to the extent that joint liability is involved, in which event the indemnification provided for in this Section 14.4 shall extend to any finding of comparative negligence or contributory negligence attributable to Area Developer). For the purpose of this Section 14.4, the term "**Losses and Expenses**" means and include compensatory, exemplary, or punitive damages, fines and penalties, attorney's fees, experts' fees, court costs, costs associated with investigating and defending against claims, settlement amounts, judgments, compensation for damages to a Party's reputation and goodwill, and all other costs associated with any of the foregoing Losses and Expenses.

14.4.1 The Indemnitees shall give the Indemnitors prompt notice of any Indemnifiable Claim of which the Indemnitees are aware for which indemnification is required under this Section 14.4. The notice shall specify whether the Indemnifiable Claim arises as a result of an Indemnifiable Claim by a third party against the Indemnitees (a "**Third Party Claim**") or whether the Indemnifiable Claim does not result from an Indemnifiable Claim by a third party against the Indemnitees (a "**Direct Claim**"), and shall also specify with reasonable particularity (to the extent that the information is available) the factual basis for the Indemnifiable Claim and the amount of the Indemnifiable Claim, if known. If, through the fault of the Indemnitees, the Indemnitors do not receive notice of any Indemnifiable Claim in time to effectively contest the determination of any Losses and Expenses susceptible of being contested, the Indemnitors shall be entitled to set off against the amount claimed by the Indemnitees the amount of any Losses and Expenses incurred by the Indemnitors resulting from the Indemnitees' failure to give such notice on a timely basis.

14.4.2 With respect to Third Party Claims, the Indemnitors shall have the right, at their expense and at their election, to assume control of the negotiation, settlement and defense of Third Party Claims through counsel of their choice. The election of the Indemnitors to assume such control shall be made within thirty (30) days after the Indemnitors' receipt of notice of a Third Party Claim. If the Indemnitors elect to assume control, the Indemnitors shall do so at the Indemnitors' sole expense. The Indemnitees shall have the right to be informed and consulted with respect to the negotiation, settlement or defenses of the Third Party Claim and to retain counsel to act on the Indemnitees' behalf, at the Indemnitees' sole expense, unless the Indemnitors consent to the retention of the Indemnitees' counsel at the Indemnitors' expense or unless the Indemnitors and the Indemnitees are both named in any action or proceeding and the representation of both the Indemnitors and the Indemnitees by the same counsel would be appropriate because of the absence of any actual or potential differing interests between them (such as the availability of different defenses).

14.4.3 If the Indemnitors elect to assume control, but thereafter fail to defend the Third Party Claim within a reasonable time, the Indemnitees shall be entitled to assume control and the Indemnitors shall be bound by the results obtained by the Indemnitees with respect to the Third Party Claim. If any Third Party Claim is of a nature that the Indemnitees are required by Applicable Law to make a payment to any claimant with respect to the Third Party Claim before the completion of settlement negotiations or related legal proceedings, the Indemnitees may make such payment and the Indemnitors shall, within thirty (30) days after demand by the Indemnitees, reimburse the Indemnitees for the amount of the payment. If the Indemnitees' liability under the Third Party Claim, as finally determined, is less than the amount paid by the Indemnitors to the Indemnitees, the Indemnitees shall, within thirty (30) days after receipt of the difference from the claimant, pay the difference to the Indemnitors.

14.4.4 If the Indemnitors fail to assume control of the defense of any Third Party Claim, the Indemnitees shall have the exclusive right to consent, settle or pay the amount claimed. Whether or not the Indemnitors assume control of the negotiation, settlement or defenses of any Third Party Claim, the Indemnitors shall not settle any Third Party Claim without the written consent of the Indemnitees, which consent shall not be unreasonably withheld or delayed. The Indemnitees and the Indemnitors shall cooperate fully with each other with respect to Third Party Claims, and shall keep each other fully advised with respect to Third Party Claims (including supplying copies of all relevant documentation promptly as they become available).

14.4.5 With respect to Direct Claims, following receipt of notice from the Indemnitees of the Direct Claim, the Indemnitors shall have thirty (30) days to make such investigation of the Direct Claim as is considered necessary or desirable. For the purpose of the investigation, the Indemnitees shall make available to the Indemnitors the information relied upon by the Indemnitees to substantiate the Direct Claim, together with all other information that the Indemnitors may reasonably request. If the Indemnitors and the Indemnitees agree at or prior to the expiration of the thirty (30) day period (or any mutually agreed upon extension thereof) to the validity and amount of a Direct Claim, the Indemnitors shall immediately pay the Indemnitees the full agreed upon amount of the Direct Claim. If the Indemnitors fails to pay the same, the matter shall be resolved in the manner described in Article 15.

14.4.6 The Indemnitees shall exert commercially reasonable efforts to mitigate the Losses and Expenses upon and after becoming aware of any Indemnifiable Claim which could reasonably be expected to give rise to the payment of Losses and Expenses.

15. DISPUTE RESOLUTION

15.1 **Mediation**. The Parties shall first to resolve any dispute arising out of or relating to this Agreement by mediation under procedures established by the Commercial Mediation Rules of the AAA unless the Parties agree on alternative rules and a mediator within fifteen (15) days after either Party first gives notice of mediation. Mediation shall be conducted in Ventura County, California, and shall be conducted and completed within forty-five (45) days following the date either Party first gives notice of mediation unless otherwise agreed to in writing by the Parties. The fees and expenses of the mediator shall be shared equally by the Parties. The mediator shall be disqualified as a witness, expert or counsel for any Party with respect to the Dispute and any related matter. Mediation is a compromise negotiation and shall constitute privileged communications under California and other Applicable Laws. The entire mediation process shall be confidential and the conduct, statements, promises, offers, views and opinions of the mediator and the Parties shall not be discoverable or admissible in any legal proceeding for any purpose; provided, however, that evidence which is otherwise discoverable or admissible shall not be excluded from discovery or admission as a result of its use in the mediation. Notwithstanding anything to the contrary set forth in this Agreement, any Party that fails to reasonably cooperate in scheduling and completing a mediation within forty-five (45) days after giving or receiving notice of the mediation shall be precluded from recovering costs, expenses, and/or prevailing Party attorney's fees in any subsequent legal action. If any dispute remains unresolved ninety (90) days after a demand for mediation by either Party, the Parties shall each be free to pursue their respective legal remedies under Section 15.2.

15.2 **Judicial Relief**. The Parties agree that all disputes arising out of or relating to this Agreement shall be brought in the Superior Court of California, County of Ventura, or the United States District Court of the Central District of California. To the fullest extent that the Parties may do so under Applicable Law, the Parties waive the defense of inconvenient forum to the maintenance of an action in these Courts and agree not to commence any action of any kind except in these Courts. California law shall govern the construction, interpretation, validity and enforcement of this Agreement, except to the extent the subject matter of the dispute arises exclusively under federal law, in which event federal law shall govern. In the event of any conflict of law, the laws of California shall prevail, without regard to the application of California conflict of law rules. If, however, any provision of this Agreement would not be enforceable under the laws of California, and if the Franchised Businesses are located outside of California and such provision would be enforceable under the laws of the state in which the Franchised Businesses are located, then such provision shall be interpreted and construed under the laws of that state. Nothing in this Section 15.2 is intended by the Parties to subject this Agreement to any franchise or similar law, rules, or regulation of any state to which it would not otherwise be subject.

15.3 **Waivers**. The Parties agree, to the extent permitted by Applicable Law, that any legal action of any kind by either Party arising out of or relating to this Agreement or its breach must be commenced by no later than the last to occur of the following: (i) one hundred eighty (180) days after obtaining knowledge of the facts which constituted or gave rise to the alleged violation or liability; or (ii) one year after the act, event, occurrence or transaction which constituted or gave rise to the alleged violation or liability. The Parties, for themselves, and for and on behalf of the Franchisor Owners and the Owners, respectively, hereby waive to the fullest extent permitted by Applicable Law, any right to, or claim for, punitive or exemplary damages against the other and agree that, in the event of a dispute between them, the Parties shall each be limited to recovering only the actual damages proven to have been sustained by that Party, except as provided in Section 15.5.

15.4 **Specific Performance**. The Parties acknowledge that each Party would be irreparably damaged if the provisions of this Agreement were not capable of being specifically enforced, and for this reason, the Parties agree that the provisions of this Agreement shall be specifically enforceable. The Parties further agree that any act or failure to act which does not strictly comply with the provisions and conditions of this Agreement may be specifically restrained, and that the equitable relief provided for in this Agreement shall not in any way limit or deny any other remedy at law or in equity that either Franchisor or Area Developer might otherwise have.

15.5 **Attorneys Fees**. In any legal action or proceeding brought to enforce any provision of this Agreement or arising out of, or in connection with, this Agreement, the prevailing Party shall be entitled to recover from the other Party its reasonable attorneys' fees and costs in addition to any other relief that may be awarded by a Court.

15.6 **Exclusive Remedy**. In no event shall either Party make or have any claim for money damages based on any claim or assertion that the other Party has unreasonably withheld, conditioned or delayed any consent, approval or authorization required under this Agreement. Each Party waives any such claim for damages. Neither Party may claim any such damages by way of setoff, counterclaim or defense. Each Party's sole remedy for such a claim shall be an action or proceeding to enforce the provisions of this Agreement, for specific performance or for declaratory judgment.

15.7 **Exceptions to Mediation**. The mediation provision in Section 15.1 shall not apply to any action for injunctive or other provisional relief, including, without limitation, enforcement of liens, security agreements, or attachment, as Franchisor deems to be necessary or appropriate to compel Area Developer to comply with Area Developer's obligations to Franchisor and/or to protect the Skinny Wimp Marks. Any claim or dispute involving or contesting the validity of any of the Skinny Wimp Marks shall not be subject to mediation.

16. ANTI-TERRORISM LAWS

Area Developer shall comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Executive Order 13224 issued by the President of the United States, the USA Patriot Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority addressing or in any way relating to terrorist acts and acts of war (the "**Anti-Terrorism Laws**"). In connection with its compliance, Area Developer certifies, represents and warrants that none of Area Developer's property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Area Developer is not otherwise in violation of any of the Anti-Terrorism Laws. Any violation of the Anti-Terrorism Laws by Area Developer or Area Developer's employees or any "blocking" of Area Developer's assets under the Anti-Terrorism Laws constitute grounds for immediate termination of this Agreement and any other agreements Area Developer has entered into with Franchisor or any of its Affiliates, in accordance with the provisions of Section 11.2.

17. NOTICES

All notices or demands to be given under this Agreement shall be in writing and shall be served in person, by air courier delivery or by certified mail. Service shall be deemed conclusively made: (i) at the time of service, if personally served; (ii) three (3) business days after delivery by the Party giving the notice, statement or demand if by air courier with a guaranteed tracking facility; and (iii) three (3) business days after placement in the United States mail by Certified Mail, Return Receipt Requested, with postage prepaid. Notices and demands shall be given to the respective Parties at the following addresses, unless and until a different address has been designated by written notice to the other Party:

Notices to Franchisor:

Skinny Wimp Moving Franchise Corporation
2470 Stearns Street, #273
Simi Valley, California 93063
Attention: President

With a copy to (which shall not constitute notice):

Barry Kurtz, Esq.
Lewitt, Hackman, Shapiro, Marshall and Harlan,
A Law Corporation
16633 Ventura Boulevard, 11th Floor
Encino, California 91436

Notices to Area Developer:

____
____
____
____
Attention: ________________

Either Party may change its address for the purpose of receiving notices, demands and other communications provided by a written notice given in the manner aforesaid to the other Party.

18. ACKNOWLEDGMENTS

18.1 **Waiver and Delay**. No waiver by Franchisor of any Default, or series of Defaults in performance by Area Developer, and no failure, refusal or neglect of Franchisor to exercise any right, power or option given to it under this Agreement or under any agreement between the Parties, whether entered into before, after or contemporaneously with the execution of this Agreement, or to insist upon strict compliance with or performance of Area Developer's obligations under this Agreement or any Skinny Wimp Franchise

Agreement or other agreement between the Parties, whether entered into before, after or contemporaneously with the execution of this Agreement, shall constitute a waiver of the provisions of this Agreement with respect to any continuing or subsequent Default or a waiver by Franchisor of its right at any time thereafter to require exact and strict compliance with the provisions thereof.

18.2 **Survival of Covenants**. The covenants contained in this Agreement which, by their nature or terms, require performance by the Parties after the expiration or termination of this Agreement shall be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

18.3 **Successors and Assigns**. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Franchisor and shall be binding upon and inure to the benefit of Area Developer and its or their respective, heirs, executors, administrators, and its successors and assigns, subject to the prohibitions and restrictions against Assignment contained in this Agreement.

18.4 **Joint and Several Liability**. If Area Developer consists of more than one Owner, the obligations and liabilities of each person or Entity to Franchisor are joint and several.

18.5 **Entire Agreement**. This Agreement and the Exhibits contain all of the terms and conditions agreed upon by the Parties concerning the subject matter of this Agreement. No other agreements concerning the subject matter of this Agreement, written or oral, shall be deemed to exist or to bind either of the Parties and all prior agreements, understandings and representations are merged into this Agreement and superseded by this Agreement. No officer or employee or agent of Franchisor has any authority to make any representation or promise not included in this Agreement and Area Developer agrees that it has executed this Agreement without reliance upon any representation or promise not included in this Agreement. This Agreement cannot be modified or changed except by written instrument signed by both of the Parties. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim any representations made in the franchise disclosure document.

18.6 **Titles and Recitals**. Article and Section titles used in this Agreement are for convenience only and shall not be deemed to affect the meaning or construction of any of the terms, provisions, covenants, or conditions of this Agreement. The Recitals set forth in Recitals A and B of this Agreement are true and correct and are hereby incorporated by reference into the body of this Agreement.

18.7 **Gender and Construction**. The terms of all Exhibits attached to this Agreement are hereby incorporated into and made a part of this Agreement as if the same had been set forth in full in this Agreement. All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any Article or Section in this Agreement may require. As used in this Agreement, the words "include," "includes" or "including" are used in a non-exclusive sense. Unless otherwise expressly provided in this Agreement to the contrary, any consent, approval, acceptance or authorization of Franchisor or Area Developer that may be required under this Agreement shall be in writing and shall not be unreasonably withheld, conditioned or delayed by the Party whose consent, approval, acceptance or authorization has been requested. To protect the Skinny Wimp System, the Skinny Wimp Marks, the Skinny Wimp trade secrets, and the goodwill associated with the same, on any occasion where Franchisor is required or permitted to make any judgment, determination or use its discretion, including any decision as to whether any condition or circumstance meets Franchisor's standards or satisfaction, Franchisor may do so in its sole subjective judgment and discretion. Neither this Agreement nor any uncertainty or ambiguity in this Agreement shall be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by the Parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of both Parties. The Parties intend that if any provision of this Agreement is susceptible to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, then the provision shall be given the meaning that renders it enforceable.

18.8 **Severability; Modification**. Nothing contained in this Agreement shall be construed as requiring the commission of any act contrary to Applicable Law. Whenever there is any conflict between any provisions of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the Parties have no legal right to contract, the latter shall prevail, but in that event, the provisions of this Agreement thus affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law. In the event that any part, article, paragraph, sentence or clause of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision shall be deemed deleted, and the remaining part of this Agreement shall continue in full force and effect.

18.9 **Counterparts and Electronic Transmission; Electronic Signatures.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Agreement with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Agreement for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Agreement. In addition, this Agreement and all Exhibits to this Agreement may be signed electronically by the Parties and electronic signatures appearing on this Agreement and the Exhibits shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Agreement and the Exhibits.

18.10 **Time of the Essence**. Time is of the essence with respect to each and every provision of this Agreement in which time is a factor.

18.11 **Acceptance of Conditions**. Area Developer has read this Agreement and understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain Franchisor's standards of service and quality and the uniformity of those standards at all Franchised Businesses in order to protect and preserve the Skinny Wimp System and the goodwill of the Skinny Wimp Marks.

18.12 **Independent Investigation**. Area Developer has conducted an independent investigation of the business contemplated by this Agreement. Area Developer recognizes that the Skinny Wimp System may evolve and change over time, that an investment in this franchise involves business risks, and that the success of the investment depends upon Area Developer's business ability and efforts.

18.13 **Counsel**. The Parties acknowledge that each Party has been represented by independent legal counsel their choice in connection with this Agreement or has had the opportunity to have legal counsel review this Agreement and advise the Party regarding the same, but has voluntarily chosen not to do so.

18.14 **Reliance**. Area Developer has not received or relied upon any promise or guarantee, express or implied, about the revenues, profits or success of the business venture contemplated by this Agreement.

18.15 **No Representations**. No representations have been made by Franchisor or its Affiliates or their respective officers, directors, shareholders, employees or agents that are contrary to the terms contained in this Agreement. Area Developer shall remain duly organized and in Good Standing for as long as this Agreement is in effect.

18.15 **Atypical Arrangements**. Area Developer acknowledges and agrees that Franchisor may modify the offer of its franchises to other Skinny Wimp Area Developers and Skinny Wimp Franchisees in any manner and at any time, which offers have or may have terms, conditions and obligations that may differ from the terms, conditions, and obligations in this Agreement. Area Developer further acknowledges and agrees that Franchisor has made no warranty or representation that Skinny Wimp Area Development Agreements or Skinny Wimp Franchise Agreements previously issued or issued after this Agreement by Franchisor do or will contain terms substantially similar to those contained in this Agreement. Franchisor may, in its reasonable business judgment and its sole and absolute discretion, due to local business conditions or otherwise, waive or modify comparable provisions of other agreements previously executed or executed after the Effective Date with other Skinny Wimp Area Developers and Skinny Wimp Franchisees in a non-uniform manner.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the Effective Date.

FRANCHISOR:

SKINNY WIMP MOVING FRANCHISE CORPORATION, a California corporation

By: ______________________

Name: ______________________

Title: ______________________

AREA DEVELOPER:

____

A ______________________

By: ______________________

Name: ______________________

Title: ______________________

SKINNY WIMP MOVING FRANCHISE CORPORATION
AREA DEVELOPMENT AGREEMENT

EXHIBIT A
DEVELOPMENT TERRITORY, OBLIGATION, SCHEDULE, PERIODS AND FEES

SKINNY WIMP MOVING FRANCHISE CORPORATION
AREA DEVELOPMENT AGREEMENT

EXHIBIT A
DEVELOPMENT TERRITORY, OBLIGATION, SCHEDULE, PERIODS AND FEES

A. The **DEVELOPMENT TERRITORY** is defined as the territory within the boundaries described below:

____
____
____

If the Development Territory is defined by streets, highways, freeways or other roadways then the boundary of the Development Territory shall extend to the center line of each street, highway, freeway or other roadway.

B. **MINIMUM DEVELOPMENT OBLIGATION:** ____________ Franchised Businesses

C. **DEVELOPMENT FEE:** $____ ($10,000 per Franchised Business)

D. **DEVELOPMENT FEE CREDIT:** $_____________________ per Franchised Business (maximum credit is $5,000 per Franchised Business)

E. **INITIAL FRANCHISE FEE:** $_________________________ per Franchised Business ($35,000 for each Franchised Business)

F. **DEVELOPMENT SCHEDULE:** _______ Franchised Businesses must be opened in ___ months.

G.

DEVELOPMENT PERIOD ENDING	CUMULATIVE NUMBER OF FRANCHISED BUSINESSES TO BE IN OPERATION
TOTAL	

(Signature Page Follows)

IN WITNESS WHEREOF, the Parties have executed this **Exhibit A** on the Effective Date.

FRANCHISOR:

SKINNY WIMP MOVING FRANCHISE CORPORATION, a California corporation

By: ______________________________

Name: ____________________________

Title: _____________________________

AREA DEVELOPER:

____

A ________________________________

By: ______________________________

Name: ____________________________

Title: _____________________________

SKINNY WIMP MOVING FRANCHISE CORPORATION
AREA DEVELOPMENT AGREEMENT

EXHIBIT B
ENTITY INFORMATION DISCLOSURE

SKINNY WIMP MOVING FRANCHISE CORPORATION
AREA DEVELOPMENT AGREEMENT

EXHIBIT B
ENTITY INFORMATION DISCLOSURE

Area Developer represents and warrants that the following information is accurate and complete in all material respects:

(1) Area Developer is a (check as applicable):

[ ] corporation
[ ] limited liability company
[ ] general partnership
[ ] limited partnership
[ ] Other (specify): ______________________

State of incorporation/organization: ________________

Name of entity: ______________________________

Federal Tax Identification #: ____________________

(2) Area Developer shall provide to Franchisor concurrently with the execution of this Agreement true and accurate copies of its charter documents including Articles of Incorporation/Organization, Bylaws, Operating Agreement, Partnership Agreement, resolutions authorizing the execution of this Agreement and any amendments to the foregoing (the "**Entity Documents**").

(3) Area Developer promptly shall provide all additional information as Franchisor may from time to time request concerning all persons who may have any, direct or indirect, financial interest in Area Developer.

(4) The name and address of each Owner is:

NAME	ADDRESS	NUMBER OF SHARES OR PERCENTAGE INTEREST

(5) The names, addresses and titles of the Owners who will be devoting their full time to the development of Franchised Businesses are:

NAME	ADDRESS	TITLE

(6) The address where Area Developer's financial records and Entity Documents are maintained is:

____.

(7) The Principal Owner is ____.

(8) Area Developer represents and warrants to Franchisor, as an inducement to Franchisor's execution of the Area Development Agreement, that the information set forth in this Entity Information Disclosure is true, accurate and complete in all material respects on the Effective Date and that Area Developer shall provide Franchisor with all additional information Franchisor may request with respect to the Owners and the ownership of Area Developer. In addition, Area Developer shall notify Franchisor within ten (10) days of any change in the information set forth in this Entity Information Disclosure and shall provide Franchisor with a revised Entity Information Disclosure certified by Area Developer to be true, correct and complete in all material respects. Franchisor grants Area Developer the rights in the Area Development Agreement in reliance upon each and all of the terms of this Entity Information Disclosure.

IN WITNESS WHEREOF, the Parties have executed this **Exhibit B** on the Effective Date.

FRANCHISOR:

SKINNY WIMP MOVING FRANCHISE CORPORATION, a California corporation

By: ________________________________

Name: ______________________________

Title: _______________________________

AREA DEVELOPER:

____

A ______________________________

By: ________________________________

Name: ______________________________

Title: _______________________________

SKINNY WIMP MOVING FRANCHISE CORPORATION
AREA DEVELOPMENT AGREEMENT

EXHIBIT C
GUARANTEE OF AREA DEVELOPMENT AGREEMENT

SKINNY WIMP MOVING FRANCHISE CORPORATION
AREA DEVELOPMENT AGREEMENT

EXHIBIT C
GUARANTEE OF AREA DEVELOPMENT AGREEMENT

The undersigned (collectively, "**Guarantors**") have requested **SKINNY WIMP MOVING FRANCHISE CORPORATION**, a California corporation ("**Franchisor**"), to enter into that certain Area Development Agreement dated ____________ (the "**Area Development Agreement**") with ____________________________, a ____________________ ("**Area Developer**"). In consideration for, and as an inducement to, Franchisor's execution of the Area Development Agreement, Guarantors hereby grant this guarantee (this "**Guarantee**") and agree as follows:

1. "**Obligations**" means and includes any and all obligations of Area Developer arising under or pursuant to the Area Development Agreement and all other obligations, whether now existing or hereafter arising, of Area Developer to Franchisor of whatever nature.

2. Guarantors irrevocably and unconditionally, fully guarantee to Franchisor the prompt, full and complete payment of any and all Obligations of Area Developer to Franchisor and the performance of any and all obligations of Area Developer including, without limitation, obligations under the Area Development Agreement or any other agreement, instrument or document relating to, evidencing or securing any Obligations.

3. If Area Developer fails to pay any of the Obligations, Guarantors shall, within five (5) days after a written demand therefore has been given to Guarantors by Franchisor, pay all of the Obligations in like manner as if the Obligations constituted the direct and primary obligation of Guarantors. Guarantors agree that if any obligation, covenant or agreement contained in the Area Development Agreement is not observed, performed or discharged as required by the Area Development Agreement (taking into consideration any applicable cure periods), Guarantors shall, within five (5) days after a written demand therefore has been given to Guarantors by Franchisor, observe, perform or discharge such obligation, covenant or agreement in like manner as if the same constituted the direct and primary obligation of Guarantors.

4. No exercise or non-exercise by Franchisor of any right under this Guarantee, no dealing by Franchisor with Area Developer or any other person and no change, impairment or suspension of any right or remedy of Franchisor shall in any way affect any Obligations of Guarantors under this Guarantee or give Guarantors any recourse against ~~Area Developer~~Franchisor. Without limiting the generality of the foregoing, Guarantors agree that, regardless of whether Franchisor gives notice thereof or obtains the consent of Guarantors thereto, Guarantors' liability under this Guarantee shall not be released, extinguished or otherwise reduced in any way by reason of (i) any amendment, modification, renewal, extension, substitution or replacement of the Area Development Agreement or of any of the Obligations, in whole or in part; (ii) any acceptance, enforcement or release by Franchisor of any security for the Area Development Agreement or of any of the Obligations, any addition, substitution or release of any of the Guarantors, or any enforcement, waiver, surrender, impairment, release, compromise or settlement of any matter with respect to the Area Development Agreement or the Obligations or any security therefore; (iii) any assignment of this Guarantee, in whole or in part by Franchisor, or any assignment or transfer of the Area Development Agreement (or any of them) by Franchisor or Area Developer; (iv) the invalidity or unenforceability of any

provision of the Area Development Agreement or any of the Obligations; or (v) any failure, omission or delay of Franchisor in enforcing the Area Development Agreement, the Obligations or this Guarantee.

5. Guarantors waive and agree not to assert or take advantage of (i) any right to require Franchisor to proceed against Area Developer or any other person, firm or corporation or to proceed against or exhaust any security held by Franchisor at any time or to pursue any other remedy in Franchisor's power; (ii) any statute of limitations in any action under this Guarantee to collect any Obligations guaranteed hereby; (iii) any defense that may arise by reason of Area Developer's incapacity, lack of authority, insolvency or bankruptcy or Franchisor's failure to file or enforce a claim against the estate (either in bankruptcy or other proceeding) of Area Developer, any other or others; (iv) any defense arising out of any alteration of the Area Development Agreement or the Obligations; (v) notice of Area Developer's default in the payment or performance of any of the Obligations; (vi) demand, protest and notice of any kind including, without limitation, notice of acceptance, notice of the existence, creation or incurring of new or additional Obligations or obligations or of any action or non-action on the part of Area Developer, Franchisor, any endorser, creditor of Area Developer or Guarantors under this or any other instrument, or any other person, in connection with any obligation or evidence of Obligations held by Franchisor or in connection with any Obligations hereby guaranteed; (vii) all rights and defenses arising out of an election of remedies by Franchisor, even though that election of remedies, such as non-judicial foreclosure with respect to security for a guaranteed obligation, has destroyed Guarantors' rights of subrogation and reimbursement against Area Developer by operation of Applicable Law or otherwise; (viii) any duty of Franchisor to disclose to Guarantors any facts that Franchisor may now or hereafter know about Area Developer, regardless of whether Franchisor has reason to believe that any such facts materially increase the risk beyond that which Guarantors intends to assumes or has reason to believe that such facts are unknown to Guarantors or has a reasonable opportunity to communicate such facts to Guarantors, it being understood and agreed that Guarantors is responsible to be and to keep informed of Area Developer's financial condition and of all circumstances bearing on the risk of nonpayment of any Obligations hereby guaranteed; and (ix) any right to the benefit of or to direct the application of any security held by Franchisor.

6. Until all Obligations to Franchisor are paid in full and fully performed, Guarantors shall have no right of subrogation and waive any right to enforce any remedy that Franchisor now has or may hereafter have against Area Developer. All existing or future indebtedness of Area Developer to Guarantors and any right to withdraw capital invested in Area Developer by Guarantors are hereby subordinated to all Obligations.

7. Guarantors' liabilities and all rights, powers and remedies of Franchisor under this Guarantee and under any other agreement now or at any time hereafter in force between Franchisor and Guarantors shall be cumulative and not alternative and such rights, powers and remedies shall be additional to all rights, powers and remedies given to Franchisor by Applicable Law. Without limiting the generality of anything contained in this Guarantee, Guarantors waive and agree not to assert or take advantage of (i) all rights described in California Civil Code Sections 2856(a)(1) through 2856(a)(3), inclusive, including, without limitation, any rights and defenses which are or may become available to Guarantors by reason of California Civil Code Sections 2787 through 2855, inclusive; and (ii) California Civil Code Section 2899.

8. The liability of Guarantors under this Guarantee shall be an absolute, direct, immediate and unconditional continuing guarantee of payment and performance and not of collection. Guarantors' obligations under this Guarantee are independent of Area Developer's obligations. This is a continuing Guarantee. It shall be irrevocable during the initial term and each renewal term and through any extensions, amendments, modifications, substitutions or replacements of the Area Development Agreement and until all

Obligations has been fully paid and the Obligations have been fully performed. In the event of any default under this Guarantee, a separate action and/or successive actions may be brought and prosecuted against Guarantors regardless of whether action is brought against Area Developer or whether Area Developer is joined in any such action or actions. Franchisor may maintain successive actions for other defaults. Franchisor's rights under this Guarantee shall not be exhausted by Franchisor's exercise of any rights or remedies or by any such action or by any number of successive actions until and unless all Obligations have fully been paid and performed. The obligations of Guarantors shall be primary and are independent of the obligations of Area Developer and Franchisor may directly enforce its rights under this Guarantee without proceeding against or joining Area Developer or any other person or entity, or applying or enforcing any security of the Area Development Agreement. Guarantors acknowledge and agree that Guarantors shall, and hereby are, bound by each and all of the confidentiality and non-competition provisions of the Area Development Agreement.

9. Neither any provision of this Guarantee nor right of Franchisor under this Guarantee can be waived, nor can Guarantors be released from Guarantors' obligations under this Guarantee except by a written agreement executed by Franchisor. If any provision or portion of any provision of this Guarantee is found by a court of competent jurisdiction to be illegal or unenforceable, all other provisions shall, nevertheless, remain enforceable and effective. This Guarantee constitutes the entire agreement of Guarantors and Franchisor with respect to the subject matter of this Guarantee and no representation, understanding, promise or condition concerning the subject matter of this Guarantee shall bind Franchisor unless expressed in this Guarantee.

10. All written notices permitted or required under this Guarantee shall be deemed given and delivered in accordance with Article 17 of the Area Development Agreement. Notices to Guarantors shall be sent to the address set forth below each Guarantors' signature below.

11. This Guarantee may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Guarantee with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Guarantee for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Guarantee. In addition, this Guarantee may be signed electronically by Guarantors and electronic signatures appearing on this Guarantee shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Guarantee.

12. This Guarantee shall be governed by and construed in accordance with the laws of the State of California. In the event of any conflict of law, the laws of California shall prevail, without regard to the application of California conflict of law rules. Nothing in this Section 12 is intended by the Parties to subject this Agreement to any franchise or similar law, rules, or regulation of the state of California to which it would not otherwise be subject. Venue for purposes of any legal proceedings brought in connection with or arising out of this Guarantee shall be conclusively presumed to be in the State of California, County of Ventura. Guarantors hereby submit to the jurisdiction of the United States District Court for the Central District of California.

(Signature Page Follows)

Executed by or on behalf of Guarantors on the date set forth below.

______________________________ ______________

Address:

______________________________ ______________

Address:

______________________________ ______________

SKINNY WIMP MOVING FRANCHISE CORPORATION
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT C
CONVERSION FRANCHISE ADDENDUM

SKINNY WIMP MOVING FRANCHISE CORPORATION
CONVERSION FRANCHISE ADDENDUM
TO FRANCHISE AGREEMENT

THIS ADDENDUM (this "**Addendum**") is made and entered into as of ____________ (the "**Effective Date**"), by and between **SKINNY WIMP MOVING FRANCHISE CORPORATION**, a California corporation ("**Franchisor**"), on the one hand, and ________________________, a ________________________ ("**Franchisee**"), on the other hand, who are collectively referred to in this Agreement as "**Parties**", with reference to the following facts:

A. On the Effective Date, Franchisor and Franchisee entered into a Franchise Agreement (the "**Franchise Agreement**"), pursuant to which Franchisee agreed to convert Franchisee's existing independent residential and commercial moving business (the "**Business**") into a Skinny Wimp Moving Business. Capitalized terms used but not defined in this Addendum shall have the meaning assigned to such terms in the Franchise Agreement.

B. Franchisor and Franchisee desire to enter into this Addendum to modify certain terms of this Franchise Agreement to provide for the conversion requirements on the terms and conditions set forth herein.

NOW, THEREFORE, IT IS AGREED:

1. **CONVERSION REQUIREMENTS**.

Immediately following the Effective Date, Franchisee shall take all action necessary to comply with Franchisor's conversion requirements (the "**Conversion Requirements**") set forth on **Schedule A** and shall complete the Conversion Requirements, to Franchisor's satisfaction, within forty-five (45) days after the Effective Date.

2. **AMENDMENTS TO FRANCHISE AGREEMENT**.

The Franchise Agreement is hereby amended as follows:

2.1 **Initial Franchise Fee**. The Franchise Agreement is hereby amended to provide that the Initial Franchise Fee is $30,000.

2.2 **Prior Knowledge**. Section 15.1 of the Franchise Agreement is hereby deleted and replaced with the following:

> 15.1 **No Prior Experience, Information or Knowledge**. Franchisee specifically acknowledges and agrees that prior to becoming a Skinny Wimp Franchisee, Franchisee had no experience, information or knowledge whatsoever about **the Confidential Information**, and that Franchisee's knowledge of the Confidential Information was obtained solely from Franchisor, following Franchisee's training by Franchisor and Franchisee's subsequent operation of the Franchised Business under this Agreement. In addition, Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and Confidential Information, including, without limitation, Confidential Information regarding the operational, sales,

promotional, and marketing methods and techniques of Franchisor and the Skinny Wimp System, which are unique and proprietary to Franchisor, derive independent economic value from not being generally known to the public and are the subject of Franchisor's efforts and that are reasonable under the circumstances to maintain their secrecy.

2.3 **Non-Competition**. Section 15.3 of the Franchise Agreement is hereby deleted and replaced with the following:

15.3 **Non-Competition After Expiration or Termination of Agreement**. Except as Franchisor otherwise approves in writing, beginning upon the date of: (i) an Assignment permitted under Article 14; (ii) the Expiration Date; (iii) the termination of this Agreement (regardless of the cause for termination); or (iv) a final court order (after all appeals have been taken) with respect to any of the foregoing events or with respect to enforcement of this Section 15.3, and continuing for an uninterrupted period of two (2) years thereafter, Franchisee and each Owner shall not, own (either beneficially or of record), engage in or render services to, whether as an investor, partner, lender, director, officer, manager, employee, consultant, representative or agent, any Competitive Business located at the Business Office or within a twenty (20) mile radius of any Franchised Business or the Business Office, **except for a Competitive Business located in an area where the Franchisee or Owner operated a Competitive Business prior to becoming a Franchisee or Owner**; provided, however, the restrictions stated in this Section 15.3 shall not apply to any Owner after two (2) years from the date the Owner ceases to be an officer, director, shareholder, member, manager, trustee, owner, general partner, employee or otherwise associated in any capacity with Franchisee.

3. **NO UNIFORMITY**.

Franchisor has made no warranty or representation to Franchisee that all Conversion Franchise Addenda previously issued or issued after this Addendum by Franchisor do or will contain terms substantially similar to those contained in this Addendum. Franchisor may, in its reasonable business judgment and its sole and absolute discretion, due to local business conditions or otherwise, waive or modify comparable provisions of other Conversion Franchise Addenda previously executed or executed after the date of this Addendum with other Skinny Wimp Franchisees in a non-uniform manner.

4. **ENTIRE AGREEMENT**.

This Addendum represents the entire understanding between the Parties regarding the subject matter of this Addendum and supersedes all other negotiations, agreements, representations and covenants, oral or written regarding the same. The Parties intend this Addendum to be the entire integration of all of their agreements of any nature regarding the subject matter of this Addendum. No other agreements, representations, promises, commitments or the like, of any nature, exist between the Parties. Except as modified by this Addendum, all terms and obligations of this Franchise Agreement are hereby ratified, affirmed and approved.

5. **COUNTERPARTS AND ELECTRONIC COPIES; ELECTRONIC SIGNATURES**.

This Addendum may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Addendum with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Addendum for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Addendum. In addition, this Addendum may be signed electronically by Guarantors and electronic signatures appearing on this Addendum shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Addendum.

IN WITNESS WHEREOF, the Parties have executed this Addendum on the Effective Date.

FRANCHISOR:

SKINNY WIMP MOVING FRANCHISE CORPORATION, a California corporation

By: ______________________

Name: ______________________

Title: ______________________

FRANCHISEE:

____

A ______________________

By: ______________________

Name: ______________________

Title: ______________________

SCHEDULE A

CONVERSION FRANCHISE ADDENDUM
CONVERSION REQUIREMENTS

Franchisee shall perform the following:

1. Convert logos on all of Franchisee's existing trucks to "Skinny Wimp" brand logos.

2. Replace all of Franchisee's existing branded paperwork, materials, and employee clothing with "Skinny Wimp" branded paperwork, materials, and employee clothing.

3. Replace or revise any existing websites or website listings that previously advertised Franchisee's moving services under a different brand or business name so that those websites or website listings now advertise Franchisee's moving services solely under the "Skinny Wimp" brand.

4. Replace any existing policies or handbook previously used by Franchisee with copies of the "Skinny Wimp" policies and handbook.

5. The additional tasks, if any, that are listed below:

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IN WITNESS WHEREOF, the Parties have executed this Agreement on the Effective Date.

FRANCHISOR:

SKINNY WIMP MOVING FRANCHISE CORPORATION,
a California corporation

By: ______________________________

Name: ______________________________

Title: ______________________________

FRANCHISEE:

____

A ______________________________

By: ______________________________

Name: ______________________________

Title: ______________________________

SKINNY WIMP MOVING FRANCHISE CORPORATION
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT D
CONFIDENTIALITY AGREEMENT

SKINNY WIMP MOVING FRANCHISE CORPORATION
CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT (this "**Agreement**") is made this _____ day of ______________________, 20__ (the "**Effective Date**"), by and between **SKINNY WIMP MOVING FRANCHISE CORPORATION**, a California corporation ("**Franchisor**"), on the one hand, and ______________________, a ______________________________ ("**Candidate**"), on the other hand, with reference to the following facts:

A. Franchisor has developed the "**Skinny Wimp System**" for the establishment and operation of businesses that offer residential and commercial moving services, including packing and unpacking, and related services and products to the public under the trade name "**Skinny Wimp**" and other related trademarks, service marks, logos and commercial symbols (the "**Skinny Wimp Marks**"). "**Skinny Wimp System**" means the operating methods and business practices related to Skinny Wimp Moving Businesses, the relationship between Franchisor and Skinny Wimp Franchisees, specifications for Designated Supplies and Designated Suppliers, the Technology Services and other products and services necessary for the development and operation of Franchised Businesses, Franchisor specified pricing and promotions, restrictions on ownership, standard operating and administrative procedures, management and technical training programs, marketing and public relations programs and Franchisor's website, all as Franchisor may modify from time to time.

B. Franchisor has the right to use, and to license others to use, the Skinny Wimp Marks and the Skinny Wimp System, and has, as a result of its expenditure of time, skill, effort, and money, developed a distinctive franchise model for qualified franchisees to obtain the right to operate a Skinny Wimp moving business (the "**Franchised Business**") using the Skinny Wimp Marks and the Skinny Wimp System.

C. Franchisor may provide Candidate with confidential and proprietary information regarding the Skinny Wimp System prior to granting or declining to grant Candidate a franchise or entering into a franchise agreement with Candidate. Franchisor desires that Candidate maintain the confidentiality of all such confidential and proprietary information on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, IT IS AGREED:

1. <u>**INCORPORATION OF RECITALS**</u>.

The recitals set forth in Paragraph A through Paragraph C above are true and correct and are hereby incorporated by reference into the body of this Agreement.

2. <u>**CONFIDENTIALITY**</u>.

Candidate acknowledges and agrees:

2.1. <u>**Confidential Information**</u>. That the Skinny Wimp System is comprised of confidential information that has been developed by Franchisor and its affiliate by the investment of time, skill, effort and money and is widely recognized by the public, is of substantial value, and is proprietary, confidential and constitutes trade secrets of Franchisor and its affiliates, and includes, without limitation, tangible and intangible information (whether or not in electronic form) relating to Franchisor's business operations, products and services, sources of supplies and equipment, client management and other software, data, other content, formulations, patterns, compilations, programs, devices and processes, business relationships, contact information for industry professionals, designs, developmental or experimental work and services, improvements, discoveries, plans for research, potential new or supplemental products and services, websites, advertisements or ancillary products and services, marketing and selling methods and/or plans, business plans, budgets and unpublished financial statements, licenses, prices and costs, vendors, collaborators, current customer and prospective customer names and addresses, information regarding credit extensions to customers, customer service purchasing histories and prices charged to customers, customer lists and other customer data, information regarding the skills and compensation of employees of Franchisor and contractors of Franchisor, designs, drawings, specifications, source code, object code, documentation, diagrams, flowcharts, research, development, marketing techniques and materials, trademarks, trade secrets, sales/license techniques, inventions, copyrightable material, trademarkable material, databases, relationships between Franchisor and other companies, persons or entities, knowledge or know-how concerning the methods of operation of the Franchised Business which may be communicated to Candidate, or of which Candidate may be apprised, and any other information or material considered proprietary by Franchisor whether or not designated as confidential information by Franchisor, that is not generally known by the public, or which derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor or its affiliates and which is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain its secrecy, and any other information in oral, written, graphic or electronic form which, given the circumstances surrounding its disclosure, would be considered confidential (collectively, the "**Confidential Information**"). Confidential Information does not include any information that was in the lawful and unrestricted possession of Candidate prior to its disclosure by Franchisor; is or becomes generally available to the public by acts other than those of Candidate after receiving it; has been received lawfully and in good faith by Candidate from a third party who did not derive it from Franchisor or Candidate; or is shown by acceptable evidence to have been independently developed by Candidate.

2.2. **Value**. That the Confidential Information has been developed by Franchisor and its affiliates by the investment of time, skill, effort and money and is widely recognized by the public and is of substantial value.

2.3. **Proprietary**. That the Confidential Information is proprietary, confidential and constitutes a trade secret of Franchisor and its affiliates.

2.4. **Maintain Confidentiality**. That Candidate will fully and strictly maintain the confidentiality of the Confidential Information, will exercise the highest degree of diligence in safeguarding the Confidential Information and will not disclose or reveal the Confidential Information to any person other than another person who is actively and directly participating in the acquisition of the franchise with Candidate, but only after first disclosing the identity of such person to Franchisor in writing and obtaining such person's signature on a Non-Disclosure Agreement similar to this Agreement, unless covered by attorney-client privilege.

2.5. **Reproduction and Use**. That Candidate will not directly or indirectly reproduce or copy any Confidential Information or any part thereof and will make no use of any Confidential Information for any purpose whatsoever unless and until Candidate becomes a franchisee of Franchisor, and then only in accordance with the provisions of Candidate's Franchise Agreement.

2.6 **No Prior Experience, Information or Knowledge**. Prior to the Effective Date, Candidate had no experience, information or knowledge whatsoever about the establishment and operation of residential or commercial moving businesses. Candidate's knowledge of the Confidential Information was obtained only from Franchisor following the Effective Date

3. **GENERAL**.

3.1. **Injunction**. Candidate recognizes the unique value and secondary meaning attached to the Confidential Information and the elements of the Skinny Wimp System and agrees that any noncompliance with the terms of this Agreement or any unauthorized or improper use of the Confidential Information will cause irreparable damage to Franchisor and its franchisees. Candidate therefore agrees that if Candidate should engage in any such unauthorized or improper use of the Confidential Information, Franchisor shall be entitled to both permanent and temporary injunctive relief from any court of competent jurisdiction without notice or the posting of any bond, in addition to any other remedies prescribed by law.

3.2. **Heirs and Successors**. This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, successors and assigns.

3.3. **Entire Agreement**. This Agreement represents the entire understanding between the parties regarding the subject matter of this Agreement and supersedes all other negotiations, agreements, representations and covenants, oral or written. This Agreement may not be modified except by a written instrument signed by Franchisor and Candidate that expressly modifies this Agreement. The parties intend this Agreement to be the entire integration of all of their agreements on this subject of any nature regarding the subject matter of this Agreement. No other agreements, representations, promises, commitments or the like, of any nature, exist between the parties.

3.4. **No Warranties**. Candidate acknowledges and agrees that Franchisor has made no promises, representations or warranties to Candidate that are inconsistent with the terms of this Agreement or Franchisor's Franchise Disclosure Document concerning the profitability or likelihood of success of the Franchised Business, that Candidate has been informed by Franchisor that there can be no guaranty of success in the Franchised Business and that Candidate's business ability and aptitude are primary in determining his success.

3.5. **No Right to Use the Skinny Wimp System or the Skinny Wimp Marks**. This Agreement is not a Franchise Agreement or a license of any sort, and does not grant Candidate any right to use or to franchise or license the use of, the Confidential Information, which right is expressly reserved by Franchisor.

3.6. **Waiver**. Failure by Franchisor to enforce any rights under this Agreement shall not be construed as a waiver of such rights. Any waiver, including a waiver of default, in any one instance shall not constitute a continuing waiver or a waiver in any other instance.

3.7. **Validity**. Any invalidity of any portion of this Agreement shall not affect the validity of the remaining portions and unless substantial performance of this Agreement is frustrated by any such invalidity, this Agreement shall continue in full force and effect.

3.8. **Headings and Gender**. The headings herein are for purposes of convenience only and shall not be used in construing the provisions hereof. As used herein, the male gender shall include the female and neuter genders, the singular shall include the plural and the plural, the singular.

3.9. **Attorneys' Fees**. If Franchisor becomes a party to any legal proceedings concerning this Agreement by reason of any act or omission of Candidate or its authorized representatives, Candidate shall be liable to Franchisor for the reasonable attorneys' fees and court costs incurred by Franchisor in the legal proceedings. If either party commences a legal proceeding against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit.

3.10. **Cumulative Remedies**. Any specific right or remedy set forth in this Agreement, legal, equitable, or otherwise, shall not be exclusive, but shall be cumulative with all other rights or remedies set forth herein or allowed or allowable by law.

3.11. **Notices**. All notices or demands to be given under this Agreement shall be in writing and shall be served in person, by air courier delivery or by certified mail. Service shall be deemed conclusively made (i) at the time of service, if personally served, (ii) three (3) business days after delivery by the Party giving the notice, statement or demand if by air courier with a guaranteed tracking facility, or (iii) three (3) business days after placement in the United States mail by Certified Mail, Return Receipt Requested, with postage prepaid. Notices and demands shall be given to the respective Parties at the following addresses, unless and until a different address has been designated by written notice to the other Party:

Notices to Franchisor:

Skinny Wimp Moving Franchise Corporation
2470 Stearns Street, #273
Simi Valley, California 93063
Attention: President

With a copy to (which shall not constitute notice):

Barry Kurtz, Esq.
Lewitt, Hackman, Shapiro, Marshall and Harlan,
A Law Corporation
16633 Ventura Boulevard, 11th Floor
Encino, California 91436

Notices to Candidate:

____
____
____
____
Attention: ____________161

Either party may change its address for the purpose of receiving notices, demands and other communications by a written notice given in the manner set forth above to the other party.

3.12. **Governing Law**. This Agreement takes effect upon its acceptance and execution by Franchisor in California, and shall be interpreted and construed under the laws of California. In the event of any conflict of law, the laws of California shall prevail, without regard to the application of California conflict of law rules. If, however, any provision of this Agreement would not be enforceable under the laws of California, and if the Franchised Business is to be located outside of California and such provision would be enforceable under the laws of the state in which the Franchised Business is to be located, then such provision shall be interpreted and construed under the laws of that state.

3.13 **Venue**. The parties agree that all disputes arising out of or relating to this Agreement shall be brought in the Superior Court of California, County of Ventura, or the United States District Court of the Central District of California. To the fullest extent that the parties may do so under applicable law, the parties waive the defense of inconvenient forum to the maintenance of an action in these Courts and agree not to commence any action of any kind except in these Courts.

3.14. **Counterparts and Electronic Transmission; Electronic Signatures**. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Agreement with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Agreement for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Agreement. In addition, this Agreement may be signed electronically by the Parties and electronic signatures appearing on this Agreement shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the Effective Date.

FRANCHISOR:	**CANDIDATE:**
SKINNY WIMP MOVING FRANCHISE CORPORATION, a California corporation	
By: ______________________	By: ______________________
Name: ______________________	Name: ______________________
Title: ______________________	Title: ______________________

SKINNY WIMP MOVING FRANCHISE CORPORATION
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT E
NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT

SKINNY WIMP MOVING FRANCHISE CORPORATION
NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT

THIS NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT (this "**Agreement**") is made this _ day of ____, 20_ (the "**Effective Date**"), by and between ______________________________ ("**Franchisee**"), on the one hand, and ________________________________ ("**Recipient**"), on the other hand, with reference to the following facts:

A. Skinny Wimp Moving Franchise Corporation ("**Franchisor**") has developed the "**Skinny Wimp System**" for the establishment and operation of businesses that offer residential and commercial moving services, including packing and unpacking, and related services and products to the public under the trade name "**Skinny Wimp**" and other related trademarks, service marks, logos and commercial symbols (the "**Skinny Wimp Marks**").

B. The Skinny Wimp System includes, without limitation, the operations and training manuals and any other written directives related to the Skinny Wimp System (the "**Manuals**"), operating methods and business practices related to Skinny Wimp moving businesses, the relationship between Franchisor and its franchisees, specifications for equipment and uniforms, defined service and product offerings, specified pricing recommendations and promotions, restrictions on ownership, standard operating and administrative procedures, management and technical training programs, marketing and public relations programs, and Franchisor's website (collectively, the "**Confidential Information**"), all of which may be modified by Franchisor from time to time and may be disclosed to Recipient by Franchisee.

C. Franchisor has and continues to protect the confidentiality of the Confidential Information by, among other things, (i) not revealing the confidential contents of the Confidential Information to unauthorized parties, (ii) requiring Skinny Wimp franchisees to acknowledge and agree in writing that the Confidential Information is confidential, (iii) requiring Skinny Wimp franchisees to agree in writing to maintain the confidentiality of the Confidential Information, (iv) monitoring electronic access to the Confidential Information by the use of passwords and other restrictions so that electronic access to the Confidential Information is limited to authorized parties, and (v) requiring its franchisees to return all Confidential Information to Franchisor upon the expiration and termination of their Franchise Agreements.

D. Franchisor and Franchisee have entered into a Franchise Agreement under which Franchisor has granted Franchisee the right to own and operate a Skinny Wimp moving business (the "**Franchised Business**") and to use the Skinny Wimp System, the Skinny Wimp Marks, the Manuals, and the Confidential Information in the operation of the Franchised Business.

E. Franchisee is obligated under its Franchise Agreement with Franchisor to obtain a written agreement from all supervisorial and managerial personnel employed by Franchisee and each independent contractor engaged by Franchisee who may have access to the Confidential Information and who may be the recipient of the disclosure of the Confidential Information to maintain the confidentiality of the Confidential Information, to obtain the written agreement of each supervisorial and managerial employee employed by Franchisee and each independent contractor to not use the Confidential Information other than in the course of his or her employment or engagement by Franchisee and to not disclose any of the Confidential Information to any unauthorized parties during the period of time that he or she is providing services for Franchisee and forever after his or her employment or engagement by Franchisee ends.

NOW, THEREFORE, IT IS AGREED:

1. **ACKNOWLEDGMENTS OF RECIPIENT.**

1.1 **No Prior Experience, Information or Knowledge**. Prior to his or her employment or engagement by Franchisee, Recipient had no experience, information or knowledge whatsoever about the establishment and operation of residential or commercial moving businesses. Recipient's knowledge of the Confidential Information was obtained only from Franchisee following the Effective Date and only in the course of Recipient's employment or engagement by Franchisee.

1.2 **Confidential Information**. The Confidential Information includes all of the items included elsewhere in this Agreement and, in addition, without limitation, all tangible and intangible information (whether or not in electronic form) relating to Franchisor's business operations, styles, products and services, sources of materials and equipment, client management and other software, data, other content, formulations, patterns, compilations, programs, devices and processes, business relationships, contact information for industry professionals, developmental or experimental work and services, improvements, discoveries, plans for research, potential new or supplemental products and services, websites, advertisements or ancillary products and services, marketing and selling methods and/or plans, business plans, budgets and unpublished financial statements, licenses, prices and costs, vendors, collaborators, current customer and prospective customer names and addresses, information regarding credit extensions to customers, customer service purchasing histories and prices charged to customers, customer lists and other customer data, information regarding the skills and compensation of employees of Franchisor and contractors of Franchisor, designs, drawings, specifications, source code, object code, documentation, diagrams, flowcharts, research, development, marketing techniques and materials, trademarks, trade secrets, sales/license techniques, inventions, copyrightable material, trademarkable material, databases, relationships between Franchisor and other companies, persons or entities, the Skinny Wimp System, and any other information or material considered proprietary by Franchisor whether or not designated as confidential information by Franchisor, that is not generally known by the public, or which derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor or its affiliates and which is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain its secrecy, and any other information in oral, written, graphic or electronic form which, given the circumstances surrounding its disclosure, would be considered confidential. Confidential Information also includes the manner in which any of the above described items may be combined with any other information or products or synthesized or used by Recipient. Confidential Information does not include any information that was in the lawful and unrestricted possession of Recipient prior to its disclosure by Franchisee to Recipient; is or becomes generally available to the public by acts other than those of Recipient after receiving it; has been received lawfully and in good faith by Recipient from a third party who did not derive it from Franchisor, Franchisee or Recipient; or is shown by acceptable evidence to have been independently developed by Recipient.

1.3 **Independent Value**. The Confidential Information (i) is not generally known by the public or parties other than Franchisor, its affiliates, its franchisees and Franchisee; (ii) derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor or Franchisee; and (iii) is the subject of extensive efforts by Franchisor that are reasonable under the circumstances to maintain the secrecy of the Confidential Information.

1.4 **Valuable and Proprietary**. The Confidential Information has been developed by Franchisor, its founder and their affiliates by the investment of time, skill, effort and money and is widely recognized by the public, of substantial value, and is proprietary, confidential and constitutes trade secrets of Franchisor, its founder and their affiliates.

2. **COVENANTS OF RECIPIENT**.

Recipient agrees that so long as Recipient is employed or engaged by Franchisee and forever after his or her employment or engagement by Franchisee ends:

2.1 **Maintain Confidentiality**. Recipient will fully and strictly maintain the confidentiality of the Confidential Information, will exercise the highest degree of diligence in safeguarding the Confidential Information and will not disclose or reveal the Confidential Information to any person other than Franchisee or other personnel employed by Franchisee or independent contractors engaged by Franchisee while a supervisorial or managerial employee or independent contractor of Franchisee and will then do so only to the degree necessary to carry out Recipient's duties as a supervisorial or managerial employee or independent contractor of Franchisee.

2.2 **No Reproduction or Use**. Recipient will not directly or indirectly reproduce or copy any Confidential Information and will make no use of any Confidential Information for any purpose whatsoever except as may be required while Recipient is employed or engaged by Franchisee and will then do so only in accordance with the provisions of this Agreement and only to the degree necessary to carry out Recipient's duties as a supervisorial or managerial employee or independent contractor of Franchisee.

2.3 **Restrictions**. Recipient specifically acknowledges and agrees Recipient may receive valuable specialized training and Confidential Information, including, without limitation, Confidential Information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the Skinny Wimp System, which are unique and proprietary to Franchisor, derive independent economic value from not being generally known to the public and are the subject of Franchisor's efforts and that are reasonable under the circumstances to maintain their secrecy. Recipient therefore covenants that while employed or engaged by Franchisee, Recipient shall not, either directly or indirectly, for himself or herself, or through, on behalf of, or in conjunction with any person, or legal entity (i) divert or attempt to divert any present or prospective Skinny Wimp client to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Skinny Wimp Marks and the Skinny Wimp System, ~~(ii) employ or seek to employ any person who is or has been within the previous thirty (30) days employed by Franchisor, Franchisee or an affiliate of Franchisor or Franchisee as a supervisorial or managerial employee, or otherwise directly or indirectly induce the person to leave his or her employment,~~ or (iii) own (either beneficially or of record), engage in or render services to, whether as an investor, partner, lender, director, officer, manager, employee, consultant, representative or agent, any business that offers and sells mobile and marine electronic, audio and video entertainment equipment, GPS navigation and alarm systems, satellite and HD radio receivers, Bluetooth systems and related accessories and merchandise and any business that looks like, copies, imitates, or operates with similar trade dress or décor to the Franchised Business.

2.4 **Third Party Beneficiary**. Franchisor is, and shall be and remain, a third party beneficiary of this Agreement and will have the independent right to enforce the terms of this Agreement.

3. **GENERAL TERMS**.

3.1 **Injunction**. Recipient recognizes the unique value and secondary meaning attached to the Confidential Information and the elements of the Skinny Wimp System and agrees that Recipient's noncompliance with the terms of this Agreement or any unauthorized or improper use of the Confidential Information by Recipient will cause irreparable damage to Franchisor and its franchisees. Recipient therefore agrees that if Recipient should engage in any unauthorized or improper use or disclosure of the Confidential Information, Franchisor and Franchisee, independently, will be entitled to both permanent and temporary injunctive relief from any court of competent jurisdiction without notice or the posting of any bond, to prevent any unauthorized or improper use or disclosure of the Confidential Information in addition to any other remedies prescribed by law. Due to the irreparable damage that would result to Franchisor and Franchisee from any violation of this Agreement, Recipient acknowledges and agrees that any claim Recipient believes he or she may have against Franchisor or Franchisee will be deemed to be a matter separate and apart from Recipient's obligations under this Agreement and will not entitle Recipient to violate or justify any violation of the provisions of this Agreement.

3.2 **Heirs and Successors; Entire Agreement**. This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, successors and assigns. This Agreement represents the entire understanding between the parties regarding the subject matter of this Agreement and supersedes all other negotiations, agreements, representations and covenants, oral or written. This Agreement may not be modified except by a written instrument signed by Franchisor and Recipient that expressly modifies this Agreement. The parties intend this Agreement to be the entire integration of all of their agreements on this subject of any nature regarding the subject matter of this Agreement. No other agreements, representations, promises, commitments or the like, of any nature, exist between the parties.

3.3 **No Right to Use Skinny Wimp Marks or Skinny Wimp System**. This Agreement is not a license of any sort, and does not grant Recipient any right to use or to license the use of, the Confidential Information, which right is expressly reserved by Franchisor.

3.4 **Waiver and Validity**. Failure by Franchisor to enforce any rights under this Agreement shall not be construed as a waiver of such rights. Any waiver, including a waiver of default in any one instance, shall not constitute a continuing waiver or a waiver in any other instance. Any invalidity of any portion of this Agreement shall not affect the validity of the remaining portions and unless substantial performance of this Agreement is frustrated by any such invalidity, this Agreement shall continue in full force and effect.

3.5 **Headings and Gender**. The headings in this Agreement are for purposes of convenience only and shall not be used in construing the provisions of this Agreement. As used in this Agreement, the male gender shall include the female and neuter genders, the singular shall include the plural and the plural, the singular.

3.6 **Attorney's Fees**. If Franchisor becomes a party to any legal proceedings concerning this Agreement by reason of any act or omission of Recipient, Recipient shall be liable to Franchisor for the reasonable attorney's fees and court costs incurred by Franchisor in the legal proceedings. If any party to this Agreement commences any legal proceeding against another party arising out of or in connection with this Agreement, the prevailing party shall be entitled to recover from the other party its reasonable attorneys' fees and costs of suit.

3.7 **Cumulative Remedies**. Any specific right or remedy set forth in this Agreement, legal, equitable, or otherwise, shall not be exclusive, but shall be cumulative with all other rights or remedies set forth herein or allowed or allowable by law.

3.8 **Notices**. Except as otherwise expressly provided herein, all written notices and reports permitted or required to be delivered by the parties under this Agreement shall be deemed delivered at the time delivered by hand, one (1) business day after transmission by fax or email (with a confirmation copy sent by regular United States mail), or three (3) days after placement in the United States mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed as follows:

Any notice or demand to Franchisee shall be given to:

____
____
____
Fax: ________

With a copy to:

Skinny Wimp Moving Franchise Corporation
2470 Stearns Street, #273
Simi Valley, California 93063
Attention: President

Any notice or demand to Recipient shall be given to:

____
____
____
Fax: ________

Any party may change its address for the purpose of receiving notices, demands and other communications by a written notice given in the manner set forth above to the other party.

3.9 **Counterparts and Electronic Transmission' Electronic Signatures**. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Agreement with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Agreement for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Agreement. In addition, this Agreement may be signed electronically by the parties and electronic signatures appearing on this Agreement shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the Effective Date.

FRANCHISEE:

_________________,
A _________________

By: _____________________
Name: ___________________
Title: ___________________

RECIPIENT:

____

SKINNY WIMP MOVING FRANCHISE CORPORATION
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT F
<u>GENERAL RELEASE</u>

GENERAL RELEASE AGREEMENT

THIS GENERAL RELEASE AGREEMENT (this "**Release Agreement**") is made and entered into as of ____________ (the "**Effective Date**"), by and among **SKINNY WIMP MOVING FRANCHISE CORPORATION**, a California corporation "**Franchisor**"), on the one hand, and ____ a ________________________ ("**Franchisee**"), and ______________________ ("**Owner**"), on the other hand, who are collectively referred to in this Release Agreement as the "**Releasing Parties**", with reference to the following facts:

A. Franchisor and Franchisee are parties to that certain Franchise Agreement and related ancillary agreements dated __________________________ (collectively, the "**Franchise Agreement**") pursuant to which Franchisor granted Franchisee a license (the "**License**") to use the service mark and trade names "**Skinny Wimp**" and other related trademarks, service marks, logos and commercial symbols (the "**Marks**") and the "**Skinny Wimp System**" (the "**System**") in connection with the operation of a Skinny Wimp moving business (the "**Franchised Business**") located at __________________________ (the "**Franchised Location**").

B. Franchisee desires to enter into a ________________________________.

C. This Release Agreement has been requested at a juncture in the relationship of the parties where Franchisor is considering either a change or an expansion of the relationship between the parties and/or their affiliates. Franchisor is unwilling to make the anticipated change or expansion in the relationship of the parties unless it is certain that it is proceeding with a "clean slate" and that there are no outstanding grievances or Claims against it. Releasing Parties, therefore, gives this Release Agreement as consideration for receiving the agreement of Franchisor to an anticipated change or expansion of the relationship between the parties. Releasing Parties acknowledges that this Release Agreement is intended to wipe the slate clean.

NOW, THEREFORE, IT IS AGREED:

1. **DEFINITIONS**. As used in this Release Agreement, the following capitalized terms have the meanings ascribed to them.

1.1 "**Claims**" means all actual and alleged claims, demands, Losses, charges, agreements (whether written or oral), covenants, responsibilities, warranties, obligations, contracts (whether oral or written), debts, violations, suits, counterclaims, cross claims, third party claims, accounts, liabilities, costs, expenses (including attorneys' fees and court costs), rights to terminate and rescind, rights of action and causes of action of any kind or nature, whatsoever, whether known or unknown, matured or unmatured, accrued or unaccrued, suspected or unsuspected, contingent or non-contingent, liquidated or unliquidated, choate or inchoate, and whether or not asserted, threatened, alleged, or litigated, at law, equity, or otherwise.

1.2 **"Constituents"** means past, present and future affiliates, subsidiaries, divisions, partners, members, trustees, receivers, executors, representatives, administrators, owners, shareholders, distributors, parents, predecessors, officers, directors, agents, managers, principals, employees, insurers, successors, assigns, representatives and attorneys and the past, present and future officers, directors, agents, managers, principals, members, employees, insurers, successors, assigns, representatives and attorneys of each of the foregoing.

1.3 **"Excluded Matters"** means Franchisor's continuing contractual obligations which arise or continue under and pursuant to the Franchise Agreement on and after the date of this Release Agreement.

1.4 **"Franchisor Released Parties"** means Franchisor, Skinny Wimp Moving Company, a California corporation, and each of their Constituents.

1.5 **"Losses"** means all damages, debts, liabilities, accounts, suits, awards, judgments, payments, diminutions in value and other losses, costs and expenses, however suffered or characterized, all interest thereon, all costs and expenses of investigating any Claim, reference proceeding, lawsuit or arbitration and any appeal therefrom, all actual attorneys' fees incurred in connection therewith, whether or not such Claim, reference proceeding, lawsuit or arbitration is ultimately defeated and, all amounts paid incident to any compromise or settlement of any such Claim, reference proceeding, lawsuit or arbitration.

2. **GENERAL RELEASE AGREEMENT**. Releasing Parties, **for themselves and their Constituents**, hereby release and forever discharge Franchisor Released Parties from any and all Claims, whether known or unknown, based upon anything that has occurred or existed, or failed to occur or exist, from the beginning of time to the Effective Date, including, without limitation any and all Claims which relate to the Franchise Agreement, the Franchised Business, the System, the License, the Marks, and the Franchised Location, or to any other agreement entered into prior to the Effective Date between Franchisor Released Parties, on the one hand, and Releasing Parties, on the other hand, except for the Excluded Matters and obligations under this Release Agreement. This waiver, release and discharge is effective immediately in its fullest and most comprehensive sense.

3. **WAIVER OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE**.

3.1 **Section 1542 of the California Civil Code**. Releasing Parties, for themselves and their Constituents, acknowledge that they are familiar with Section 1542 of the California Civil Code, which reads as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS ~~WHICH~~ THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, ~~WHICH~~ AND THAT IF KNOWN BY HIM OR HER ~~MUST~~ WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

3.2 **Waiver**. With respect to those Claims being released pursuant to Section 2, Releasing Parties, for themselves and their Constituents, acknowledge that they are releasing unknown Claims and waive all rights they have or may have under Section 1542 of the California Civil Code or any other statute or common law principle of similar effect. For purposes of this Section 3, Releasing Parties shall be considered to be creditors of the Franchisor Released Parties, and each of them.

4. **UNKNOWN CLAIMS.** Releasing Parties acknowledge and agree that among the wide and comprehensive range of Claims being waived, released, and discharged by this Release Agreement, they are waiving, releasing, and discharging unknown and unsuspected Claims which, if known or suspected by Releasing Parties to exist in their favor at the time of executing this Release Agreement, may have materially affected Releasing Parties' decision to enter into this Release Agreement. It is understood by Releasing Parties that, after the Effective Date, the facts under which this Release Agreement is entered into may turn out to be other than or different from the facts Releasing Parties knew or believed to be true on the Effective Date. Releasing Parties, therefore, expressly assume the risk of the facts turning out to be so different and agree that this Release Agreement shall be in all respects final and effective and not subject to termination or rescission by any such difference in facts.

5. **REPRESENTATIONS AND WARRANTIES.** Releasing Parties hereby represent and warrant that, in entering into this Release Agreement, Releasing Parties: (i) are doing so freely and voluntarily, either upon the advice of counsel and business advisors of Releasing Parties' own choosing, or without such advice because Releasing Parties, free from coercion, duress or fraud, declined to obtain such advice; (ii) have read and fully understand the terms and scope of this Release Agreement; (iii) understand that this Release Agreement is final and conclusive, and intends to be final and conclusive, as to the matters set forth in this Release Agreement; and (iv) have not assigned, transferred, or conveyed to any third party all or any part of their interest, or any contingent interest, in any of the Claims released by this Release Agreement now or in the future, and are aware of no third party who contends or claims otherwise, and shall not purport to assign, transfer, or convey any interest in any such Claim after the Effective Date.

6. **COVENANTS NOT TO SUE.** Releasing Parties hereby irrevocably covenant that they will not, directly or indirectly: (i) commence, initiate, or cause to be commenced or initiated any proceeding, claim, or demand of any kind against Franchisor Released Parties based upon any Claims released under this Release Agreement; or (ii) assist or encourage any person or entity to investigate, inquire into, commence, initiate, or cause to be commenced or initiated any proceeding, claim, or demand of any kind against Franchisor Released Parties based upon any Claims released under this Release Agreement.

7. **INDEMNITY.** Without in any way limiting any of the rights and remedies otherwise available to the Franchisor Released Parties, Releasing Parties shall defend, indemnify and hold harmless each Franchisor Released Party from and against all Claims whether or not involving third-party Claims, arising directly or indirectly from or in connection with: (i) the assertion by or on behalf of Releasing Parties or their Constituents of any Claim or other matter released pursuant to this Release Agreement; (ii) the assertion by any third party of any Claim or demand against any Franchisor Released Party which Claim or demand arises directly or indirectly from, or in connection with, any Claims or other matters released pursuant to this Release Agreement; (iii) any breach of representations, warranties or covenants hereunder by Releasing Parties or its Constituents; or (iv) the Franchise Agreement, the Franchised Business, the Franchised Location, and/or any and all claims of creditors, customers, vendors, suppliers or invitees of the Franchised Business, or other third parties, for obligations incurred and/or acts or omissions to act by Franchisee, both prior to and following the Effective Date.

8. **GENERAL PROVISIONS.**

8.1 **Amendment.** This Release Agreement cannot be modified, altered or otherwise amended except by an agreement in writing signed by all of the parties.

8.2 **Entire Agreement.** This Release Agreement, together with the agreements referenced in this Release Agreement, constitute the entire understanding between and among the parties with respect to the subject matter of this Release Agreement and supersedes any prior negotiations and agreements, oral or written, with respect to the subject matter of this Release Agreement. The Recitals set forth in Paragraphs A through C of this Release Agreement are true and correct and are incorporated into this Release Agreement as part of this Release Agreement.

8.3 **Counterparts and Electronic Transmission; Electronic Signatures.** This Release Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Release Agreement with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Release Agreement for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Release Agreement. In addition, this Release Agreement may be signed electronically by the parties and electronic signatures appearing on this Release Agreement shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Release Agreement.

8.4 **Heirs, Successors and Assigns.** This Release Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors and permitted assigns. In addition, each of Franchisor Released Parties that is not a party shall be a third party beneficiary of this Release Agreement, with the right to enforce this Release Agreement for his, her, or its benefit, whether acting alone or in combination with any other Franchisor Released Party.

8.5 **Interpretation.** The rule that an agreement is to be construed against the party drafting the agreement is hereby waived by the parties, and shall have no applicability in construing this Release Agreement or any of its terms. The headings used in this Release Agreement are for purposes of convenience only and shall not be used in construing the provisions of this Release Agreement. As used in this Release Agreement, the male gender shall include the female and neuter genders, the singular shall include the plural and the plural, the singular.

8.6 **Severability and Validity.** Any provision of this Release Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions of this Release Agreement or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

8.7 **Governing Law and Venue.** This Release Agreement shall be interpreted and construed under the laws of California. In the event of any conflict of law, the law of California shall prevail, without regard to the application of California conflict of law rules. If, however, any provision of this Release

Agreement would not be enforceable under the laws of California, and if the Franchised Business is located outside of California and such provision would be enforceable under the laws of the state in which the Franchised Business is located, then such provision shall be interpreted and construed under the laws of that state. Nothing in this Section 8.7 is intended by the parties to subject this Release Agreement to any franchise or similar law, rules, or regulation of the state of California to which it would not otherwise be subject. The parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought the in Superior Court of California, County of Ventura, or the United States District Court for the Central District of California, and the parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

8.8 **Authority of Franchisor**. Franchisor represents and warrants that (i) Franchisor has the power and authority to enter into this Release Agreement and to perform its obligations under this Release Agreement without the approval or consent of any other person or entity, and (ii) the individual who executes this Release Agreement on Franchisor's behalf is duly authorized to do so without the approval or consent of any other person or entity.

8.9 **Authority of Releasing Parties**. Releasing Parties represent and warrant that (i) they have the power and authority to enter into this Release Agreement and to perform their obligations under this Release Agreement without the approval or consent of any other person or entity, and (ii) the individuals who execute this Release Agreement on Releasing Parties' behalves are duly authorized to do so without the approval or consent of any other person or entity.

8.10 **No Waiver**. No delay, waiver, omission, or forbearance on the part of any party to exercise any right, option, duty, or power arising out of any breach or default by any other party of any of the terms, provisions, or covenants of this Release Agreement, and no custom or practice by the parties at variance with the terms of this Release Agreement, shall constitute a waiver by any party to enforce any such right, option, or power as against the other parties, or as to a subsequent breach or default by the other parties.

8.11 **Attorneys' Fees**. If any legal action is brought to enforce the terms of this Release Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs, and any and all costs of collection, in addition to any other relief to which that party may be entitled.

8.12 **Further Acts**. The parties agree to execute, acknowledge and deliver to any requesting party, and to procure the execution, acknowledgment and delivery to any requesting party, of any additional documents or instruments which the requesting party may reasonably require to fully effectuate and carry out the provisions of this Release Agreement.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties to this Release Agreement have executed this Release Agreement as of the Effective Date.

FRANCHISOR:

SKINNY WIMP MOVING FRANCHISE CORPORATION
A California corporation

By: ______________________________
Lance Clauson, its President

FRANCHISEE:

____
A ______________________________

By: ______________________________
Name: ______________________________
Title: ______________________________

OWNER:

____
____________________, an individual

____
____________________, an individual

SKINNY WIMP MOVING FRANCHISE CORPORATION
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT G
STATE SPECIFIC ADDENDA

SKINNY WIMP MOVING FRANCHISE CORPORATION
STATE SPECIFIC ADDENDA

Each provision of this Addenda shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of a state are met independently, without reference to this Addenda.

SKINNY WIMP MOVING FRANCHISE CORPORATION

CALIFORNIA
ADDENDUM TO DISCLOSURE DOCUMENT

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Business Oversight, prior to a solicitation of a proposed material modification of an existing franchise.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.corp.ca.gov.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF BUSINESS OVERSIGHT NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

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

   Neither we nor any person identified in Item 2, or an affiliate or franchise broker offering franchises under our principal trademark 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, 15 U.S.C.A. 78a <u>et seq.</u>, suspending or expelling such person from membership in such association or exchange.

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

"Despite the payment provisions in this Item 5, all initial fees and payments due to us will be deferred until the first business day following the date that we have completed all of our material initial obligations to you under the Franchise Agreement and you begin to conduct business at the first Skinny Wimp franchised business, at which time all initial fees and payments will become immediately due and payable."

3. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

   The Franchise Agreement requires franchisee to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void.

California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees 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 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 which extends beyond the termination of the franchise. This provision may not be enforceable under California law but we will enforce it to the extent enforceable.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement and Area Development Agreement require mediation. The mediation will occur in Ventura County, California, with the costs being borne equally by Franchisor and Franchisee, by Franchisee.

The Franchise Agreement requires arbitration, if all or any portion of a dispute remains unresolved after mediation. The arbitration will occur in Ventura County, California. Franchisor and Franchisee shall initially advance an equal share of the costs of arbitration (excluding each parties' own attorney's fees and costs), with the arbitrator awarding all costs to the prevailing party.

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 638 et seq., and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

CALIFORNIA
ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM TO FRANCHISE AGREEMENT (this "**Addendum**") dated _________________, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the "**Franchise Agreement**") dated _________________, by and between **SKINNY WIMP FRANCHISE CORPORATION**, a California corporation, as Franchisor, and ___________________________, as Franchisee. Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Addendum shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Addendum.

The following is added to Section 4.1 of the Franchise Agreement:

"All initial fees and payments to be paid to Franchisor shall be deferred until the first business day following the date that Franchisor has completed all of Franchisor's material initial obligations to Franchisee under the Franchise Agreement and Franchisee commences doing business at the Skinny Wimp franchised business, at which time all initial fees and payment shall become immediately due and payable."

The following is added to Section 17.5 of the Franchise Agreement:

Franchisor and Franchisee agree that:

1. They will use the declining-balance depreciation method to calculate the value of Franchisee's "**Assets**" (inventory, supplies, equipment, fixtures, and furnishings) for the purposes of a purchase by Franchisor under Cal. Bus. & Prof. Code Section 20022. The purchase price by Franchisor for these Assets will not include the cost of removal and transportation of those assets, which will be Franchisee's responsibility.

2. For the purposes of Cal. Bus. & Prof. Code Section 20022, Franchisee is not able to provide to Franchisor with "clear title and possession" to Franchisee's Assets if those Assets are subject to liens or encumbrances including: (i) purchase money security interests; (ii) blanket security interests; (iii) rights of first refusal; (iv) liens by Franchisee's landlord; or (v) tax liens.

3. For the purposes of Cal. Bus. & Prof. Code Section 20022(h), Franchisor's right of offset will include the following amounts owed by Franchisee to Franchisor or Franchisor's Affiliates: (i) Royalty Fees; (ii) Marketing Fund Fees; (iii) liquidated damages; (iv) Transfer Fees; and (v) any other type of fee owed by Franchisee to Franchisor or Franchisor's Affiliates.

4. For the purposes of Cal. Bus & Prof. Code Section 20035, "**Fair market value of the franchise assets**" means the value of Franchisee's Assets, valued according to the declining-balance method of depreciation. The purchase price by Franchisor for the Assets will not include the cost of removal and transportation of those assets, which will be Franchisee's responsibility.

5. For the purposes of Cal. Bus & Prof. Code Section 20035, "**Fair market value of the franchised business**" means the "**fair market value of the franchise assets**" as defined above, plus goodwill. The parties agree that the value of goodwill is the amount of Royalty Fees paid by Franchisee to Franchisor within the twelve (12) month period immediately before our termination or failure to renew if Franchisor is in violation of the California Franchise Relations Act.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

FRANCHISOR:	FRANCHISEE:
SKINNY WIMP FRANCHISE CORPORATION, A California corporation	______________________ A ______________________
By: ______________________	By: ______________________
Name: ______________________	Name: ______________________
Title: ______________________	Title: ______________________

CALIFORNIA
ADDENDUM TO AREA DEVELOPMENT AGREEMENT

THIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT (this "**Addendum**") dated _________________, is intended to be a part of, and by this reference is incorporated into that certain Area Development Agreement (the "**Area Development Agreement**") dated _________________, by and between **SKINNY WIMP FRANCHISE CORPORATION**, a California corporation, as Franchisor, and _________________________, as Area Developer. Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Area Development Agreement, the provisions contained in this Addendum shall control. Defined terms contained in the Area Development Agreement shall have the identical meanings in this Addendum.

The following is added to Section 4 of the Area Development Agreement:

"All initial fees and payments to be paid to Franchisor shall be deferred until the first business day following the date that Franchisor has completed all of Franchisor's material initial obligations to Area Developer under the Area Development Agreement and Area Developer commences doing business at the first Skinny Wimp franchised business, at which time all initial fees and payment shall become immediately due and payable."

The following is added to Section 9.3 of the Area Development Agreement:

Franchisor and Area Developer agree that in the event of termination or expiration of the Development Agreement:

1. They will use the declining-balance depreciation method to calculate the value of Area Developer's "**Assets**" (inventory, supplies, equipment, fixtures, and furnishings) for the purposes of a purchase by Franchisor under Cal. Bus. & Prof. Code Section 20022. The purchase price by Franchisor for these Assets will not include the cost of removal and transportation of those assets, which will be Area Developer's responsibility.

2. For the purposes of Cal. Bus. & Prof. Code Section 20022, Area Developer is not able to provide to Franchisor with "clear title and possession" to Area Developer's Assets if those Assets are subject to liens or encumbrances including: (i) purchase money security interests; (ii) blanket security interests; (iii) rights of first refusal; (iv) liens by Area Developer's landlord; or (v) tax liens.

3. For the purposes of Cal. Bus. & Prof. Code Section 20022(h), Franchisor's right of offset will include the following amounts owed by Area Developer to Franchisor or Franchisor's Affiliates: (i) Royalty Fees; (ii) Marketing Fund Fees; (iii) liquidated damages; (iv) Transfer Fees; and (v) any other type of fee owed by Area Developer to Franchisor or Franchisor's Affiliates.

4. For the purposes of Cal. Bus. & Prof. Code Section 20035, "**Fair market value of the franchise assets**" means the value of Area Developer's Assets, valued according to the declining-balance method of depreciation. The purchase price by Franchisor for the Assets will not include the cost of removal and transportation of those assets, which will be Area Developer's responsibility.

5. For the purposes of Cal. Bus. & Prof. Code Section 20035, **"Fair market value of the franchised business"** means the **"fair market value of the franchise assets"** as defined above, plus goodwill. The parties agree that the value of goodwill is the amount of Royalty Fees paid by Area Developer to Franchisor within the twelve (12) month period immediately before our termination or failure to renew if Franchisor is in violation of the California Franchise Relations Act.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

FRANCHISOR:	**AREA DEVELOPER:**
SKINNY WIMP FRANCHISE CORPORATION, A California corporation	____________________ A ____________________
By: ____________________ Name: ____________________ Title: ____________________	By: ____________________ Name: ____________________ Title: ____________________

MINNESOTA
ADDENDUM TO DISCLOSURE DOCUMENT

In accordance with the requirements of the state of Minnesota the following disclosure should be read in conjunction with the Disclosure Document. Any inconsistency with the information contained in the Disclosure Document will be resolved in favor of this Minnesota Addendum.

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

"Despite the payment provisions in this Item 5, all initial fees and payments due to us will be deferred until the first business day following the date that we have completed all of our material initial obligations to you under the Franchise Agreement and you begin to conduct business at the first Skinny Wimp franchised business, at which time all initial fees and payments will become immediately due and payable."

2. Item 13 Trademarks is amended by adding the following:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Section 80C.12, Subd. 1(g) which requires us to protect your right to use the trademarks, service marks and tradenames and indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of same.

3. Item 17 **Renewal, Termination, Transfer and Dispute Resolution** is amended by adding the following:

A. **Renewal and Termination**

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Agreement.

B. **Choice of Forum**

Minn. Stat. Section 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside of Minnesota requiring waiver of a jury trial, or requiring the franchisee to consent to liquated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document or agreements can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

C. **Releases**

Minn. Rule 2860.4400D prohibits us from requiring a franchisee to assent to a general release. A general release shall not relieve any person from liability imposed by the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Section 80C.22.

D. **<u>Injunctive Relief</u>**

Minn. Rule 2860.4400J prohibits us from requiring a franchisee to consent to a franchisor obtaining injunctive relief. We may seek injunctive relief. In addition, a court will determine if a bond is required.

E. With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Section 80C.17, Subd. 5, which requires that no action may be commenced more than three years after the cause of action accrues.

MINNESOTA
ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM TO FRANCHISE AGREEMENT (this "**Addendum**") dated ________________, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the "**Franchise Agreement**") dated ________________, by and between **SKINNY WIMP MOVING FRANCHISE CORPORATION**, a California corporation, as Franchisor, and ________________, as Franchisee. Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Addendum shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Addendum.

1. Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the Franchisee to consent to liquated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that a Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

3. Any general release the Franchisee is required to assent to shall not apply to any liability Franchisor may have under the Minnesota Franchise Act.

4. Section 9.4 of the Franchise Agreement shall be deleted in its entirety and replaced with the following language:

"9.4 Defense of Marks. If Franchisee receives notice, or is informed, of any claim, suit or demand against Franchisee on account of any alleged infringement, unfair competition, or similar matter on account of its use of the Marks in accordance with the terms of this Agreement, Franchisee shall notify Franchisor within 10 days of Franchisee's knowledge of any such claim, suit or demand. Thereupon, Franchisor shall indemnify and defend Franchisee against any such claim by any third party; Franchisor shall not be obligated to indemnify or defend Franchisee against the consequences of its use of Franchisor's Marks except in accordance with the requirements of this Agreement. Franchisee shall not settle or compromise any such claim by a third party without the prior written consent of Franchisor. Franchisor shall have the sole right to defend, compromise or settle any such claim, in its discretion, at Franchisor's sole cost and expense, using attorneys of its own choosing, and Franchisee shall cooperate fully with Franchisor in connection with the defense of any such claim. Franchisee may participate at its own expense in such defense or settlement, but Franchisor's decisions with regard thereto shall be final. Franchisor will comply with Minn. Stat. Section 80C.12, Subd. 1(g) which requires Franchisor to protect Franchisee's right to use the trademarks, service marks and tradenames and indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of same.

5. The following is added to Section 4.1 of the Franchise Agreement:

"All initial fees and payments to be paid to Franchisor shall be deferred until the first business day following the date that Franchisor has completed all of Franchisor's material initial obligations to Franchisee under the Franchise Agreement and Franchisee commences doing business at the Skinny Wimp franchised business, at which time all initial fees and payment shall become immediately due and payable."

6. In the event of any conflict between the terms of this Addendum and the terms of the Franchise Agreement, the terms of this Addendum shall prevail.

7. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Act are met independently without reference to this Addendum.

FRANCHISOR:

SKINNY WIMP MOVING FRANCHISE CORPORATION
A California corporation

By: ______________________________
Name: ______________________________
Title: ______________________________

FRANCHISEE:

____
A ______________________________

By: ______________________________
Name: ______________________________
Title: ______________________________

MINNESOTA
ADDENDUM TO AREA DEVELOPMENT AGREEMENT

THIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT (this "**Addendum**") dated __________________, is intended to be a part of, and by this reference is incorporated into that certain Area Development Agreement (the "**Area Development Agreement**") dated __________________, by and between **SKINNY WIMP MOVING FRANCHISE CORPORATION**, a California corporation, as Franchisor, and ____________________________, as Area Developer. Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Area Development Agreement, the provisions contained in this Addendum shall control. Defined terms contained in the Area Development Agreement shall have the identical meanings in this Addendum.

1. Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquated damages, termination penalties or judgment notes. In addition, nothing in the Area Development Agreement can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Area Development Agreement.

3. Any general release the Area Developer is required to assent to shall not apply to any liability Franchisor may have under the Minnesota Franchise Act.

4. The following is added to Section 4 of the Area Development Agreement:

"All initial fees and payments to be paid to Franchisor shall be deferred until the first business day following the date that Franchisor has completed all of Franchisor's material initial obligations to Area Developer under the Area Development Agreement and Area Developer commences doing business at the first Skinny Wimp franchised business, at which time all initial fees and payment shall become immediately due and payable."

5. In the event of any conflict between the terms of this Addendum and the terms of the Development Agreement, the terms of this Addendum shall prevail.

6. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Act are met independently without reference to this Addendum.

7. With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Section 80C.12, Subd. 1(g) which requires Franchisor to protect Area Developer's right to use the trademarks, service marks and tradenames and indemnify Area Developer from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of same.

(Signature Page Follows)

FRANCHISOR:

SKINNY WIMP MOVING FRANCHISE CORPORATION
A California corporation

By: ______________________________
Name: ______________________________
Title: ______________________________

AREA DEVELOPER:

____
A ______________________________

By: ______________________________
Name: ______________________________
Title: ______________________________

SKINNY WIMP MOVING FRANCHISE CORPORATION
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT H
FRANCHISE COMPLIANCE CERTIFICATE

SKINNY WIMP MOVING FRANCHISE CORPORATION

FRANCHISE COMPLIANCE CERTIFICATE

The undersigned Franchisee desires to enter into a Franchise Agreement with Skinny Wimp Moving Franchise Corporation, a California corporation ("**Franchisor**"). Franchisor requires that Franchisee complete this Questionnaire in order to enable Franchisor to confirm that Franchisor and its employees and representatives have fully complied with all applicable franchise registration and disclosure laws.

1. Full name of Franchisee:

____

2. Protected Area:

____

____

3. Franchisee is: (Check applicable box)

[ ] An individual,

[ ] A corporation,

[ ] A general partnership,

[ ] A limited partnership,

[ ] A limited liability company

4. If Franchisee is other than an individual, indicate the capacity in which the undersigned is authorized to act on behalf of Franchisee: (Check applicable box)

[ ] Officer (insert title):______________________

[ ] General Partner: ______________________

[ ] Other (please explain):______________________________

5. Did Franchisee receive a Franchise Disclosure Document from Franchisor? [ ] Yes [ ] No

6. On what date was the Franchise Disclosure Document received, and by whom?

Recipient:______________________

Date: ______________________

7. Below, please indicate the contracts proposed to be executed by Franchisee in connection with execution of the Franchise Agreement (the "**Agreements**") and the date that the final form of each of the Agreements was delivered to Franchisee:

	Agreement	Date Received
[ ]	Franchise Agreement	____________
[ ]	Area Development Agreement	____________
[ ]	________________________	____________
[ ]	________________________	____________

8. Name of salesperson(s) handling this sale for Franchisor:

____

9. Were any oral or written statements made to Franchisee by Franchisor, the salesperson(s) listed above, or any other representatives of Franchisor concerning the actual sales, profits or earnings of any franchised or company-owned unit(s), or potential sales, profits or earnings that could be anticipated at any location? [ ] Yes [ ] No.

If yes, please explain in detail (attach additional sheet if necessary) and if none, write "none":

____

____

____

____

10. Did Franchisee carefully review and understand the Franchise Disclosure Document and the Franchise Agreement, as applicable, and the other Agreements? [ ] Yes [ ] No

If no, please explain:

____

____

____

11. Did Franchisee ask Franchisor any questions concerning the Franchise Disclosure Document or Agreements that were not satisfactorily answered? [ ] Yes [ ] No

If yes, please explain:

____

____

12. Did the salesperson(s) listed above, or any other employee or representative of Franchisor, make any statement to Franchisee which is inconsistent with the information described in the Franchise Disclosure Document? [ ] Yes [ ] No

If yes, please explain:

____

____

____

13. Did any employee or other person on Franchisor's behalf make any statement or promise about Franchisor's affiliated companies other than the information contained in the Franchise Disclosure Document?

[ ] Yes [ ] No

If yes, please explain:

____

____

____

14. Did Franchisee contact other franchisees of Franchisor to discuss Franchisee's possible execution of the Franchise Agreement? [ ] Yes [ ] No

15. If your answer to question 14 was yes, please identify these franchisees (attach extra sheets if necessary):

____

____

____

16. Did Franchisee employ an attorney to render advice to Franchisee concerning the execution of the Franchise Agreement? [ ] Yes [ ] No.

If yes, please insert the name address and telephone number of such attorney:

____

____

17. Did Franchisee consult with an accountant or other financial advisor in connection with the execution of the Franchise Agreement? [ ] Yes [ ] No.

If yes, please insert the name address and telephone number of such accountant or financial advisor:

[ ] Accountant

[ ] Other (please describe) ______________________

____

____

____

18. Has Franchisee, directly or through one or more affiliated business entities, previously owned and/or operated a business similar to a Skinny Wimp Moving Business [ ] Yes [ ] No; if "yes", how many, where and for how long?______________________________.

19. Has Franchisee, directly or through one or more affiliated business entities, previously owned and/or operated a Skinny Wimp Moving business [ ] Yes [ ] No; if "yes", for how long?______.

20. If Franchisee has checked "yes" to question 19, Franchisee represents and agrees that Franchisee is entering into the Franchise Agreement based on Franchisee's own knowledge of, and experience with the Skinny Wimp System, and not in reliance upon any statements or information made or provided, or alleged to have been made or provided, by Franchisor or its affiliates, or any of its or their officers, directors, agents, employees or representatives.

AGREED: ______________
Franchisee's Initials

Franchisee understands that Franchisor is acting in reliance on the truthfulness and completeness of Franchisee's responses to the questions above in entering into the Franchise Agreement with Franchisee. FRANCHISEE ACKNOWLEDGES AND AGREES THAT IN THE EVENT THAT ANY DISPUTE ARISES, THIS QUESTIONNAIRE SHALL BE ADMISSIBLE AS EVIDENCE IN ANY LEGAL ACTION, AND FRANCHISEE HEREBY WAIVES, TO THE FULLEST EXTENT PERMISSIBLE UNDER THE LAW, ANY OBJECTION TO SUCH ADMISSION OF THIS QUESTIONNAIRE.

(Signature page follows)

FRANCHISEE:

By: ______________________________

Name: ______________________________

Title: ______________________________

Date: ______________________________

FRANCHISEE:

By: ______________________________

Name: ______________________________

Title: ______________________________

Date: ______________________________

FRANCHISEE:

By: ______________________________

Name: ______________________________

Title: ______________________________

Date: ______________________________

FRANCHISEE:

By: ______________________________

Name: ______________________________

Title: ______________________________

Date: ______________________________

SKINNY WIMP MOVING FRANCHISE CORPORATION
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT I
FINANCIAL STATEMENTS

SKINNY WIMP MOVING FRANCHISE CORPORATION

Financial Statements and Independent Auditors' Report
As of December 31, 2018

TABLE OF CONTENTS

LWA LLP
Accounting·Tax·Advisory

INDEPENDENT AUDITORS' REPORT

To the Board of Director of
Skinny Wimp Moving Franchise Corporation

We have audited the accompanying financial statements of Skinny Wimp Moving Franchise Corporation (a California Corporation), which comprise the balance sheets as of December 31, 2018, and the related statements of income, retained earnings, and cash flow 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Skinny Wimp Moving Franchise Corporation as of December 31, 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

LWA, LLP

Los Angeles, California
August 22, 2019

Skinny Wimp Moving Franchise Corporation

Balance Sheet
As of December 31, 2018

		2018
ASSETS		
Current assets		
Cash and cash equivalents	$	6,319
Accounts receivables		21,721
Dues from shareholder		26,411
Loans receivables		1,500
TOTAL CURRENT ASSETS		55,951
TOTAL ASSETS	$	55,951
LIABILITIES		
Current liabilities		
Accrued expenses	$	1,026
TOTAL CURRENT LIABILITIES		1,026
SHAREHOLDER'S EQUITY		
Retained earnings		54,925
TOTAL SHAREHOLDER'S EQUITY		54,925
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	$	55,951

See accompanying notes to the financial statements and auditors' report

Skinny Wimp Moving Franchise Corporation

Income Statement
As of December 31, 2018

		2018
REVENUES		
Royalty revenue	$	229,178
Advertising revenue		33,603
Other revenue		10,771
TOTAL NET REVENUES		273,552
COST OF GOODS SOLD		
Franchise costs		52,004
TOTAL COST OF FRANCHISE		52,004
GROSS PROFIT		221,548
OPERATING EXPENSES		
Advertising and promotion		19,024
Auto expenses		18,776
Bank fees		705
Insurance		10,094
Meals and entertainment		6,063
Outside services		935
Professional fees		27,897
Occupancy expenses		16,088
Salaries and wages		45,000
Payroll taxes		5,635
Office expenses		4,774
Taxes and licenses		3,649
Travel and meeting expenses		1,524
TOTAL OPERATING EXPENSES	$	160,164
INCOME FROM OPERATIONS		61,384
PROVISION FOR INCOME TAXES		5,369
NET INCOME	$	56,015

See accompanying notes to the financial statements and auditors' report

Skinny Wimp Moving Franchise Corporation

Statement of Stockholder's Equity
As of December 31, 2018

	Common Stock				Total
	Issued Shares	Amount	Paid-in Capital	Retained Earnings	Stockholder's Equity
Balance, January 31, 2018	-	$ -	$ -	$ (1,090)	$ (1,090)
Shares issued	-	-	-	-	-
Shares repurchased	-	-	-	-	-
Net income	-	-	-	56,015	56,015
Balance December 31, 2018	-	$ -	$ -	$ 54,925	$ 54,925

See accompanying notes to the financial statements and auditors' report

Skinny Wimp Moving Franchise Corporation

Statement of Cash Flows
As of December 31, 2018

		2018
CASH FLOW FROM OPERATING ACTIVITIES		
Net income	$	56,015
Changes in assets & liabilities		
Decrease in accounts receivable		696
Increase in loans receivable		-
Increase in deferred current tax assets		-
Decrease in accounts payable		(8,275)
Decrease in accrued expenses		(336)
Decrease in dues to shareholder		(42,375)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		5,725
NET INCREASE (DECREASE) IN CASH		5,725
CASH, BEGINNING OF THE YEAR		594
CASH, END OF THE YEAR	$	6,319

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for:		
Interest (net of amount capitalized and net of related party)	$	-
Income taxes	$	1,002

See accompanying notes to the financial statements and auditors' report

Skinny Wimp Moving Franchise Corporation

Notes to the Financial Statements
As of December 31, 2018

Note 1 – Summary of Significant Accounting Policies

Description of business:

Skinny Wimp Moving Franchise Corporation (the "Company") was incorporated on October 7, 2015 (inception) as a corporation in California. The Company was organized to sell franchises for the right to operate a business that will offer residential and commercial moving services, including packing and unpacking, and related services and products under the trade name "Skinny Wimp" and other related trademarks, service marks, logos and commercial symbols.

In 2018, the Company sold one franchise outlet. There were no franchise outlet under development, offered for sale or closures. As of December 31, 2018, the Company has 17 operating franchises across the country and are restricted to providing services in their respective territory.

Use of estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and accompanying notes. Actual results could differ from those estimates.

Business and credit concentration:

The Company's success is dependent on the ability of its franchise outlets to generate revenue and pay royalties. The inability of any single outlet to generate revenue and pay royalties may have a material impact on the Company's financial position and results of operations.

Cash and cash equivalents:

The Company considers all highly liquid investments purchased with maturities of three month or less at the time of purchase to be cash equivalents. The Company also maintains cash in bank deposit accounts which, at times, may exceed federally insures limits. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant risk of loss on cash and cash equivalents.

Accounts receivables:

Accounts receivables are reported at invoice value. The Company maintains an allowance for doubtful accounts for estimated losses resulting from inability of its franchisees to make required payments. Management considers the age of accounts receivable balances and general economic issues when determining the collectability of specific accounts. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to the allowance for doubtful accounts. Balances that remain outstanding after reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and credit to accounts receivable.

Loans receivables:

From time to time the Company loans money to others, these advances are non-interest bearing and are stated at the principal amount.

Skinny Wimp Moving Franchise Corporation

Notes to the Financial Statements
As of December 31, 2018

Note 1 – Summary of Significant Accounting Policies (Continued)

Dues to/from related party:

The Company makes or receives advances from the Company sole shareholder or to affiliate owned companies and these advances are stated at the principal amount.

Advertising:

Advertising costs are expensed as incurred. Advertising expense for the Company was $19,024 for the years ended December 31, 2018.

Fair value measurements

Fair value measurements are performed in accordance with the guidance provided by ASC 820, "Fair Value Measurements and Disclosures." ASC 820 defines fair value as the price that would be received from selling an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, fair value is based on observable market prices or parameters or derived from such prices or parameters. Where observable prices or parameters are not available, valuation models are applied.

ASC 820 establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Assets and liabilities recorded at fair value in the financial statements are categorized based upon the hierarchy of levels of judgment associated with the inputs used to measure their fair value.

Hierarchical levels directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities are as follows:

• Level 1 – Quoted prices in active markets for identical assets or liabilities that an entity has the ability to access.

• Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

• Level 3 – Unobservable inputs that are supportable by little or no market activity and that are significant to the fair value of the asset or liability.

The carrying amounts of the Company's financial instruments, including cash, receivables, due to/from related parties, and accounts payable approximate their fair values based on their short-term nature. The carrying amount of the Company's long term notes payable approximates its fair value based on interest rates available to the Company for similar debt instruments and similar remaining maturities.

Revenue recognition:

Franchise fee revenue is recognized in accordance with ASC 952-605 Accounting for Franchise Fee Revenue, when the Company has substantially performed its obligation related to such fees. Prior to such time, franchise fees collected are recorded as deferred revenue. In cases where collectability of the initial franchise fees are not reasonably assured, the Company defers recognition of such revenue until the cash is collected.

Skinny Wimp Moving Franchise Corporation

Notes to the Financial Statements
As of December 31, 2018

Note 1 – Summary of Significant Accounting Policies (Continued)

Revenue recognition (continued):

The Company is entitled to royalty revenue, collected monthly from franchisees for the ongoing use of the company's brand name. Royalties are based on 6% of gross revenue for experienced movers and 8% of gross revenue for all other franchisee. Advertising fees are based on 1% of gross revenue for all franchisees, are recognized in the period earned. Call center service fees are based on 7% of gross revenue, are recognized in the period earned.

In cases where collectability of the initial franchise, royalties, advertising and other fees are not reasonably assured, the Company defers recognition of such revenue until the uncertainties about the collectability is resolved.

Income taxes:

The Company, with the consent of its sole stockholder, has elected under the Internal Revenue Code to be an S-corporation. In lieu of corporation income taxes, the stockholders of an S-corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the Company's financial statements. As a result of this election, only income taxes representing the fees for doing business in the States as a corporation have been recognized in the accompanying financial statements.

As a corporation registered to operate as a California S Corporation, the Company is subject to the greater of income taxes at 1.5% of taxable income or the minimum franchise tax of $800. State deferred taxes are immaterial at December 31, 2018.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Company and recognize a tax liability (or asset) if the Company has taken an uncertain tax position that are more likely than not would not be sustained upon examination by the Internal Revenue Service.

Management has analyzed the tax positions taken by the Company, and has concluded that as of December 31, 2018, there were no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Company is subject to routine audits by taxing and other jurisdictions. However, there are currently no audits in progress for any prior tax periods.

Note 2 – Transactions with Related Parties

As of December 31, 2018, the Company advanced the Company's sole shareholder $26,411. These advances are non-interest bearing thus no interest expenses has been recognized in 2018. The Company's sole shareholder agreed to pay back the loan before December 31, 2019. Accordingly, the amounts has been presented as a short-term financial asset.

In October 2018, the Company made arrangements with the Company's sole shareholder for the Company's use of the shareholder's facility. The lease agreement is between the shareholder and the shareholder's landlord. The total rent the Company reimbursed the Company's sole shareholder was $8,800.

Skinny Wimp Moving Franchise Corporation

Notes to the Financial Statements
As of December 31, 2018

Note 3 – Contingencies, Risks and Uncertainties

Litigation

Although Management is not aware of any lawsuits or unasserted claims, as of December 31, 2018, the Company is subject to litigation and claims arising in the ordinary course of business.

Credit risk

The Company maintains its cash accounts with federally insured banks. Amounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. As of December 31, 2018, the Company did not maintain cash in excess of FDIC insured limits.

Income taxes

In December 2017, the Tax Cut and Jobs Act was signed into law and contains provisions that impact the Company, including changes to corporate tax rates, business deductions and net operating loss deductions. The company has not completed its assessment of the impact, if any, of these other provisions as of December 31, 2018.

As of December 31, 2018, the Company has tax returns from 2014 through 2018 tax years open and subject to examination.

Note 4 – Subsequent Events

We have evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through August 22, 2019, the date the financial statements were available to be issued.

SKINNY WIMP MOVING FRANCHISE CORPORATION

Financial Statements and Independent Auditor's Report
As of December 31, 2017

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LWA, LLP
Accounting · Tax · Advisory

INDEPENDENT AUDITOR'S REPORT

To the Board of Director of
Skinny Wimp Moving Franchise Corporation

We have audited the accompanying financial statements of Skinny Wimp Moving Franchise Corporation (a California Corporation), which comprise the balance sheets as of December 31, 2017 and 2016, and the related statements of income, retained earnings, and cash flow 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Skinny Wimp Moving Franchise Corporation as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

LWA, LLP

Los Angeles, California
August 6, 2018

6310 San Vicente Blvd. Suite 320 | Los Angeles, CA 90048 | Phone 323-549-6900 | Fax 323-549-6905
www.lwallp.com

Skinny Wimp Moving Franchise Corporation

Balance Sheet
As of December 31, 2017

		2017
ASSETS		
Current assets		
Cash and cash equivalents	$	594
Accounts receivables net of allowances for bad debt ($4,000)		22,418
Loans receivables		1,500
TOTAL CURRENT ASSETS		24,512
TOTAL ASSETS	$	24,512
LIABILITIES		
Current liabilities		
Accounts payable	$	8,275
Accrued expenses		1,362
Dues to shareholder		15,965
TOTAL CURRENT LIABILITIES		25,602
SHAREHOLDER'S EQUITY		
Retained earnings		(1,090)
TOTAL SHAREHOLDER'S EQUITY		(1,090)
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	$	24,512

See accompanying notes to the financial statements and accountant's report

Skinny Wimp Moving Franchise Corporation

Income Statement
As of December 31, 2017

		2017
REVENUES		
Royalty revenue		197,803
TOTAL REVENUES	$	197,803
OPERATING EXPENSES		
Advertising and promotion	$	27,311
Auto expenses		10,881
Bad debt		4,000
Bank fees		123
Insurance		2,597
Interest		2,995
Miscellaneous expenses		953
Outside services		7,723
Payroll taxes		3,631
Professional fees		25,090
Rent - storage		635
Repair and maintenance		14
Salaries and wages		45,665
Supplies & shipping		16,972
Taxes and licenses		1,325
Travel and meeting expenses		23,015
Utilities		1,707
TOTAL OPERATING EXPENSES	$	174,637
PROFIT FROM OPERATIONS		23,166
PROVISION FOR INCOME TAXES		4,660
NET PROFIT	$	18,506

See accompanying notes to the financial statements and accountant's report

Skinny Wimp Moving Franchise Corporation

Statement of Stockholder's Equity
As of December 31, 2017

	Common Stock				
	Issued Shares	Amount	Paid-in Capital	Retained Earnings	Total Stockholder's Equity
Balance, December 31, 2016	$ -	$ -	$ -	$ (19,596)	$ (19,596)
Shares issued	-	-	-	-	-
Shares repurchased	-	-	-	-	-
Net profit	-	-	-	18,506	18,506
Balance, December 31, 2017	$ -	$ -	$ -	$ (1,090)	$ (1,090)

See accompanying notes to the financial statements and accountant's report

Skinny Wimp Moving Franchise Corporation

Statement of Cash Flows
As of December 31, 2017

		2017
CASH FLOW FROM OPERATING ACTIVITIES		
Net income	$	18,506
Changes in assets & liabilities		
Decrease in accounts receivable		11,954
Increase in loans receivable		(1,500)
Increase in deferred current tax assets		3,458
Increase in accounts payable		5,657
Decrease in accrued expenses		(2,066)
Decrease in dues to shareholder		(37,117)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$	(1,108)
NET INCREASE (DECREASE) IN CASH		(1,108)
CASH, BEGINNING OF THE YEAR		1,702
CASH, END OF THE YEAR	$	594

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for:		
Interest (net of amount capitalized and net of related party)	$	2,995
Income taxes	$	824

See accompanying notes to the financial statements and accountant's report

Skinny Wimp Moving Franchise Corporation

Notes to the Financial Statements
As of December 31, 2017

Note 1 – Summary of Significant Accounting Policies

Description of business:

Skinny Wimp Moving Franchise Corporation (the "Company") was incorporated on October 7, 2015 (inception) as a corporation in California. The Company was organized to sell franchises for the right to operate a business that will offer residential and commercial moving services, including packing and unpacking, and related services and products under the trade name "Skinny Wimp" and other related trademarks, service marks, logos and commercial symbols.

As of December 31, 2017, there were ten franchise outlets sold, and two affiliate owned outlets in operation. These franchise outlets are in Arizona, California, Colorado, Florida Georgia, Minnesota, Oregon, Texas and Utah and are restricted to providing services in their respective territory. There was no franchise outlet under development and no franchise closures during the year ending December 31, 2017.

Use of estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents:

The Company considers all highly liquid investments purchased with maturities of three month or less at the time of purchase to be cash equivalents. The Company also maintains cash in bank deposit accounts which, at times, may exceed federally insures limits. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant risk of loss on cash and cash equivalents.

Business and credit concentration:

The Company's success is dependent on the ability of its franchise outlets to generate revenue and pay royalties. The inability of any single outlet to generate revenue and pay royalties may have a material impact on the Company's financial position and results of operations.

Accounts receivables:

Accounts receivables are reported at invoice value. The Company maintains an allowance for doubtful accounts for estimated losses resulting from inability of its franchisees to make required payments. Management considers the age of accounts receivable balances and general economic issues when determining the collectability of specific accounts. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to the allowance for doubtful accounts. Balances that remain outstanding after reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and credit to accounts receivable.

Loans receivables:

From time to time the Company loans money to others, these advances are non-interest bearing and are stated at the principal amount.

Note 1 – Summary of Significant Accounting Policies (Continued)

Dues to related party:

The Company received advances from the Company sole shareholder or to affiliate owned companies and these advances are stated at the principal amount.

Advertising:

Advertising costs are expensed as incurred. Advertising expense for the Company was $27,311 for the years ended December 31, 2017.

Fair value measurements

Fair value measurements are performed in accordance with the guidance provided by ASC 820, "Fair Value Measurements and Disclosures." ASC 820 defines fair value as the price that would be received from selling an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, fair value is based on observable market prices or parameters or derived from such prices or parameters. Where observable prices or parameters are not available, valuation models are applied.

ASC 820 establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Assets and liabilities recorded at fair value in the financial statements are categorized based upon the hierarchy of levels of judgment associated with the inputs used to measure their fair value.

Hierarchical levels directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities are as follows:

• Level 1 – Quoted prices in active markets for identical assets or liabilities that an entity has the ability to access.

• Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

• Level 3 – Unobservable inputs that are supportable by little or no market activity and that are significant to the fair value of the asset or liability.

The carrying amounts of the Company's financial instruments, including cash, receivables, due from related parties, and accounts payable approximate their fair values based on their short-term nature. The carrying amount of the Company's long term notes payable approximates its fair value based on interest rates available to the Company for similar debt instruments and similar remaining maturities.

Revenue recognition:

Franchise fee revenue is recognized in accordance with ASC 952-605 Accounting for Franchise Fee Revenue, when the Company has substantially performed its obligation related to such fees. Prior to such time, franchise fees collected are recorded as deferred revenue. In cases where collectability of the initial franchise fees are not reasonably assured, the Company defers recognition of such revenue until the cash is collected.

Note 1 – Summary of Significant Accounting Policies (Continued)

Revenue recognition (continued):

The Company is entitled to royalty revenue, collected monthly from franchisees for the ongoing use of the company's brand name. Royalties are based on 6% of gross revenue for experienced movers and 8% of gross revenue for all other franchisee. Marketing fees are based on 1% of gross revenue for all franchisees, are recognized in the period earned. Call center service fees are based on 7% of gross revenue, are recognized in the period earned.

In cases where collectability of the initial franchise, royalties, advertising and other fees are not reasonably assured, the Company defers recognition of such revenue until the uncertainties about the collectability is resolved.

Income taxes:

The Company measures and reports income taxes in accordance with ASC 740, *Income Taxes* (formerly SFAS 109, *Accounting for Income Taxes*), which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Company and recognize a tax liability (or asset) if the Company has taken an uncertain tax position that are more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Company, and has concluded that as of December 31, 2017, there were no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Company is subject to routine audits by taxing and other jurisdictions. However, there are currently no audits in progress for any prior tax periods.

Note 2 – Allowance for Doubtful Accounts

Activity in the allowance for doubtful accounts is as follows for the period ended December 31, 2017:

	2017
Beginning balance	$ -
Provision for bad debts	4,000
Write-offs	-
Ending balance	$ 4,000

Note 3 – Income Taxes

In December 2017, the Tax Cut and Jobs Act was signed into law and contains provisions that impact the Company, including changes to corporate tax rates, business deductions and net operating loss deductions. The company has not completed its assessment of the impact, if any, of these other provisions as of December 31, 2017.

Note 3 – Income Taxes (Continued)

The provisions for income taxes were as follows at December 31, 2017:

		2017
Current		
Federal	$	378
State		824
Deferred Benefit		
Federal		3,156
State		302
Total provision for income taxes	$	4,660

Deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities. Differences are primarily attributable to net operating loss carry forwards.

Note 4 – Transactions with Related Parties

As of December 31, 2017, the Company received $15,965 in advances from the Company's sole shareholder. These advances are non-interest bearing thus no interest expenses has been recognized in 2017. The Company has agreed to pay back the loan before December 31, 2018. Accordingly, the amounts has been presented as a short-term financial liability.

Note 5 – Contingencies, Risks and Uncertainties

Litigation

Although Management is not aware of any lawsuits or unasserted claims, as of December 31, 2017, the Company is subject to litigation and claims arising in the ordinary course of business.

Credit risk

The Company maintains its cash accounts with federally insured banks. Amounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. As of December 31, 2017, the Company did not maintain cash in excess of FDIC insured limits.

Income taxes

As of December 31, 2017, the Company has tax returns from 2013 through 2017 tax years open and subject to examination.

Note 5 – Subsequent Events

We have evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through August 6, 2018, the date the financial statements were available to be issued.

SKINNY WIMP MOVING FRANCHISE CORPORATION

Financial Statements and Independent Auditor's Report

As of December 31, 2016

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CV ZINMAN, LLP

MIKE CHEN, CPA
PAGE VILLALUNA, CPA
TERRANCE ZINMAN, CPA
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INDEPENDENT AUDITOR'S REPORT

To the Board of Director of
Skinny Wimp Moving Franchise Corporation

We have audited the accompanying financial statements of Skinny Wimp Moving Franchise Corporation (a California Corporation), which comprise the balance sheet as of December 31, 2016, and the related statement of income, retained earnings, and cash flow 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Skinny Wimp Moving Franchise Corporation as of December 31, 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CV Zinman, LLP

Woodland Hills, California
August 25, 2017

Skinny Wimp Moving Franchise Corporation

Balance Sheet
As of December 31, 2016

		2016
ASSETS		
Current assets		
Cash and cash equivalents	$	1,702
Accounts receivables		34,372
Deferred current tax assets		3,458
TOTAL CURRENT ASSETS		39,532
TOTAL ASSETS	$	39,532
LIABILITIES		
Current liabilities		
Accounts payable	$	2,618
Accrued payroll		3,428
Dues to shareholder		53,082
TOTAL CURRENT LIABILITIES		59,128
SHAREHOLDER'S EQUITY		
Retained earnings		(19,596)
TOTAL SHAREHOLDER'S EQUITY		(19,596)
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	$	39,532

See accompanying notes to the financial statements and accountant's report

Skinny Wimp Moving Franchise Corporation

Income Statement
As of December 31, 2016

		2016
REVENUES		
Franchise fee revenue	$	5,000
Royalty revenue		61,583
Other revenue		12,659
TOTAL REVENUES	$	79,242
OPERATING EXPENSES		
Advertising	$	778
Auto expenses		375
Bank fees		292
Meal and entertainment		519
Office supplies		449
Professional fees		35,695
Salaries and wages		31,668
Payroll taxes		3,146
Taxes and licenses		5,636
Travel and meeting expenses		764
TOTAL OPERATING EXPENSES	$	79,322
LOSS FROM OPERATIONS		(80)
PROVISION FOR INCOME TAXES	$	3,458
NET PROFIT		3,378

See accompanying notes to the financial statements and accountant's report

Skinny Wimp Moving Franchise Corporation

Statement of Stockholder's Equity
As of December 31, 2016

	Common Stock Issued Shares	Amount	Paid-in Capital	Retained Earnings	Total Stockholders' Equity
Balance, December 31, 2015	-	-	-	(22,974)	(22,974)
Shares issued	-	-	-	-	-
Shares repurchased	-	-	-	-	-
Net profit	-	-	-	3,378	3,378
Balance, December 31, 2016	$ -	$ -	$ -	$ (19,596)	$ (19,596)

See accompanying notes to the financial statements and accountant's report

Skinny Wimp Moving Franchise Corporation

Statement of Cash Flows
As of December 31, 2016

		2016
CASH FLOW FROM OPERATING ACTIVITIES		
Net income (loss)	$	3,378
Changes in assets & liabilities		
Increase in accounts receivable		(32,835)
Increase in deferred current tax assets		(3,458)
Increase in accounts payable		2,107
Increase in accrued expenses		3,428
Increase in dues to shareholder		29,082
NET CASH PROVIDED BY OPERATING ACTIVITIES	$	1,702
NET INCREASE IN CASH	$	1,702
CASH, BEGINNING OF THE YEAR	$	-
CASH, END OF THE YEAR	$	1,702

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for:		
Interest (net of amount capitalized and net of related party)	$	-
Income taxes	$	830

See accompanying notes to the financial statements and accountant's report

Skinny Wimp Moving Franchise Corporation

Notes to the Financial Statements
As of December 31, 2016

Note 1 – Summary of Significant Accounting Policies

Description of business:

Skinny Wimp Moving Franchise Corporation (the "Company") was incorporated on October 7, 2015 (inception) as a corporation in California. The Company was organized to sell franchises for the right to operate a business that will offer residential and commercial moving services, including packing and unpacking, and related services and products under the trade name "Skinny Wimp" and other related trademarks, service marks, logos and commercial symbols.

As of December 31, 2016, there were six franchise outlets sold, three franchise outlets and two affiliate owned outlets opened, and four franchise outlets and two affiliate owned outlets in operation. These franchise outlets are located in Arizona, Texas, Utah, Florida and Minnesota and are restricted to providing services in its respective territory. There was one franchise outlet under development and no franchise closures during the year ending December 31, 2016. In 2016, there was an affiliate of the Franchisor that owns two moving businesses in operation.

Use of estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents:

The Company considers all highly liquid investments purchased with maturities of three month or less at the time of purchase to be cash equivalents. The Company also maintains cash in bank deposit accounts which, at times, may exceed federally insures limits. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant risk of loss on cash and cash equivalents.

Business and credit concentration:

The Company's success is dependent on the ability of its outlets to generate revenue and pay royalties. The inability of any single outlet to generate revenue and pay royalties may have a material impact on the Company's financial position and results of operations.

The Company maintains its cash accounts with federally insured banks. Amounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. As of December 31, 2016, the Company did not maintain cash in excess of FDIC insured limits.

Accounts Receivable:

Accounts receivable are reported at invoice value. The Company maintains an allowance for doubtful accounts for estimated losses resulting from inability of its franchisees to make required payments. Management considers the age of accounts receivable balances and general economic issues when determining the collectability of specific accounts. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to the allowance for doubtful accounts. Balances that remain outstanding after reasonable collection efforts are written off through a charge to the allowance for doubtful

Skinny Wimp Moving Franchise Corporation

Notes to the Financial Statements
As of December 31, 2016

Note 1 – Summary of Significant Accounting Policies (Continued)

Accounts Receivable (continued):

accounts and credit to accounts receivable. The Company has not established an allowance for doubtful accounts as it is management's opinion that uncollectible accounts, if any.

Dues to shareholder:

The Company received advances from the shareholder. These advances are non-interest bearing and are stated at the principal amount.

Fair value measurements

Fair value measurements are performed in accordance with the guidance provided by ASC 820, "Fair Value Measurements and Disclosures." ASC 820 defines fair value as the price that would be received from selling an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, fair value is based on observable market prices or parameters or derived from such prices or parameters. Where observable prices or parameters are not available, valuation models are applied.

ASC 820 establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Assets and liabilities recorded at fair value in the financial statements are categorized based upon the hierarchy of levels of judgment associated with the inputs used to measure their fair value.

Hierarchical levels directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities are as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities that an entity has the ability to access.

- Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

- Level 3 – Unobservable inputs that are supportable by little or no market activity and that are significant to the fair value of the asset or liability.

The carrying amounts of the Company's financial instruments, including cash, receivables, due from related parties, and accounts payable approximate their fair values based on their short-term nature. The carrying amount of the Company's long term notes payable approximates its fair value based on interest rates available to the Company for similar debt instruments and similar remaining maturities.

Credit risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist primarily of cash.

Skinny Wimp Moving Franchise Corporation

Notes to the Financial Statements
As of December 31, 2016

Note 1 – Summary of Significant Accounting Policies (Continued)

Revenue recognition:

Franchise fee revenue is recognized in accordance with ASC 952-605 Accounting for Franchise Fee Revenue, when the Company has substantially performed its obligation related to such fees. Prior to such time, franchise fees collected are recorded as deferred revenue. In cases where collectability of the initial franchise fees are not reasonably assured, the Company defers recognition of such revenue until the cash is collected.

The Company is entitled to royalty revenue, collected monthly from franchisees for the ongoing use of the company's brand name. Royalties are based on 6% of gross revenue for experienced movers and 8% of gross revenue for all other franchisee. Marketing fees are based on 1% of gross revenue for all franchisees, are recognized in the period earned. Call center service fees are based on 7% of gross revenue, are recognized in the period earned.

Income taxes:

The Company measures and reports income taxes in accordance with ASC 740, *Income Taxes* (formerly SFAS 109, *Accounting for Income Taxes*), which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Company and recognize a tax liability (or asset) if the Company has taken an uncertain tax position that are more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Company, and has concluded that as of December 31, 2016, there were no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Company is subject to routine audits by taxing and other jurisdictions. However, there are currently no audits in progress for any prior tax periods

Note 2 – Income Taxes

The provisions for income taxes were as follows at December 31, 2016:

		2016
Current		
Federal	$	-
State		824
Deferred Benefit		
Federal		(3,458)
State		-
Total provision for income taxes	$	2,634

Skinny Wimp Moving Franchise Corporation

Notes to the Financial Statements
As of December 31, 2016

Note 2 – Income Taxes (Continued)

Deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities. Differences are primarily attributable to net operating loss carry forwards.

For the years ended December 31, 2016, the effective tax rate approximated the federal statutory rate of 15%. Net deferred income taxes recognized as current assets in the balance sheets at December 31, 2016, were as follows:

		2016
Deferred tax liabilities	$	-
Deferred tax assets		(3,458)
Net deferred tax liabilities	$	(3.458)

Both federal and state deferred tax amounts reflected in the table above were net current liabilities at December 31, 2016. Management has determined that no valuation allowance related to deferred tax assets is necessary at December 31, 2016.

Note 3 – Transactions with Related Parties

As of December 31, 2016, the Company received $53,082 in advances from the Company's sole shareholder. These advances are non-interest bearing thus no interest expenses has been recognized in 2016. The Company has agreed to pay back the loan before December 31, 2017. Accordingly, the amount has been presented as a short-term financial liability.

Note 4 – Subsequent Events

We have evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements from inception through August 25, 2017, the date the financial statements were available to be issued.

SKINNY WIMP MOVING FRANCHISE CORPORATION
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT J
STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS AND STATE AGENTS FOR SERVICE OF PROCESS

	State Administrators	State Agents For Service Of Process
CALIFORNIA	Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, California 90013 (213) 576-7505 (866) 275-2677	California, Commissioner of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, California 90013 (213) 576-7505 (866) 275-2677
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street Room 203 Honolulu, Hawaii 96810 (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, Hawaii 96813 (808) 586-2722
ILLINOIS	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
INDIANA	Indiana Secretary of State Securities Division 302 West Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	Indiana Secretary of State Securities Division 302 West Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6531
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360	Maryland Securities Commissioner Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Attn: Franchise Section 525 West Ottawa G. Mennen Williams Building, 1st Floor Lansing, Michigan 48933 (517) ~~373-7117~~335-7567	Michigan Department of Commerce Corporations and Securities Bureau 6546 Mercantile Way Lansing, Michigan 48909
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600	Minnesota Commissioner of Commerce Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600
NEBRASKA	Nebraska Department of Banking and Finance Bureau of Securities/Financial Institutions Division 1526 K Street, Suite 300 Lincoln, Nebraska 68508-2723 (402) 471-2171	Nebraska Department of Banking and Finance Bureau of Securities/Financial Institutions Division 1526 K Street, Suite 300 Lincoln, Nebraska 68508-2723 (402) 471-2171

	State Administrators	State Agents For Service Of Process
NEW YORK	Office of the New York State Attorney General Investor Protection Bureau Franchise Section 28 Liberty Street, 21st Floor New York, New York 10005-1495 (212) 416-8236 (Phone) (212) 416-6042 (Fax)	New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, New York 12231-001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capitol Fifth Floor, Department 414 Bismarck, North Dakota 58505-0510 (701) 328-4712	North Dakota Securities Commissioner 600 East Boulevard Avenue State Capitol Fifth Floor, Department 414 Bismarck, North Dakota 58505-0510 (701) 328-4712
OREGON	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387
RHODE ISLAND	Director, Securities Division State of Rhode Island Department of Business Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue, Cranston, Rhode Island 02920 (401) 462 9582	Director, Securities Division Department of Business Regulation, Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue, Cranston, Rhode Island 02920 (401) 462 9582
SOUTH DAKOTA	Department of Labor and Regulation Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	Director, Department of Labor and Regulation Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, Ninth Floor Richmond, Virginia 23219 (804) 371-9051	Clerk of the State Corporation Commission Division of Securities 1300 East Main Street, First Floor Richmond, Virginia 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, Washington 98507 (360) 902-8760	Director, Department of Financial Institutions Securities Division 150 Israel Road S.W. Third Floor Tumwater, Washington 98501 (360) 902-8760
WISCONSIN	Franchise Registration Division of Securities Wisconsin Department of Financial Institutions 201 West Washington Avenue, Suite 300 Madison, Wisconsin 53703 (608) 266-1064	Securities and Franchise Registration Wisconsin Securities Commission 201 West Washington Avenue, Suite 300 Madison, Wisconsin 53703 (608) 266-1064

SKINNY WIMP MOVING FRANCHISE CORPORATION
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT K
LIST OF FRANCHISEES

LIST OF CURRENT FRANCHISEES AS OF DECEMBER 31, ~~2017~~2018

Skinny Wimp Moving Chandler
Owner: Maxwell Maher
Address: 2090 E University Dr, Suite 109, Tempe, AZ 85281
Office Number: 602-412-3325
Max's Cell: 320-310-5417

Scott Horrell
194 W Cerritos Ave.
Anaheim, CA 92805
Phone: 916-949-8440

Skinny Wimp Moving Company San Diego LLC
Owner: Alexander Miramontes
5574 Vista Del Rio
Anaheim Hills, CA 92807
Phone: 714-900-8739

GLOBEGIRL MOVING CO. NASHVILLE, LLC
Owner: Stacey Dowdall
P.O. Box 774 Camarillo, Ca 93011
562 881 0499

ZEUS AND HERCULES THE MOVING GODS LLC
Owner: Destinee LaFountain
760 Dennis Ave Simi Valley, Ca 93065
Phone: 805 210 6633

ERIC NEI THE MOVING GUY, LLC
Owner: Eric Nei
1942 Broadway Ste 314c, Boulder Co 80302
720 818 1117

Skinny Wimp Moving Co. Tampa Bay LLC
Owners: Cameron Berger and Jahan Razavi
Address: 4800 S. Westshore Blvd. Apt. 41 Tampa, FL 33611
Cameron's Cell: 813 573 9103
Jahan's Cell: 813 573 9117

BDG Logistics, Inc.
Owner: Bryan Guevara
6630 Granite Gate Pass
Cumming, GA 30028
Phone: 678-631-9625

Bryan Curry and Nathan Lockman
Address: 8006 Timber Lake Dr. Eden Prairie, MN 55347
Number: 855-626-0868
Nathan's Cell: 952-465-2752

PTOWN MOVERS, LLC
Owner: Paul Helvik
10183 SW Murray Blvd. #227
Beaverton, OR 97008
Phone: 541 660 6304

VIKING MOVERS, LLC
Owner: Mike Imel
1433 Lonnon Road
Grants Pass, OR 97527
Phone: 541 660 5582

MOVING BROS TAKE OVER TEXAS LLC
Owners: Lance Clauson and Max Maher
1930 West Rundberg Lane, Apt. #226
Austin, TX 78758
Max's Cell: 320-310-5417

Skinny Wimp Moving Houston
Owner: James Vandeventer
Address: 4610 Alta Peak Ct.
Katy, TX 77449
Phone: 281-886-7774

WIMPY GUYS MOVERS, LLC
Owner: Nathan Hoff
3813 Monica Ln
Keller, TX 76244
Phone: 817 797 0772

H.T. MOVING LLC
Owner: Tanya Fenderbosh
117 Coventry Lane
San Antonio, TX 78209
Phone: 310 991 9537

Skinny Wimp Moving Bros.
Owners: Lance Clauson and Max Maher.
1705 S Edison Street, Unit A
South Salt Lake, UT 84115
Phone: 805-603-2473

Washington's Best Movers
Owners: Sean Fulham and Nicolas Pasky
10710 SE 256th St.
Kent Washington, 98030
Sean Phone: 805 312 6850
Nicolas' Phone: 805 795 1883

LIST OF OUTLETS TRANSFERRED FROM FRANCHISEES TO NEW OWNERS DECEMBER 31, ~~2017~~2018

None

FRANCHISEES WHO HAD AN OUTLET TERMINATED, CANCELLED, NOT RENEWED OR OTHERWISE VOLUNTARILY OR INVOLUNTARILY CEASED TO DO BUSINESS AS OF DECEMBER 31, ~~2017~~2018

None

FRANCHISEES WHO HAVE SIGNED FRANCHISE AGREEMENTS BUT ARE NOT OPEN DECEMBER 31, ~~2017~~2018

None

~~BDG VAN LINES, LLC (Knoxville, TN location)~~
~~OWNER Bryan Guevara~~
~~6630 Granite Gate Pass, Cumming GA 30028~~
~~949 874 3361~~

IF YOU BUY THIS FRANCHISE, YOUR CONTACT INFORMATION MAY BE DISCLOSED TO OTHER BUYERS WHEN YOU LEAVE THE FRANCHISE SYSTEM.

SKINNY WIMP MOVING FRANCHISE CORPORATION
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT L
RECEIPTS

RECEIPT

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

If Skinny Wimp Moving Franchise Corporation offers you a franchise, Skinny Wimp Moving Franchise Corporation must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

Michigan requires that we give you this Disclosure Document at the earlier of 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

New York requires you to receive this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Skinny Wimp Moving Franchise Corporation 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 appropriate State Agency identified on **Exhibit J**.

The franchisor is Skinny Wimp Moving Franchise Corporation located at 2470 Stearns Street, #273, Simi Valley, California 93063; Telephone: (855) 313-5518.

Issuance Date: ~~August 8, 2018~~September 19, 2019.

The name, principal business address and telephone number of each Franchise Seller offering the Franchise: Lance Clauson, 2470 Stearns Street, #273, Simi Valley, California 93063, Telephone: (855) 313-5518; ____.

We authorize the persons and/or entities listed on **Exhibit J** to receive service of process for us.

I have received a Disclosure Document dated ~~August 8, 2018~~September 19, 2019. This Disclosure Document includes the following Exhibits:

Exhibit A	Franchise Agreement and Attachments
Exhibit B	Area Development Agreement and Attachments
Exhibit C	Conversion Addendum
Exhibit D	Confidentiality Agreement for Prospective Franchisees
Exhibit E	Non-Disclosure and Confidentiality Agreement for Employees of Franchisee
Exhibit F	General Release Agreement
Exhibit G	State Addenda
Exhibit H	Franchise Compliance Certificate
Exhibit I	Financial Statements
Exhibit J	State Administrators and Agents for Service of Process
Exhibit K	List of Franchisees
Exhibit L	Receipts

______________________________ ______________________________

Date Franchisee

Please sign this copy of the Receipt, date your signature, and return it to: Lance Clauson, 2470 Stearns Street, #273, Simi Valley, California 93063; Telephone: (855) 313-5518.

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____________________ __________________________

Date Franchisee

Keep this copy for your records. This Disclosure Document may be available in several formats including on paper, on a CD, in pdf format or on our website: www.skinnywimpmoving.com.