

## FRANCHISE DISCLOSURE DOCUMENT



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We franchise the right to operate a single “ARCHIVE Contents Restoration” business (each, an “ARCHIVE® Business”) that offers full-service restoration services, including but not limited to recovery, transportation and storage of material damaged in catastrophic events.

The estimated initial investment required for the establishment of an ARCHIVE® Business ranges from \$73,650 to \$200,350, which includes \$50,000 that must be paid to us or our affiliates prior to opening.

We offer qualified individuals the right to own and operate multiple ARCHIVE® Businesses in a designated development area by entering into an “Area Development Agreement.” The total initial investment necessary to begin operating under an Area Development Agreement will vary depending on the number of ARCHIVE® Businesses that will be opened in your designated area (a “Development Area”). The total estimated initial investment for three ARCHIVE® Businesses ranges from \$113,650 to \$240,850, which includes \$90,000 you must pay to franchisor or its affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our corporate office at 1960 East McFadden Avenue, Santa Ana, California 92705, or via telephone at 855-955-5677.

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

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

of information on franchising.

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

The Issue Date of this Franchise Disclosure Document is: April 19, 2024.

## How to Use This Franchise Disclosure Document

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

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

## **What You Need To Know About Franchising *Generally***

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

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

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

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

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

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

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

### **Some States Require Registration**

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

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

## Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Nevada. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Nevada than in your own states.
2. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
3. **Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

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## **EXHIBITS**

- Exhibit A -- List of State Administrators/Agents for Service of Process
- Exhibit B -- Table of Contents of Operations Manual
- Exhibit C -- Financial Statements
- Exhibit D -- Franchise Agreement
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Exhibit F -- Sample Termination and Release Agreement  
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**ITEM 1**  
**THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES**

**The Franchisor**

The Franchisor is Archive Franchise Network, LLC a Nevada limited liability company, doing business as “ARCHIVE Contents Restoration™”. For ease of reference, ARCHIVE® Franchise Network will be referred to as “we”, “us”, “our”, or “Franchisor” in this Disclosure Document. We will refer to the person or entity who buys the Franchise as “you,” “your,” and “Franchisee,” throughout this Disclosure Document. If you are a corporation or a limited liability company or other entity, certain provisions of the Franchise Agreement also apply to your shareholders, members or owners and will be noted.

Archive Franchise Network, LLC is a Nevada limited liability company formed on January 24, 2020. Our principal business address is 1960 East McFadden Avenue, Santa Ana, California 92705. We began offering ARCHIVE® franchises as of the Issue Date of this Disclosure Document. We do not do business under any name other than our corporate name and the name “ARCHIVE®.” We have not offered franchises in any other line of business. Additionally, we do not engage in any other major business activities outside of the ARCHIVE® franchise system. Our agents for service of process are listed in Exhibit A of this Disclosure Document.

**Parents, Predecessors and Affiliates**

Our affiliate, Alpha Contents Restoration, LLC (“Alpha”), is a California limited liability company that was formed on December 19, 2011 with an address of 1960 East McFadden Avenue, Santa Ana, California 92705. Alpha operates a business that is substantially similar to the franchise being offered by us. Alpha and Franchisor are independent entities, and Alpha does not assume any of our legal or other obligations, nor us of theirs. Alpha does not offer franchises.

Our affiliate, Archive Enterprises, Inc. (“Archive Enterprises”), is a California corporation that was formed on July 17, 2019 with an address of 1960 East McFadden Avenue, Santa Ana, California 92705. Archive Enterprises owns and licenses to us the intellectual property related to the System. Archive Enterprises and Franchisor are independent entities, and Archive Enterprises does not assume any of our legal or other obligations, nor us of theirs. Archive Enterprises does not offer franchises.

We have no other parents, predecessors or affiliates that are required to be disclosed.

**The Franchised Business**

We offer franchises to qualified individuals for a business that offers a comprehensive solution of insurance restoration to residential, commercial and industrial property owners helping them to recover from catastrophic events by using proprietary procedures and the best in technology to restore all non-structural items to pre-loss condition from a warehouse or industrial space (the “Approved Location”).

A franchisee of an ARCHIVE Business may only offer, sell and/or perform the following: establish relationships with insurance adjustors, third party administrators and residential contractors to track, manage and restore all contents and personal property that were damaged due to water, fire or mold damage; full service restoration services for all types of textiles, furniture, electronics, artwork and soft goods; digital documentation and cataloging of all items; packing and transporting of all items; short and/or long term storage facility services; repair, cleaning and deodorizing services using specialized equipment; pack-back and reset services (returning all items to the property owner and putting everything in its place); and loss



evaluation services in addition to other disaster recovery related services and products approved by us (collectively, the “Approved Products and Services”).

Each ARCHIVE Business operates according to our unique system, which includes our customized services and service standards, specific cleaning and documentation methods, techniques and procedures; our proprietary marketing programs, proprietary software, relationships with insurance companies, adjustors and third party administrators; use of specialized equipment, products and third party software; our ongoing training programs; our unique recognizable signage and vehicle appearance standards with specific design and color schemes; a regional franchise website housed within our national website; purchasing strategies, relationships with vendors and suppliers, operational procedures, guidelines for hiring, training and retaining staff; procedures for safety and quality control; marketing, advertising and promotional programs; our confidential operations manual and other manuals which are made available either in hard copy or electronically (collectively, the “Manuals”); all of which may be changed, improved and further developed by Franchisor periodically (collectively, the “System”)

We may establish a national account program (the “National Account Program”) in which we have the exclusive right to negotiate and enter into agreements to provide services to regional or national account customers (collectively, “National Accounts”). We may, but are not required, to offer you the option to perform such work in your Territory (defined below) but we may also provide such services ourselves or contract with a third-party including another ARCHIVE® franchisee to perform such services in your Territory. See Item 12 for more information about our National Account Program.

Your ARCHIVE Business will operate under certain trade names, service marks, trademarks, slogans, logos, emblems, and indicia of origin, including the Proprietary Mark “ARCHIVE” and other associated marks that we now and in the future may designate as part of the System (the “Proprietary Marks”).

Once you have entered into a Franchise Agreement with us for your ARCHIVE Business, we will typically designate a site selection area on your data sheet of the agreement (the “Data Sheet”) wherein you must secure a site we approve for your ARCHIVE Business and to serve as your Approved Location (the “Site Selection Area”). You will not be permitted to operate your ARCHIVE Business at any location other than your Approved Location, which will be identified on your data sheet once determined.

After we have determined your Approved Location, we will assign you a designated territory (the “Territory”), which is afforded certain territorial protections as outlined in Item 12. We may identify the Territory by way of description on the Data Sheet and/or by attaching a map to the Franchise Agreement.

### Multi-Unit Offering

We also offer qualified individuals and entities the right to open and operate multiple ARCHIVE® Businesses within a designated geographical area (the “Development Area”) under our current form of Development Agreement that is attached to this Disclosure Document as Exhibit E, which will also outline a schedule or defined period of time in which you must open and commence operating each ARCHIVE® Business (a “Development Schedule”).

At our option, you will be required to sign a Franchise Agreement for your initial ARCHIVE® Business at the same time you sign your Development Agreement, and you will eventually need to sign our then-current form of Franchise Agreement for each of the ARCHIVE® Businesses you open under the Development Schedule.

If we grant you the right to open multiple ARCHIVE® Businesses under a Development Agreement, you

must pay us a Development Fee that is based on the number of franchises we grant you the right to open within your Development Area. You will be required to pay a subsequent franchise and training fee (the “Subsequent Franchise and Training Fee”) in connection with each additional ARCHIVE® Business (each, an “Additional ARCHIVE® Business”) you are granted closer to the time you sign a Franchise Agreement or lease for that Additional ARCHIVE® Business, as described more fully in Item 5 of the Disclosure Document.

### Market and Competition

The market for your ARCHIVE Business will be residential, commercial and industrial property owners that have experienced a catastrophic event. Your ARCHIVE Business will compete primarily with national and local restoration contractors and service businesses operated by national chains, local chains, independent operators and restoration service providers who are preferred vendors for insurance companies. The content restoration service industry in general is highly competitive. Generally, the services provided by the ARCHIVE Business are not seasonal in nature. Your competitive advantage will be based on your compliance with our System standards, your focus on customer service, and your managerial and entrepreneurial abilities.

### Industry Specific Regulations

The ARCHIVE Business is subject to the laws and regulations in your county, state or municipality regarding the operation of the ARCHIVE Business. You are advised to examine these laws and regulations before purchasing a franchise from ARCHIVE. You must comply with all laws and regulations pertaining to businesses generally and any laws pertaining to the regulation of ARCHIVE Businesses, including, without limitation, all government regulations relating to: handling and use of professional cleaning products; disposal of waste, chemicals and professional cleaning products such as the Resource Conservation and Recovery Act of 1976, the Clean Water Act of 1977, the Clean Air Act, the Comprehensive Environmental Response Compensation and Liability Act, the Occupational Safety and Health Act (“OSHA”), the Toxic Substance Control Act and other similar federal state and local laws and regulations; and storage and management of chemicals and professional cleaning products.

You are also subject to employment laws such as the Fair Labor Standards Act and various state laws governing such matters as minimum wages, overtime and working conditions. You will also be subject to other laws or regulations that are not specific to the industry, but applicable to businesses generally, including labor laws, insurance requirements, business licensing laws and tax regulations, and the Americans with Disabilities Act. We have not investigated the laws or regulations applicable to your ARCHIVE Business. You are solely responsible for investigating all applicable federal, state, and local laws and regulations, and your cost to comply with such laws and regulations, and you should do so before purchasing a franchise from us. We strongly suggest that you consult with an attorney, consultant and/or financial advisor regarding such regulations prior to purchasing a franchise from us. Applicable laws and regulations are subject to change.

## **ITEM 2** **BUSINESS EXPERIENCE**

### **Founder and President/CEO: Eric W. Ten Eyck**

Eric Ten Eyck is the founder of the ARCHIVE® business model serving as our President since our inception in January 2020. Eric has been responsible for developing our operational procedures, marketing programs

and relationships with vendors and suppliers. From October 2011 to present, Eric has been serving as President for our affiliate, Alpha Contents Restoration, LLC based out of Santa Ana, California. Previously from September 2006 to October 2011 he was a franchisee for National Contents Restoration. Eric will continue to develop service standards, relationships with vendors and supplier, lead our franchisee training program and provide operational assistance to all franchisees

**Director of Training: Justin Kitamura**

Justin has been serving as our Director of Training since our inception in January 2020. He has been responsible for establishing our marketing strategies and training employees on daily operations. From April 2014 to present he has been a Marketing Coordinator for our affiliate, Alpha Contents Restoration, LLC based out of Santa Ana, California.

**ITEM 3**  
**LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4**  
**BANKRUPTCY**

No bankruptcies are required to be disclosed in this Item.

**ITEM 5**  
**INITIAL FEES**

**Initial Franchise Fee**

You must pay an initial franchise fee of \$50,000 (the “Initial Franchise Fee”) for the right to operate an ARCHIVE® Business.

You will pay the Initial Franchise Fee in full at the time you sign your Franchise Agreement. The Initial Franchise Fee is paid in consideration of the costs incurred by us in connection with the execution of your Franchise Agreement, as well as our lost or deferred opportunity to enter into a Franchise Agreement with other prospects. The Initial Fee is non-refundable upon payment.

The Initial Franchise Fee for a second and any subsequent ARCHIVE® Business will be \$40,000.

**Veteran Discount**

We will reduce our Initial Franchise Fee by ten percent (10%) for the first ARCHIVE® Business purchased by United States military veterans who will own a majority interest in the ARCHIVE® Business, provided that the veteran meets our qualifications for new franchisees. This discount does not apply to a second or subsequently purchased ARCHIVE® Business by the same veteran.

**Development Agreement: Development Fee**

If we grant you the right to open three (3) ARCHIVE® Businesses under a Development Agreement, you must pay us a Development Fee of \$130,000. Your Development Fee is calculated as follows: (i) \$50,000 for the right to open the first ARCHIVE® Business; and (ii) \$40,000 for the right to open the second

ARCHIVE® Business and each subsequent ARCHIVE® Business thereafter.

Your Development Fee will be due as follows: (i) a total of \$90,000 upon execution of the Development Agreement and your first Franchise Agreement (\$50,000 for the first ARCHIVE® Business, \$20,000 for the second, and \$20,000 for the third); (ii) \$20,000 upon execution of the second Franchise Agreement; and (iii) \$20,000 upon execution of the third Franchise Agreement.

You will be required to enter into our then-current form of franchise agreement for each ARCHIVE® Business you wish to open under your Development Agreement. If you enter into a Development Agreement, you must execute our current form of Franchise Agreement for the first Franchised Business we grant you the right to open within your Development Area concurrently with the Development Agreement.

Your Development Fee will be deemed fully earned upon payment, and is not refundable under any circumstances. The Development Fee described above is calculated and applied uniformly to all of our franchisees.

**ITEM 6**  
**OTHER FEES**

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty Fee	Seven Percent (7%) of your Gross Sales	Paid to us on Wednesday of each week for the preceding week via EFT.	See Notes 1, 2, 3 and 4 below
National Brand Fund Contribution	One percent (1%) of your Gross Sales, which we may increase up to two percent (2%) in our discretion.	At the same time and in the same manner as the Royalty Fee.	The National Brand Fund Contribution is used to maximize recognition of the Marks and the System.
Local Marketing Requirement	We reserve the right to require that you expend a minimum of one percent (1%) of Gross Sales each month towards local marketing, which we may increase up to two percent (2%) in our discretion.  We do not currently impose this requirement.	Monthly	All advertising materials must be approved by us prior to use/publication. We may require you to (a) provide us with monthly reports detailing your local advertising expenditures, and (b) expend all or some portion of your Local Advertising Requirement on designated activities or materials that are provided by our designated or approved supplier for these kind of services (which we refer to as an “Approved

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
			<p>Supplier” in Item 8).</p> <p>We reserve the right to increase the Local Advertising Requirement to a minimum amounting to two percent (2%) of the Gross Sales of your ARCHIVE® Business upon prior written notice.</p>
Co-op Advertising	If established, up to three percent (3%) of Gross Sales.	When the co-op is established.	<p>You will be required to pay us an amount up equal to up to three percent (3%) of Gross Sales if we assign your ARCHIVE® Business to an advertising cooperative comprised of multiple ARCHIVE® franchisees (each, an “Advertising Cooperative”).</p> <p>Any payment for an Advertising Cooperative will be credited against your Local Marketing Requirement if in effect.</p> <p>If there is an ARCHIVE® Business that is owned by us or our affiliate, then we and/or our affiliates at issue will have the right vote on all matters that you and the other Advertising Cooperative members have the right to vote on.</p>
Job Monitoring Fee	\$10 per job	When job is uploaded to the system	You are required to pay us a fee of \$10 per job to cover our costs to process and monitor each job.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Additional, Refresher and/or Remedial Training	Our then-current training tuition fee (the “Tuition Fee”), which is currently \$250 per trainer per day plus expenses	Before training, assistance or refresher training begins.	<p>We will not charge a Tuition Fee in connection with minor, day-to-day assistance that we provide over the phone or via email, subject to our availability.</p> <p>We reserve the right to charge our then-current Tuition Fee in connection with any: (i) training or on-site assistance that we determine to provide at your request; (ii) any training or assistance that takes place at your ARCHIVE® Business; and (iii) any training that we require you to complete as part of the actions you must undertake to cure your default and/or breach of your Franchise Agreement (“Remedial Training”).</p> <p>You will also be responsible for any costs and expenses that you and/or your owners and other trainees associated with attending or otherwise participating in any training we require in connection with the ARCHIVE® Business, regardless of whether or not we collect any kind of training fee.</p> <p>Please see Item 11 of this Disclosure Document for additional information.</p>
Initial Training Fee	We do not charge for you and two additional people to attend our Initial Training	Before training begins.	This fee is only payable to us in connection with additional people who

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
	Program (defined in Item 7). Additional people can attend our Initial Training Program, upon your request and our approval, for our then-current initial training fee, which is currently \$250 per person per day (the “Initial Training Fee”).		attend an already scheduled initial training session.
Technology Fee	Our then-current technology fee (the “Technology Fee”), which is currently \$600 per month.	Either (a) at the time of payment and in the same manner as your Royalty Fee (if paid to us), or (b) at such date required by vendor if paid to vendor.	<p>This fund will support certain technology and IT-related services and/or other tools we determine to provide as part of the System including but not limited to web hosting, System website, e-mail hosting, customer relationship management systems, learning management system, etc.</p> <p>We may require that this Technology Fee be paid, in whole or in part, to an Approved Supplier.</p> <p>We reserve the right to increase the Technology Fee upon thirty (30) days’ notice.</p>
Annual Conference	Our then-current attendance fee, currently, \$1,000 for two (2) attendees.	As incurred.	We may schedule and hold an annual conference, as we deem advisable in our sole discretion, and require that you attend such conference. You will be responsible for the costs and expenses you incur in connection with any annual conference/convention (lodging, travel, meals,

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
			etc.), and we reserve the right to charge you our then-current attendance/registration fee, which we reserve the right to increase upon notice.
Transfer Fee	<p>In the event of a transfer, you or the transferee must pay a fee of twenty-five percent (25%) of our then-current Initial Franchise Fee.</p> <p>However, you will only pay a transfer fee of \$2,500 if you are transferring shares between existing owners that have already been approved by us or if you are adding a shareholder that does not change the majority ownership in the franchisee entity.</p>	<p>For a transfer that is subject to the fee of twenty-five percent (25%) of our then-current Initial Franchise Fee, you must pay \$5,000 upon providing notice to us that you intend to transfer and the remainder is due prior to the transfer of the business.</p> <p>For a transfer that is subject to the \$2,500 transfer fee, the fee is due prior to the time of the transfer.</p>	This fee is paid by you or the transferee to cover our costs in training the transferee upon transfer of the ARCHIVE® Business as well as our time spent to process the transfer request.
Renewal Fee	Twenty percent (20%) of our then-current Initial Franchise Fee.	Upon signing new franchise agreement.	<p>There are other conditions that you must meet in order for us to approve your renewal request.</p> <p>This amount will help defray certain costs we incur in connection with reviewing and processing your renewal request.</p>
Audit Costs	Actual cost of audit.	Upon receipt of bill.	If we determine by audit that Gross Sales are understated by two percent (2%) or more, you must pay for the cost of the audit.



TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Software Fees	Then-current fees of our designated software providers, currently \$400.	Monthly	Payable directly to our designated software vendors.
Insufficient Funds	\$100 per incident.	As incurred.	This fee applies to EFT returns for insufficient funds.
Interest on Late Payments	The higher of eighteen percent (18%) per annum or the maximum permitted by law.	Fifteen (15) days after billing	Payable on all overdue amounts. Interest accrues from the original due date until paid in full.
Gross Sales Report Late Fee	\$150	As incurred.	Payable if you fail to timely deliver your Gross Sales Report as required under your Franchise Agreement.
Attorney Fees and Costs	Reimbursement of our actual fees and costs.	As incurred.	You must reimburse us for our attorneys' fees and any court costs that we are forced to incur in connection with enforcing or protecting our rights under your Franchise Agreement, including the costs associated with a collection action for amounts that are past due.
Indemnification	Actual costs of indemnification.	When incurred.	You must reimburse us for our attorneys' fees and other costs that we incur in connection with any third-party claims brought against us that arise out of, or are related to, the operation of your ARCHIVE® Business.
Insurance	Will vary according to circumstance.	Upon our demand.	If you fail to obtain required insurance, we may obtain such insurance at your expense (but are not required to do so) and charge you for our cost to do so, in which

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
			case we reserve the right to charge an administrative fee of fifteen percent (15%) of the cost we expend on your behalf. Otherwise, these payments are made directly to your third-party insurance provider.
Management Fee	Up to ten percent (10%) of the Gross Sales of the ARCHIVE® Business over the time period that we operate the ARCHIVE® Business on your behalf, plus the costs/expenses we incur in connection with taking over operations.	When incurred.	You will incur this fee if you are in material default of your Franchise Agreement and we choose to step in and operate your ARCHIVE® Business for you. We will not charge any Management Fee unless we exercise our “step-in” rights under the Franchise Agreement.
Post-Termination or Post-Expiration Expenses	Our actual cost.	As incurred.	Upon termination, expiration, non-renewal, and/or transfer of the Franchise Agreement, you are responsible for the costs associated with de-identifying yourself and your ARCHIVE® Business from the System. Additionally, we may elect to take steps to modify, alter or de-identify your ARCHIVE® Business. If we do so, you must also reimburse us for our costs and expenses.

#### **Explanatory Notes**

1. General. The table above provides recurring or isolated fees or payments that you must pay to us or our affiliates or that we or our affiliates impose or collect in whole or in part on behalf of a third party or that you are required to spend by the Franchise Agreement. All fees and expenses described in this Item 6 are nonrefundable. Except as otherwise indicated in the chart above, we uniformly

impose all fees and expenses listed and they are payable to us and or approved vendors and are fully earned upon receipt.

2. Royalty.

- a. *Gross Sales.* “Gross Sales” includes all income of any type or nature and from any source that you derive or receive directly or indirectly from, through, by or on account of the operation of the ARCHIVE® Business at any time after the signing of your Franchise Agreement, in whatever form and from whatever source, as well as business interruption insurance proceeds, all without deduction for expenses including marketing expenses. However, the definition of Gross Sales does not include sales tax that is collected from customers and actually transmitted to the appropriate taxing authorities.
- b. *Gross Sales Report.* We may require you to send us a signed Gross Sales Report (“Gross Sales Report”) on Monday of each week for the preceding week ending in the manner and form we specify. Each Gross Sales Report must set forth: (i) your Gross Sales generated during the period; (ii) your calculation of the Royalty and National Brand Fund Contribution; and (iii) any other information we may require. We may change the form and content of the Gross Sales Reports from time to time and/or require you to submit Gross Sales Reports on a different schedule upon notice to you. We also reserve the right to access such information within your computer system or authorize others to do so.

3. Manner of Payment. With the exception of the Initial Franchise Fee, you must pay all fees and other amounts owed to us and/or our affiliates through an electronic funds transfer program (the “EFT Program”), under which we automatically deduct all payments owed to us and/or our affiliates, from the bank account you provide to us for use in connection with EFT Program (the “EFT Account”). You must immediately deposit all revenues from operation of your ARCHIVE® Business into this bank account within two (2) days upon receipt, including cash, checks, and credit card receipts.

At least ten (10) days prior to opening the ARCHIVE® Business, you must provide us with: (i) your bank’s name, address and account number; and (ii) a voided check from the bank account. You must immediately notify us of any change in your banking relationship, including any change to the EFT Account. We reserve the right to require you to pay any fees due under by other means as we may specify from time to time.

If you fail to provide us with the Gross Sales Report by Monday of each week, then we may process an EFT transfer for 150% of the last Royalty and Fund contribution debited. If the amounts debited are less than the amounts actually owed, Archive will debit the franchisee’s account for the balance on the day specified. If the amounts debited exceed the amounts actually owed, Archive will credit the excess against the amounts due the following week.

4. Minimum Performance Requirement

<b>Time Period</b>	<b>Monthly Gross Sales Requirement</b>
Second twelve (12) months from commencement of operations	\$1 per household in your Territory divided by 12
Third twelve (12) months from commencement of operations each twelve (12) month period and thereafter	\$2 per household in your Territory by 12

Performance is assessed based a “Monthly Gross Sales Requirement.” The Monthly Gross Sales Requirement is based on a rolling average of the preceding ninety (90) days. If you fall below the 90-day average for your territory we will collect a “Shortfall Fee” by EFT transfer equal to the difference between the actual amount of Royalty Fees you paid to us and the Royalty Fees you should have paid to us had you satisfied the Sales Requirement. A failure to meet the Monthly Gross Sales Requirement is a default of the Franchise Agreement. If you fail to meet the Monthly Gross Sales Requirement six (6) times during any twelve (12) month period, we have the right to do one or more of the following: (i) enter into an agreement with you under which we will offer assistance, planning and consultation to assist in meeting the Monthly Gross Sales Requirements; (ii) terminate the exclusive rights in your Territory; (iii) adjust the size of your Territory; and/or (iv) terminate the Franchise Agreement.

**ITEM 7**  
**ESTIMATED INITIAL INVESTMENT**

**A. Single Unit**

**YOUR ESTIMATED INITIAL INVESTMENT UNDER THE FRANCHISE AGREEMENT<sup>1</sup>**

<b>TYPE OF EXPENDITURE</b>	<b>AMOUNT LOW</b>	<b>AMOUNT HIGH</b>	<b>METHOD OF PAYMENT</b>	<b>WHEN DUE</b>	<b>TO WHOM PAYMENT IS TO BE MADE</b>
Initial Franchise Fee <sup>2</sup>	\$50,000	\$50,000	Lump sum	When you sign the Franchise Agreement	Us
Rent (3 Months) and Security Deposit <sup>3</sup>	\$2,000	\$10,000	As arranged	As arranged	Landlord

<b>TYPE OF EXPENDITURE</b>	<b>AMOUNT LOW</b>	<b>AMOUNT HIGH</b>	<b>METHOD OF PAYMENT</b>	<b>WHEN DUE</b>	<b>TO WHOM PAYMENT IS TO BE MADE</b>
Utility Deposits <sup>4</sup>	\$0	\$500	Lump sum	As incurred	Third Parties
Leasehold Improvements <sup>5</sup>	\$0	\$7,500	As arranged	As arranged	Contractor
Signage <sup>6</sup>	\$200	\$2,000	As arranged	As arranged	Suppliers
Vehicle <sup>7</sup>	\$2,500	\$20,000	As arranged	As arranged	Auto Dealership
Vehicle Graphics or Wrap <sup>8</sup>	\$400	\$1,500	As arranged	As arranged	Approved Suppliers
Furniture and Fixtures <sup>9</sup>	\$1,500	\$2,500	As arranged	As arranged	Suppliers
Equipment <sup>10</sup>	\$5,000	\$40,000	As arranged	As arranged	Suppliers
Office Supplies <sup>11</sup>	\$2,500	\$7,500	As incurred	As incurred	Suppliers and Third Parties
Business Licenses, Permits, and Professional Fees <sup>12</sup>	\$350	\$850	As arranged	As arranged	Attorney, Accountant
Insurance <sup>13</sup>	\$3,000	\$5,000	As arranged	As arranged	Insurance Companies

TYPE OF EXPENDITURE	AMOUNT LOW	AMOUNT HIGH	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Training Expenses <sup>14</sup>	\$1,200	\$6,000	As arranged	As arranged	Airline, Hotel, Meals, payroll.
Marketing Representative Salary <sup>15</sup>	\$0	\$5,000	As arranged	As arranged	Marketing Representative
Additional Funds (3 Months) <sup>16</sup>	\$5,000	\$31,000	As incurred	As arranged	As determined by you
<b>TOTAL<sup>17</sup></b>	<b>\$73,650</b>	<b>\$200,850</b>			

#### Notes

Note 1: General. All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. The chart above estimates your initial investment to begin operating an ARCHIVE® Business. Actual costs will vary for each franchise depending on a number of factors including market conditions and the geographic location of your ARCHIVE® Business.

Note 2: Initial Franchise Fee. As of the date of this Disclosure Document, the Initial Franchise Fee is \$50,000 for an ARCHIVE® Business. You must pay the Initial Franchise Fee in full upon signing the Franchise Agreement.

Note 3: Rent (3 Months) and Security Deposit. Our estimates assume that you will lease space for your ARCHIVE® Business and that your Landlord will require two (2) months' rent when you execute a lease (the "Lease"). The minimum size of the Approved Location is five thousand (5,000) square feet, but we may, in our sole discretion, approve small locations in some instances. Landlords may vary the base rental rate and charge rent based on a percentage of Gross Sales. In addition to base rent, your Lease may require you to pay common area maintenance charges ("CAM Charges") for your pro rata share of the real estate taxes and insurance, and your pro rata share of other charges. The actual amount you pay under the Lease will vary depending on the size of the space, the types of charges that are allocated to tenants under the Lease, your ability to negotiate with landlords and the prevailing rental rates in the geographic region.

Note 4: Utility Deposits. You may need to provide security deposits for your utilities (such as gas, water and/or electric).

Note 5: Leasehold Improvements. The cost of leasehold improvements will vary depending on many factors, including: (i) the size and configuration of the Approved Location; (ii) pre-construction costs (including demolition of existing walls and removal of existing improvements and fixtures); and (iii) cost of materials and labor, which may vary based on geography and location or whether you must use union

labor for the build-out of your location. These amounts may vary substantially based on local conditions, including the availability and prices of labor and materials. These costs may also vary depending on whether certain of these costs will be incurred by the landlord or through landlord tenant improvement contributions, and the condition of the space before you take possession of the Approved Location. Our estimate does not include any tenant improvement allowance that you may negotiate.

Note 6: Signage. These amounts represent your cost for interior and exterior signage and interior graphics. Your landlord or your local ordinances may have different restrictions it places on interior and exterior signage which may affect your costs.

Note 7: Vehicle. You will need to purchase or lease a vehicle that meets our specifications provided to you in the Manuals or otherwise. We presently require you obtain a sixteen (16) foot box truck (the “Approved Vehicle”).

Note 8: Vehicle Graphics or Wrap. You must purchase a branded graphics or a vehicle “wrap” from our Approved Supplier to be installed on the Approved Vehicle.

Note 9: Furniture and Fixtures. The furniture and fixtures you will need to obtain include general office furniture that will vary based on the size and set up of your office. You are required, at a minimum, to have a computer, printer, desk and chairs.

Note 10: Equipment. This is a range of expenses that will be incurred to obtain equipment to clean and restore customers’ personal property. The equipment must meet our specifications and is discussed in the Manuals. The cost will vary based upon the size of your facility, geographic location and size/model of equipment you choose to purchase.

Note 11: Office Supplies. This estimate covers the costs we expect you will incur to obtain general office supplies that you will need prior to opening.

Note 12: Business Licenses, Permits, and Professional Fees. This estimate includes the costs for obtaining local business licenses which typically remain in effect for one (1) year. The cost of these permits and licenses will vary substantially depending on the location of the ARCHIVE® Business. We strongly recommend that you verify the cost for all licenses and permits required in your jurisdiction before signing the Franchise Agreement.

This estimate also includes the cost for you to engage an accountant and a franchise attorney to advise you in your evaluation of the franchise we are offering. We highly recommend you do so.

Note 13: Insurance. These figures are estimates of the cost of the quarterly premiums for the insurance you must obtain and maintain for your ARCHIVE® Business, as described in Item 8. Insurance premiums may be payable monthly, quarterly, semi-annually or annually, based on the insurance company’s practices and your creditworthiness.

Note 14: Training Expenses. We provide initial training for up to three (3) people, including you, at no additional charge. These estimates include only your out-of-pocket costs associated with attending our initial training program (the “Initial Training Program”), including travel, lodging, meals and applicable wages. These amounts do not include any fees or expenses for training any other personnel. Your costs may vary depending on your selection of lodging and dining facilities and mode and distance of transportation. Our training program lasts for a minimum of five (5) days at our corporate headquarters or at another location we designate.

Note 15: Marketing Representative. You are required to employ a full-time marketing representative within 90 days of signing your Franchise Agreement. The marketing representative will promote the ARCHIVE® Business locally to increase brand awareness.

Note 16: Additional Funds. You will need capital to support ongoing expenses, such as payroll, rent payments if applicable, advertising and marketing fees, and software fees if these costs are not covered by sales revenue for your first three (3) months of operation. Our estimate does not include any sales revenue you may generate nor owner's compensation. New businesses often generate a negative cash flow. We estimate that the amount given will be sufficient to cover ongoing expenses for the start-up phase of the business, which we calculate to be approximately three (3) months. This is only an estimate and there is no guarantee that additional working capital will not be necessary during this start-up phase or after.

Note 17: Total. We relied upon our experience in operating a similar ARCHIVE® Business in California when preparing these figures. Your actual costs may vary greatly and will depend on factors such as your marketing and management skills, experience and business acumen; local economic conditions; the local market for the services; the prevailing wage rate; competition; and the sales level reached during the start-up phase. These amounts do not include any estimates for debt service. The costs outlined in this Item 7 are not intended to be a forecast of the actual cost to you or to any particular franchisee.

## **B. Development Agreement (3-Pack)**

### **YOUR ESTIMATED INITIAL INVESTMENT<sup>1</sup>**

<b>Type of Expenditure</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment Is to be Made</b>
Initial Portion of Development Fee <sup>2</sup>	\$90,000	Lump Sum	Upon execution of Development Agreement	Franchisor
Initial Investment to Open Initial ARCHIVE® Business <sup>3</sup>	\$23,650 to \$150,850	See Chart A of this Item 7.		
<b>TOTALS</b>	<b>\$113,650 to \$240,850</b>	This is the total estimated initial investment to enter into a Development Agreement for the right to own a total of three (3) ARCHIVE® Businesses, as well as the costs to open and commence operating your initial ARCHIVE® Business for the first three (3) months (as described more fully in Chart A of this Item 7).		

### **Explanatory Notes**

Note 1: *General Note.* All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. This Chart details the estimated initial investment associated with executing a Development Agreement for the right to own and operate three (3) ARCHIVE® Businesses, as well as the initial investment to open your first ARCHIVE® Business under your Development Schedule.

Note 2: *Development Fee.* The Development Fee is described in greater detail in Item 5 of this Franchise Disclosure Document. Upon signing the Area Development Agreement, you must pay us \$50,000 to cover the entire portion of the Development Fee applicable to your first ARCHIVE® Business. You will also pay



us \$20,000 for each additional ARCHIVE® Business that you are required to open under the Area Development Agreement at this time, to cover half of the Development Fee applicable to each respective ARCHIVE® Business. You must pay us the \$20,000 due for each additional ARCHIVE® Business when you sign the Franchise Agreement for that ARCHIVE® Business. You will not be required to pay any additional “initial franchise fee” for ARCHIVE® Business opening pursuant to the Area Development Agreement.

Note 3: *Initial Investment to Open Initial ARCHIVE® Business.* This figure represents the total estimated initial investment required to open the initial ARCHIVE® Business you agreed to open and operate under the Development Agreement. You will be required to enter into our then-current form of Franchise Agreement for the initial ARCHIVE® Business you open under your Development Agreement, most likely once you have found an Approved Location for the business that we approve. The range includes all the items outlined in Chart 7.A. of this Item, except for the Initial Franchise Fee. It does not include any of the costs you will incur in opening any Additional ARCHIVE® Business(es) that you are granted the right to open and operate under your Development Agreement.

## **ITEM 8**

### **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

You must operate your ARCHIVE® Business in strict conformance with our methods, standards, and specifications which we prescribe in our confidential operations and training manual and various other confidential manuals and writings prepared by us for use by you in operating an ARCHIVE® Business (collectively the “Manuals”), and which we may change and modify in our sole discretion. The Manuals shall remain confidential and our exclusive property. You shall not disclose, duplicate or make any unauthorized use of any portion of the Manuals. The provisions of the Manuals constitute provisions of the Franchise Agreement as if they were fully written in the Franchise Agreement. You shall ensure that your copies of the Manuals are current and up to date. If there is a dispute relating to the contents of the Manuals, the master copies, which we maintain at our corporate headquarters, will control.

#### **Approved Products and Services and Approved Suppliers**

You must offer products and services in the manner we prescribe, and otherwise operate the ARCHIVE® Business in such a manner which will serve to emulate and enhance the image intended by us for the System. You may only offer Approved Products and Services from your ARCHIVE® Business. We will provide you with a list of the Approved Products and Services. All Approved Products and Services must meet our standards and specifications. We have the right to require you to purchase certain items, including but not limited to the Required Software that we designate, signage, and other equipment/inventory, from us or other suppliers or distributors approved or designated by us (“Approved Suppliers”) to: (i) better assure the quality of the Approved Products and Services; (ii) assure the supply of the Approved Products and Services; and/or (iii) enable us, in our sole discretion to take advantage of marketplace efficiencies. You will not receive any material benefit from purchasing from approved or designated suppliers.

As of the Issue Date of this Disclosure Document, we are the Approved Supplier for the customer relationship management system and the business management software, both of which you are required to pay for and use. Otherwise, none of our officers own an interest in any of our Approved Suppliers as of the Issue Date of this Disclosure Document. We reserve the right to designate ourselves or an affiliate of ours (if and when established) as an Approved Supplier with respect to any item you must purchase in connection with your ARCHIVE® Business in the future, including for the services we provide as part of any

## Technology Fee we charge in the future

We may develop proprietary products for use in your ARCHIVE<sup>®</sup> Business, including private-label products that bear the Proprietary Marks, and we may require you to purchase these items from us or our affiliate(s).

We will provide you with a list of our Approved Suppliers in writing as part of the Manuals or otherwise in writing, and we may update or modify this list as we deem appropriate. As of the Issue Date, we have Approved Suppliers for the following items: (i) shipping and moving supplies; (ii) chemicals used in the restoration process; (iii) vehicle graphics/wraps; (iv) uniforms; (v) certain software that we require you to use including accounting software, inventory management software, bar code label software, claim estimation software, and invoice software; (vi) credit card processing system; and (vii) telephone system.

You must offer products and services in the manner we prescribe, provide quality customer service, and otherwise operate your ARCHIVE<sup>®</sup> Business in a manner which will enhance the image intended by us for the System. We formulate and modify our standards and specifications for products and services based upon the collective experience of us and our franchisees. Our standards and specifications are described in the Franchise Agreement, the Manuals, and other written documents. We have the right, under the Franchise Agreement, to change the standards and specifications applicable to the operation of the ARCHIVE<sup>®</sup> Business, including standards and specifications for services, products, signs, furnishings, supplies, fixtures and equipment by written notice to you or through changes in the Manuals. You may incur an increased cost to comply with these changes, which you must pay at your own expense; however, no change will materially alter your fundamental rights under the Franchise Agreement.

## Required Purchases and Right to Derive Revenue

The products or services we require you to purchase or lease from us or an Approved Supplier, or purchase or lease in accordance with our standards and specifications, are referred to collectively as your “Required Purchases.” We estimate that your required purchases and leases will account for approximately 75% to 85% of all purchases and leases necessary to open your ARCHIVE<sup>®</sup> Business, and approximately 75% to 85% of all purchases and leases necessary to operate your ARCHIVE<sup>®</sup> Business. Please be advised that these percentages do not include your lease payments you make in connection with your Approved Location.

We reserve the right to derive revenue from your required purchases. During our last fiscal year, we did not derive any revenue from required franchisee purchases.

## Purchasing Cooperatives and Right to Receive Compensation

We and/or our affiliates (if and when formed) may receive payments or other compensation from Approved Suppliers or any other suppliers on account of these suppliers’ dealings with us, you, or other ARCHIVE<sup>®</sup> Businesses in the System, such as rebates, commissions or other forms of compensation. We may use any amounts that we receive from suppliers for any purpose that we deem appropriate. We and/or our affiliates may also negotiate supply contracts with our suppliers under which we are able to purchase products, equipment, supplies, services and other items at a price that will benefit us and our franchisees.

There are currently no purchasing or distribution cooperatives in existence for the System.

## Supplier Testing and Approval

In the event you wish to purchase any unapproved item, including equipment and inventory, and/or acquire approved items from an unapproved supplier, you must provide us with the name, address and telephone number of the proposed supplier, a description of the item you wish to purchase, and the purchase price of the item, if known. At our request, you must provide us, for testing purposes, a sample of the item you wish to purchase. We will attempt to notify you of our approval or disapproval within sixty (60) days of receiving all necessary information concerning the proposed item or supplier. If we incur any costs in connection with testing a particular product or evaluating an unapproved supplier at your request, you or the supplier must reimburse us for our reasonable testing costs, regardless of whether we subsequently approve the item or supplier.

We are not required to approve any particular supplier. We may base our approval of any proposed item or supplier on considerations relating not only directly to the item or supplier itself, but also indirectly to the uniformity, efficiency, price, production capacity, quality assurance systems, reputation, and quality of operation, and other factors we feel are appropriate. We are not required to approve an unreasonable number of suppliers for a given item, which approval might, in our reasonable judgment, result in higher costs or prevent the effective or economical supervision of approved suppliers. We may revoke our approval of particular products or suppliers when we determine, in our sole discretion, that such products or suppliers no longer meet our standards. Upon receipt of written notice of such revocation, you must cease purchasing products from such supplier. You must use products from approved suppliers solely in connection with the operation of your ARCHIVE® Business and not for any competitive business purpose.

#### Advertising

We must approve all advertising before first publication or use.

#### Approved Location and Lease

You must obtain our approval of the Approved Location for your ARCHIVE® Business before you acquire the site. You must also obtain our approval of any contract of sale or lease for the Approved Location before you execute the contract or lease, and we may condition our approval of any such lease on you and your landlord's execution of our prescribed form of Collateral Assignment of Lease (attached as an Exhibit to our current form of Franchise Agreement). You must also ensure that you comply with all of our System standards and specifications related to the build-out, remodeling and/or construction of your ARCHIVE® Business at the Approved Location.

We may have an Approved Supplier for site selection that we recommend to you. As of the Issuance Date, however, we do not have an Approved Supplier that we require you to use for site selection (but reserve the right to do so).

#### Approved Vehicle(s)

You must purchase or lease one or more new or used trucks to use with your ARCHIVE® Business that meets our standards and specifications, as set forth in the Manuals (each, defined as an "Approved Vehicle").

You must agree to repair, refinish, repaint, replace, and/or otherwise maintain the Approved Vehicle(s) at your sole expense and at such times as we may reasonably direct. You must also agree that we have the right to direct you to repair, refinish, repaint, replace, and/or otherwise maintain the Approved Vehicle(s) in the manner necessary to bring it into conformance with other ARCHIVE® Businesses that are opening at the time of such direction.

## Insurance

You must purchase and maintain the types and amounts of insurance that we designate in our Manuals or otherwise in writing, which we may modify from time to time as we deem appropriate in our reasonable discretion. We may designate an Approved Supplier for all or certain insurance coverages you must acquire and maintain in connection with your ARCHIVE® Business operations and ownership, and you must always furnish us with certificates of insurance (or, at our request, copies of all insurance policies), evidencing the existence and continuation of the insurance coverage required in the Franchise Agreement, which we may update and modify via the Manuals or otherwise. All policies must contain a waiver of subrogation in our favor, and must name us and any additional parties we designate as additional insureds (except with regards to workers' compensation insurance).

Our current requirements are as follows: (i) commercial general liability insurance containing products and completed product protection of \$2,000,000 in the aggregate, personal and advertising injury protection of \$1,000,000 and \$1,000,000 per occurrence limit; (ii) bailee's legal liability and/or bailee's property coverage of \$1,000,000; (iii) property insurance for 100% of replacement value of facility and contents; (iv) automobile liability insurance of \$1,000,000 combined single limit per occurrence; (v) worker's compensation insurance as required by law; and (vi) any other insurance that we may specify in the Manuals or otherwise in writing from time to time.

## Computer Hardware and Software

Presently, we may require you to purchase certain required hardware and software from our designated suppliers, which may include, but is not limited to: our proprietary software program; specified accounting software; inventory management software; bar code label software; claim estimation software; invoice software; computer; mobile phone; and a wireless router. Our present computer hardware and software requirements are further detailed in Item 11 of this Disclosure Document, and are also discussed in detail in our Manuals.

## **ITEM 9** **FRANCHISEE'S OBLIGATIONS**

**The table on the following pages lists your principal obligations under the Franchise Agreement. It will help you find more detailed information about your obligations in this agreement and in other items of this disclosure document.**

<b>Obligation</b>	<b>Section in Franchise Agreement</b>	<b>Disclosure Document Item</b>
a. Site selection and acquisition/lease	1.3 and 7.1	Items 7, 11 and 12
b. Pre-opening purchases/ leases	1.3 and 7.1	Items 7 and 8
c. Site development and other pre-	1.3, 7.1, 7.2, 7.3, 7.4 and	Items 6, 7, 8 and 11

<b>Obligation</b>	<b>Section in Franchise Agreement</b>	<b>Disclosure Document Item</b>
opening requirements	7.5	
d. Initial and ongoing training	6.5, 6.6, 7.3 and 8	Item 11
e. Opening	7.5	Item 11
f. Fees	3, 12.4, 12.5, and 22.8	Items 5 and 6
g. Compliance with standards and policies/ operations manual	3.5, 6.1, and 7	Items 8 and 11
h. Trademarks and proprietary information	4, 5 and 7.17	Items 13 and 14
i. Restrictions on products/services offered	7.7 and 7.8	Items 8, 12 and 16
j. Warranty and customer service requirements	7.8.6, 7.18 and 7.20	Item 15
k. Territorial development and sales quotas	3.5	Items 12 and 17
l. Ongoing product/ service purchases	7.6	Items 8 and 11
m. Maintenance, appearance and remodeling requirements	7.8.4	Items 6, 8 and 11
n. Insurance	9	Items 6 and 8
o. Advertising	12	Items 6 and 11

<b>Obligation</b>	<b>Section in Franchise Agreement</b>	<b>Disclosure Document Item</b>
p. Indemnification	13.2	Item 6
q. Owners' participation/management/staffing	7.8 and 7.13	Items 11 and 15
r. Records and reports	3.3, 10 and 11	Item 6
s. Inspections and audits	11 and 16.1.9	Items 6 and 11
t. Transfer	14	Item 17
u. Renewal	2.2	Item 17
v. Post-term obligations	16 and 17.2	Item 17
w. Noncompetition covenants	17	Item 17
x. Dispute resolution	18	Item 17

## **ITEM 10** **FINANCING**

We do not offer direct or indirect financing. We will not guarantee your note, lease or other obligation.

## **ITEM 11** **FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING**

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

### **A. Pre-Opening Obligations**

Before you open your ARCHIVE® Business, we will do the following:

1. We will provide site selection guidelines and assistance (as described more fully below in this Item 11), as we deem appropriate in our discretion, in connection with selecting the Approved Location for ARCHIVE® Business. We will also review, and subsequently approve/reject, any proposed lease or purchase agreement for each location that you propose as an Approved Location for the ARCHIVE® Business. (Franchise Agreement, Sections 6.2 and 7.1);

2. Once you secure an Approved Location that we approve for your ARCHIVE® Business, we will define your Territory and include its boundaries in a Data Sheet attached as Exhibit A to your Franchise Agreement. (Franchise Agreement, Section 1.5) and/or attach a map of the Territory to your Franchise Agreement;

3. We will provide you with standards and specifications for the trucks you must purchase and use as one or more Approved Vehicle(s) in connection with your ARCHIVE® Business. (Section 7.2 of the Franchise Agreement);

4. We will provide you with access to, or otherwise loan you, one (1) copy of our confidential Manuals. You must operate your ARCHIVE® Business in accordance with the Manuals and all applicable laws and regulations. The Manuals may be amended or modified by us to reflect changes in the System. You must keep the Manuals confidential and current, and you may not copy any part of the Manuals. You are required to keep a copy of the Manuals at your Approved Location, and if there is a dispute relating to the contents of the Manuals, then the master copies (which we maintain at our corporate headquarters) will control. We reserve the right to disclose updates to the Manuals in writing in any manner, including electronic means such as e-mail, our website and any intranet or extranet that we establish in connection with the System. The table of contents for our Manuals as of the Issue Date of this Disclosure Document is attached to this Disclosure Document as Exhibit B, and is a total of approximately 246 pages. Please note, however, that all or part of the Manuals may be provided and updated online via a System website or other portal that our System franchisees must ensure they regularly access to ensure they are receiving all such updates. You will be solely responsible for ensuring compliance with these “online” portions of the Manuals as well. (Franchise Agreement, Section 6.1);

5. We will provide you with a list of our Required Purchases and Approved Suppliers (to the extent we have designated them), either as part of the Manuals or otherwise in writing. (Franchise Agreement, Section 6.3);

6. We will review and approve your signage, the proposed layout and design of your Approved Location – whether prepared by a contractor we approve or our Approved Supplier (if and when we designate one) – as well the equipment, furniture and fixtures used in connection with your ARCHIVE® Business, as we deem appropriate and advisable in our discretion. (Franchise Agreement, Section 12);

7. We will, to the extent we deem necessary, provide specifications for equipment, inventory, goods and supplies necessary for the start-up of the ARCHIVE® Business. (Section 6.3 of the Franchise Agreement). You must purchase any proprietary products and services we may in the future designate directly from us or our approved and designated vendors. We may, at our sole discretion, provide you with assistance in establishing prices;

8. We will provide our tuition-free Initial Training Program for up to three (3) people, including you. (Section 8.1 of the Franchise Agreement). More information about our Initial Training Program is provided below; and

9. We will obtain a database of leads in your Territory and pre-load them into software used in connection with your Franchised Business for a single direct mail post card announcement.

## **B. Site Selection**

### *Site Selection Area*

As previously discussed in Item 1 of this Disclosure Document, we will typically designate a Site Selection Area wherein you must locate your new ARCHIVE® Business at the time you enter into a Franchise Agreement with us, unless you have already secured an Approved Location at that time.

### *Site Selection Assistance and Conditions to Approval Generally*

We may periodically provide direct site selection assistance as we deem appropriate in our discretion, but it is your obligation to locate, submit for our approval, and secure (once approved) a site that is suitable for the ARCHIVE® Business. Failure to do so in a timely manner may result in you failing to open within the time required under your Franchise Agreement.

You must secure a site for the ARCHIVE® Business so that you have enough time to construct, build-out, open and commence operations within one hundred and twenty (120) days of the date you sign your Franchise Agreement.

We must approve your proposed site (consistent with the priority and procedure disclosures set forth above in this Item) before you take steps to secure it. There is no contractual limit on the time it takes us to approve or disapprove your proposed site or lease. In deciding whether to approve or disapprove your proposed site, we will take various factors into account, including location and condition of the proposed location, demographics, geography, size, surrounding area, and Lease requirements. You may not move forward with a site that we have not approved or have disapproved. (Franchise Agreement, Sections 6.2). We always have the right to reject a proposed site if it is located within a Territory granted to another franchisee or other area wherein we have granted territorial rights.

We must also have the opportunity to review any Lease or purchase agreement for a proposed site before you enter into such an agreement, and we may condition our approval on a number of conditions, including: (i) an agreement by you and the landlord of the Approved Location to enter into our prescribed form of Collateral Assignment of Lease; and (ii) receiving a written representation from the landlord of the Approved Location that you will have the right to operate the ARCHIVE® Business, including offering and selling the Approved Products and Services, throughout the term of your Franchise Agreement. Under the Collateral Assignment of Lease, we will have the option, but not the obligation, to assume or renew the Lease for the Approved Location for all or part of the remaining term of the Lease if you are in material default of your Franchise Agreement and/or Lease and fail to timely cure that default (if such cure is available). (Exhibit E to Franchise Agreement).

We will use reasonable efforts to approve or reject any proposed location within thirty (30) days of the date you provide us with all requested materials. If we determine that an on-site evaluation is necessary, then you must submit to us in the form we specify a description of the site prior to our representative conducting its on-site evaluation, including evidence that the site satisfies our site selection guidelines and any other information and materials that we may reasonably require, including a letter of intent or other evidence that confirms your favorable prospects for obtaining the site.

If we do not provide our specific approval of a proposed location within this thirty (30) day period, the proposed location will be deemed rejected. Our approval only means that the site meets our minimum requirements for an ARCHIVE® Business. (Franchise Agreement, Section 6.2). Your failure to secure an Approved Location within the prescribed deadline described above will be grounds for termination of your



Franchise Agreement. (Franchise Agreement, Sections 6(A) and 15(B)).

**C. Time to Open**

*Single Unit*

We estimate that it will take between sixty (60) and one hundred and twenty (120) days from the signing of the Franchise Agreement to commence operations of your ARCHIVE® Business. The actual length of this period will depend upon factors such as your ability to establish an Approved Location and complete the Initial Training Program. Under the Franchise Agreement, you must open your ARCHIVE® Business no later than one hundred and twenty (120) days after we sign the Franchise Agreement. If the ARCHIVE® Business has not been opened within that time, we may, at our sole discretion, elect to terminate your Franchise Agreement, though we reserve the right to grant you an extension upon your reasonable request. (Sections 7.2 and 15.3.5 of the Franchise Agreement).

*Development Agreement*

If you have entered into a Development Agreement to open and operate multiple ARCHIVE® Businesses, your Development Agreement will include a Development Schedule containing a deadline by which you must have each of your Businesses open and operating. Your Development Schedule may depend on the number of ARCHIVE® Businesses you are granted the right to open and operate. (Development Agreement, Section 4(B) and 4(C)).

If you fail to open any ARCHIVE® Business within the appropriate time period outlined in the Development Agreement, we may terminate your Development Agreement. You will not have any further development rights within the Development Area upon termination of your Development Agreement, except to continue operating the ARCHIVE® Business(es) that were already open and operating as of the termination date. We must approve of the Approved Location you choose for each ARCHIVE® Business you are required to open under the Development Agreement.

**D. Initial Training Program**

**TRAINING PROGRAM**

<b>SUBJECT</b>	<b>HOURS OF CLASSROOM TRAINING</b>	<b>HOURS OF ON-THE-JOB TRAINING</b>	<b>LOCATION</b>
The ARCHIVE Contents System	2	0	Santa Ana, CA
Understanding the Insurance Industry	4	0	Santa Ana, CA
Proprietary Software Training	6	0	Santa Ana, CA
Administrative Operations	8	0	Santa Ana, CA
Sales Process	4	0	Santa Ana, CA
First Responders	2	2	Santa Ana, CA or

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
			other location that we specify
Job Site Management	4	4	Santa Ana, CA or other location that we specify
Production Workflows	4	4	Santa Ana, CA or other location that we specify
Production/Warehousing	4	6	Santa Ana, CA or other location that we specify
Testing and Certification	2	0	Santa Ana, CA or other location that we specify
<b>TOTAL</b>	40	16	

We will provide the Initial Training Program at no cost to up to three (3) people, including you. You must attend (if you are a partnership, corporation or limited liability company, your general partner, principal shareholder, or member/manager, as appropriate, must attend) and complete to our satisfaction, our tuition-free Initial Training Program. If you have a Designated Manager(s), (as defined in Item 15 and as described in Section 7.6.5 of the Franchise Agreement), then he/she/they must also attend the Initial Training Program. If you and any additional people you select to attend do not attend at the same time, we reserve the right to charge our then-current Initial Training Fee for the trainee that does not attend the first training session, which is currently \$250 per trainee per day. Also, you are permitted to bring additional personnel to the Initial Training Program, subject to our team's availability, if you pay our then-current Initial Training Fee. The Initial Training Program lasts a minimum of five (5) days. All training will be held at our designated training facility in Santa Ana, California or another location we determine. All training related expenses, including your and your personnel's transportation to and from the training site, as well as their lodging, meals, and wages during training, are your sole responsibility. You must attend and complete our Initial Training Program to our satisfaction no later than forty-five (45) days prior to commencing operations of the ARCHIVE® Business.

Should you (and, if you have one, your Designated Manager) fail to complete the Initial Training Program to our satisfaction, at our option, the respective person may repeat the course, or in the case of a Designated Manager, you may designate a replacement Designated Manager and send such individual to the next available Initial Training Program. We may charge our then-current Initial Training Fee for a replacement Designated Manager to attend an Initial Training Program. Failure by you to complete the Initial Training Program to our satisfaction triggers our right to terminate the Franchise Agreement.

The Initial Training Program is conducted under the direction of Justin Kitamura. Justin has worked with our brand for over 5 years and has over 7 years of experience in the topics of instruction.

In addition to the Initial Training Program that takes place at our training center, we will send one or more training personnel to the location of your ARCHIVE® Business for up to two (2) days of on-site assistance at or around the time you obtain your first job for the ARCHIVE® Business. You do not have to pay any additional fee in connection with this training, but you and your Designated Manager must ensure that all appropriate staff and personnel that will be operating the ARCHIVE® Business participate in any on-site assistance we provide.

Your other employees may be trained by you, or at your request, and subject to the availability of our training staff, we will train your additional personnel for our then-current Tuition Fee. You are responsible for all expenses, including transportation to and from the training site, as well as lodging, meals, and wages during training, incurred in training your additional personnel. All training materials provided to you by us shall at all times remain our property and Confidential Information (as defined in Item 14), and you must agree not to challenge our or our affiliates' title or rights in or to the training materials. You may not make any disclosure, duplication or other unauthorized use of any portion of the training materials. (Section 8.2 of the Franchise Agreement).

#### **E. Obligations After Opening**

1. We will provide you continuing consultation and advice, to the extent we deem necessary and appropriate in our sole discretion, regarding the management and operation of the ARCHIVE® Business. We will provide this assistance, in our discretion, by telephone, facsimile, intranet communication and on-site visits. If you require and request additional on-site assistance from us, subject to the availability of our personnel, we will provide you with this assistance at our then-current rate for providing ongoing assistance, plus expenses, including our travel and lodging expenses. (Section 6.5 of the Franchise Agreement).

2. To the extent we deem necessary, we will provide specifications for and designate sources of supply from which you agree to purchase equipment, inventory, goods and supplies necessary for the ongoing operations of your ARCHIVE® Business. (Section 6.3 of the Franchise Agreement).

3. We have the right, but not the obligation, to establish and maintain a toll-free telephone number for the purpose of improving customer service, and conducting customer follow-up and satisfaction surveys. If we establish a toll-free number, you must comply with our procedures for implementing the nationwide service as we specify in the Manuals or otherwise in writing, and you may be required to pay a fee related to the establishment, operation and maintenance of the toll-free telephone number. (Section 6.7 of the Franchise Agreement).

4. We may, in our discretion, hold an Annual Conference at a location to be selected by us. We will determine the topics and agenda for this conference to serve the purpose, among other things, of updating franchisees on new developments affecting franchisees, exchanging information between franchisees and our personnel regarding ARCHIVE® Business operations and programs, and recognizing franchisees for their achievements. We may require you to attend the Annual Conference and pay our then-current registration fee, which is currently \$1,000 for two (2) attendees. All expenses, including your and your employees' transportation to and from the Annual Conference, and lodging, meals, and salaries during the Annual Conference, are your sole responsibility. We may use expenditures from the Fund for purposes related to the Annual Conference, including costs related to production, programs, and materials. (Section 6.8 of the Franchise Agreement).

5. We will continue to develop and modify our System, and may designate additional products and services to be offered by you in operating your ARCHIVE® Business. You must sell all proprietary products

and services we designate for use in connection with the System at your ARCHIVE® Business. (Section 7.7 of the Franchise Agreement).

6. We may, in our sole discretion, hold refresher and ongoing training courses, training courses upon a significant change to the System, or training courses to assist you in the operation of your ARCHIVE® Business. Up to ten (10) days per year, we may require you and your Designated Manager(s) and/or employees, to attend such training at our then-current Tuition Fee for providing such training. All expenses, including your and your Designated Manager(s)', and/or employee(s)' transportation, meal, and lodging expenses to attend such training will be your sole responsibility. (Section 6.6 of the Franchise Agreement).

7. We will approve or deny any advertising/marketing materials you wish to use in connection with your ARCHIVE® Business as described more fully below in this Item 11 under the heading "Advertising and Marketing." (Franchise Agreement, Section 12);

8. We will approve or disapprove your requests to: (i) purchase and/or offer non-approved products or services in connection with the ARCHIVE® Business; and (ii) make Required Purchases from suppliers other than our then-current Approved Suppliers. (Franchise Agreement, Section 6.3);

9. We may administer and maintain a Fund to promote the Proprietary Marks, System and brand generally, as we deem necessary in our sole discretion. (Franchise Agreement, Section 12.4);

10. We maintain a shared drive, website portal and other online access points that will be accessible by franchisees, which may be used for purposes of (a) providing updates, supplements and supplemental information to the Manuals, (b) providing webinars and other training, including portions of our Initial Training Program, (c) providing advertising templates or other marketing/promotional materials, as well as information related thereto, and (d) otherwise communicate with our franchisees regarding the brand, System and/or specific operational/promotional aspects of an ARCHIVE® Business (Franchise Agreement, Section 12.3);

11. We may conduct, as we deem advisable in our sole discretion, inspections of the Approved Location and audits of the ARCHIVE® Business and your operations generally to ensure compliance with our System standards and specifications. We may also prepare written reports outlining any recommended or required changes or improvements in the operation of your ARCHIVE® Business, as we deem appropriate in our sole discretion, and detail any deficiencies that become evident as a result of any inspection or audit. (Franchise Agreement, Sections 7.9 and 11);

### Advertising

All advertising and promotion that you use in connection with your ARCHIVE® Business must be approved by us and conform to the standards and requirements that we specify. We may make available to you from time to time, at your expense, certain promotional materials, including brochures, sell sheets and similar advertising and promotional materials. You must also participate in certain promotions, trade events and advertising programs that we establish as part of the System, provided these activities do not contravene regulations and laws of appropriate governmental authorities. (Franchise Agreement, Section 12).

If you wish to use any advertising or promotional materials other than those that we have previously approved or designated within the preceding twelve (12) months, then you must submit the materials you wish to use to us for our prior written approval at least fifteen (15) days prior to publication. We will use commercially reasonable efforts to notify you of our approval or disapproval of your proposed materials within ten (10) days of the date we receive the materials from you. If you do not receive our written approval

during that time period, however, the proposed materials are deemed disapproved and you may not use such materials. Once approved, you may use the proposed materials for a period of ninety (90) days, unless we: (i) prescribe a different time period for use; or (ii) require you to discontinue using the previously-approved materials in writing. We may require you to discontinue the use of any advertising or marketing material, including materials we previously approved, at any time. (Franchise Agreement, Section 12.1). Except as otherwise provided in this Item, we are not required to spend any amount on advertising in your Territory.

### *National Brand Fund*

We have established a National Brand Fund (the “Fund”) for advertising and brand marketing purposes. (Section 12.4 of the Franchise Agreement). We require you to participate in and contribute weekly to the Fund for your ARCHIVE® Business, in an amount of one percent (1%) of your Gross Sales, which we may increase to two (2%) upon notice. We have the right to use contributions to the Fund, in our sole discretion, to develop, produce, and distribute national, regional and/or local advertising and promotions and to create advertising materials and public relations materials which promote, in our sole judgment, the services offered by the System. (Section 12.4.1 of the Franchise Agreement). We may use contributions to the Fund to satisfy any and all costs of maintaining, administering, directing, preparing, and producing advertising, social media, public relations, including the cost of preparing and producing television, radio, magazine and newspaper advertising campaigns, the cost of direct mail and outdoor billboard advertising; the cost of public relations activities, social media activities and advertising agencies; the cost of developing and maintaining an Internet website and social media pages; and personnel and other departmental costs for advertising that we internally administer or prepare. We will not borrow money from the Fund or use the Fund to cover any costs not associated with Fund activities. We will account for the Fund separately from our other activities. Not all System franchisees will benefit directly or on a pro rata basis from the Fund’s expenditures. (Section 12.4.1 of the Franchise Agreement). While we do not anticipate that any part of the Fund will be used for advertising or public relations that are principally a solicitation for the sale of additional franchises, we reserve the right to include a notation in any advertisement indicating “Franchises Available.” (Section 12.4.1 of the Franchise Agreement).

Advertising materials will be prepared by us and by outside sources. There is no requirement that the Fund be audited. We will prepare on an annual basis, and will have available to you within ninety (90) days of the end of the fiscal year, a statement of contributions and expenditures for the Fund, which will be provided to you upon your written request. (Section 12 of Franchise Agreement). We did not collect or expend any National Brand Fund Contributions in our past fiscal year ending December 31, 2023.

Our corporate ARCHIVE® Businesses and any future company/affiliate-owned outlets may, but are not obligated to, contribute to the Fund in the same manner that each franchised ARCHIVE® Business is required to contribute. We have the right to require that an Advertising Cooperative and/or franchisee advisory council be formed, changed, dissolved or merged. (Section 12.4 of the Franchise Agreement).

### *Local Marketing Requirement*

We reserve the right to require that each month, you spend a minimum of one percent (1%) of Gross Sales on local advertising and promotions as we prescribe in the Manuals or otherwise in writing, which may include, without limitation, requirements for attending and sponsoring industry marketing events (“Local Marketing Requirement”). We reserve the right to increase the minimum amount to two percent (2%) of Gross Sales. You acknowledge and agree that if in effect, your Local Marketing Requirement must be expended regardless of the amount(s) spent by other System franchisees on local advertising and promotions. (Section 12.7 of the Franchise Agreement). You must submit to us, within 5 days of attending an event your Local Marketing Requirement log. (Section 12.6 of the Franchise Agreement).

### *Regional Advertising Cooperative*

There are currently no regional Advertising Cooperatives in existence for the System. However, we have the right, in our discretion, to designate any geographical area for purposes of establishing a regional Advertising Cooperative, and to determine whether an Advertising Cooperative is applicable to the ARCHIVE® Business. If an Advertising Cooperative applicable to the ARCHIVE® Business exists at the time you begin operating under the Franchise Agreement, you must immediately become a member of this Advertising Cooperative. If an Advertising Cooperative applicable to the ARCHIVE® Business is established at any later time during the term of the Franchise Agreement, you must become a member of this Advertising Cooperative no later than thirty (30) days after the date on which the Advertising Cooperative begins operation. If your ARCHIVE® Business is within the Territory of more than one Advertising Cooperative, you must be a member of only one of these Cooperatives. (Section 12.5 of the Franchise Agreement).

Each Advertising Cooperative will be organized and governed in a form and manner, and will commence operation on a date, approved in advance by us. (Section 12.5.1 of the Franchise Agreement). Each Advertising Cooperative will be organized for the exclusive purpose of administering regional advertising programs and standardizing advertising materials for use by the members in local advertising and promotions. (Section 12.5.2 of the Franchise Agreement). No promotional or advertising plans or materials may be used by an Advertising Cooperative or furnished to its members without our prior approval. All plans and materials must be submitted to us in accordance with the procedure set forth in Section 12.1 of the Franchise Agreement. (Section 12.5.3 of the Franchise Agreement). All activities and contributions to the Advertising Cooperative shall be determined by a majority vote of the member franchisees in the Advertising Cooperative, subject to our approval, which we will not unreasonably withhold. Such contributions may exceed the Local Marketing Requirement; provided, however, that you will receive credit for Advertising Cooperative contributions against the Local Marketing Requirement. (Sections 12.5.4 of the Franchise Agreement).

Each member franchisee must submit to the Advertising Cooperative, no later than the fifteenth (15<sup>th</sup>) of each month, for the preceding month, its respective contribution as provided in the Franchise Agreement together with other statements or reports as we may require or as may be required by the Advertising Cooperative with our approval. We reserve the right to require that this contribution be collected via EFT transfer. (Section 12.5.5 of the Franchise Agreement). No other annual or periodic financial statements need to be provided by the Advertising Cooperative other than those submitted by its member franchisees.

We may grant to any franchisee, in our sole discretion, an exemption for any length of time from the requirement of membership in an Advertising Cooperative, upon written request of the franchisee stating reasons supporting this exemption. Our decision concerning this request for exemption will be final. (Section 12.5.7 of the Franchise Agreement).

### Computer System

You must purchase and use any and all Required Software which we have developed or may develop and/or designate for use for the System, and you must also purchase such computer hardware as may be necessary for the efficient operation of the Required Software. We have the right to require you to update or upgrade computer hardware components and/or Required Software as we deem necessary from time to time. In addition, we have the right to require you to enter into a separate maintenance agreement for such computer hardware and/or Required Software. Although you must buy, use and maintain computer hardware and Required Software meeting our standards and specifications, you will have the sole and complete

responsibility for: (i) the acquisition, operation, maintenance and upgrading of the computer hardware and Required Software; and (ii) any and all consequences that may arise if the computer hardware and Required Software is not properly operated, maintained and upgraded. (Section 7.10 of the Franchise Agreement).

We have developed and custom-designed a software program related to the operation of your ARCHIVE® Business ("Proprietary Software Program"). You, at your own expense, must obtain the computer hardware required to implement the Proprietary Software Program into your ARCHIVE® Business, and you must comply with all specifications and standards prescribed by us regarding the Proprietary Software Program as provided from time to time in the Manuals or otherwise in writing. You shall only utilize the Proprietary Software Program as prescribed by us and the Proprietary Software Program will be considered to be a part of our Confidential Information. We shall have the unlimited right to independently access, and designate others to access, all data contained in the Proprietary Software Program, as well as any other software used by you in the operation of the ARCHIVE® Business, and you must take any and all actions specified by us to ensure that we have this access to the Proprietary Software Program and/or other software. (Section 7.10.1 of the Franchise Agreement).

You are required to participate in any System-wide area computer network, intranet system or extranet system that we implement, and you may be required by us to use such area computer network, intranet system or extranet system to, among other things: (i) submit your reports due under the Franchise Agreement to us online; (ii) view and print portions of the Manuals; (iii) download approved local advertising and promotions materials; (iv) communicate with us and other System franchisees; and (v) participate in online training. You must agree to use the facilities of any such area computer network, intranet system or extranet system in strict compliance with the standards, protocols, and restrictions that we include in the Manuals, including those related to the encryption of Confidential Information and prohibitions against the transmission of libelous, derogatory or defamatory statements. (Section 7.11 of the Franchise Agreement).

We currently require you to obtain and use a computer, mobile phone and a wireless router in connection with the operation of your ARCHIVE® Business. With the exception of a manufacturer's warranty, neither any third party nor we have a contractual right or obligation to provide on-going maintenance, repairs, upgrades or updates to your computer system. We also require you to use specified accounting software, inventory management software, bar code label software, claim estimation software, and invoice software for which you must pay the monthly software fees of approximately \$400 total per month payable directly to suppliers. We reserve the right to change the amount of these fees as changes are made to the System's hardware and software requirements.

We estimate that the cost of obtaining the required computer system will be roughly between \$400 and \$1,000 if you currently own none of the required hardware. You must keep your Computer System in good maintenance and repair and install such additions, changes, modifications, substitutions, and/or replacements to the Computer System or Required Software as we direct from time to time in writing. You may be required to enter into licenses and agreements with us or with designated or approved third party vendors for technical support, warranty service, or collateral software licenses. There are no contractual limitations on the frequency or cost of your obligation to upgrade or update the Computer System and Required Software.

You and your Designated Manager(s) must maintain ARCHIVE® email accounts, which will be provided to you and you must give us electronic access to information on your company computer and hosted by software providers. No contractual limitation exists on our right to access the information. We may require you to upgrade or update your computer hardware, Required Software and other office equipment. No contractual limitation exists on the frequency or cost of this obligation. We will have independent access

to any data which you collect electronically.

### Internet

You must have and maintain adequate hardware and software in order to access the Internet at the bit speed we require from time to time. We have established an Internet website that provides information about the System and the products and services offered by the ARCHIVE® System. We have sole discretion and control over the website (including timing, design, contents and continuation). We may, but are not obligated to, create interior pages on our website(s) that contain information about your ARCHIVE® Business and other ARCHIVE® Businesses. If we do create these pages, we may require you to prepare all or a portion of the page for your ARCHIVE® Business, at your expense, using a template that we provide. All such information will be subject to our approval prior to posting. (Sections 12.3 of the Franchise Agreement).

We will provide you with access to certain directory webpages (including Yelp and Google Places) and social media websites that we establish (which include Facebook, Twitter, and Instagram) in connection with your ARCHIVE® Business (“Permitted Webpages”). We must approve, in advance, any posts you make to your Permitted Webpages. You must submit any proposed post to us three (3) hours prior to publication or use. Our failure to approve or disapprove the materials within three (3) hours of receipt shall be deemed an approval. Your Permitted Webpages should only contain content relevant to our mission and must meet our standards and otherwise support our brand, image and methodologies. We reserve the right to demand that you remove any Permitted Webpages or posts on Permitted Webpages, to delete links on your Permitted Webpage(s) from our website, and/or to revoke your right to continue using such Permitted Webpage(s), if we determine in our sole discretion that the content of your blog is detrimental to our brand and image. (Section 12.3 of the Franchise Agreement).

Except for your Permitted Webpages, you must not establish or maintain a separate website, splash page, profile or other presence on the Internet, or otherwise advertise on the Internet or any other public computer network in connection with the ARCHIVE® brand, System, or ARCHIVE® Business. All additional websites for ARCHIVE® Businesses will be centrally managed from the corporate website to maintain consistency, consolidate views/likes/etc. and reduce the expense and time required by you to create and manage individual websites. (Section 12.3 of the Franchise Agreement).

We have the right to modify our policies regarding both our and your use of Internet websites as we deem necessary or appropriate for the best interests of the System. (Franchise Agreement, Section 12.3). You acknowledge that we and/or our affiliates are the lawful, rightful and sole owner of the Internet domain name [www.archivecontents.com](http://www.archivecontents.com), [www.archive.biz](http://www.archive.biz), as well as any other Internet domain names registered by us, and you unconditionally disclaim any ownership interest in such domain names and any colorably similar Internet domain names. You agree not to register any Internet domain name in any class or category that contains words used in or similar to any brand name owned by us or our affiliates or any abbreviation, acronym, phonetic variation or visual variation of those words (Franchise Agreement, Section 12.3).

## **ITEM 12** **TERRITORY**

### Franchise Agreement

Your ARCHIVE® Business is to be located at a location to be approved by us. Once we approve your location, an exclusive “Territory” will be granted to you. We will not establish or license another franchisee to establish an ARCHIVE® Business within your Territory, during the term of your Franchise



## Agreement.

Generally, each Territory is determined by number of households, as determined at the time you enter the Franchise Agreement using the most recent statistics and by metropolitan or statistical boundaries, street boundaries, zip codes or housing subdivisions or other criteria we choose. Household statistics may fluctuate over time. Generally speaking, your Territory will consist of size between two hundred and fifty thousand (250,000) households and one million (1,000,000) households. We are under no obligation to modify your Territory in the event that the population or demographics in your Territory changes over the Term of your Franchise Agreement.

Your Territory is protected only to the extent that no one may locate an ARCHIVE® Business utilizing the Proprietary Marks and System from a traditional location within the boundaries of your Territory. Except as otherwise provided in the Franchise Agreement and this Disclosure Document, for so long as you comply with the terms and conditions hereof, we will not establish and operate, nor license any party other than you to establish and operate, any ARCHIVE® Business under the System and the Proprietary Marks within the Territory.

You may apply in writing to us for the right to operate a satellite location ("Satellite Location"). A Satellite Location is another business location within your Territory which functions as part of the Franchised Business, operates under the same name as the Franchised Business and is supplied by the Franchised Business. Satellite Locations are extensions of your Franchised Business that typically serve as additional warehouse space. There is no fee for each Satellite Location you open, there will be no additional franchisee training needed, and there is no limit as to the number of Satellite Locations you can open within your Territory. All Gross Revenues generated from Satellite Locations will be part of your Franchised Business and subject to royalty payments and advertising allocations. You must own 100% of the business at any Satellite Location that we authorize you to operate. If you are a franchisee in good standing, you may request authorization to open a Satellite Location. Our response to a written request by you to approve the right to open a Satellite Location, which approval is in our sole discretion, will be made within thirty (30) days after we receive it. We will respond to your request by email or any other form of written communication.

If the other geographical areas are unassigned, we have the right to sell or assign them, or parts of them, at any time, without notice to you. You will not have the right of first refusal or option to buy the territory that was formally unassigned unless we agree.

For any default of the Franchise Agreement, as an alternative to termination, we may modify or completely eliminate any rights that you may have with respect to the Territory, effective 10 days after delivery of written notice to you. In addition, we may modify or eliminate completely, the Territory.

### Relocation of an ARCHIVE® Business

You may not relocate and/or operate your ARCHIVE® Business from any location other than the Approved Location without our prior written approval. Should you relocate without such permission, the new location will be treated as an entirely new franchise sale subject to new initial franchise fees as provided in the Franchise Agreement and to such other provisions as would apply to a new franchise sale. If your landlord terminates your right to possession of your Approved Location before the term of your Franchise Agreement expires, then you and we must determine a new location within sixty (60) days.

### Permitted and Restricted Sales and Advertising Activities

You are prohibited from soliciting and marketing in general to potential clients and/or accounts by any means outside of your respective Territory. You are prohibited from making a concerted effort to solicit and obtain clients and/or accounts through any type of advertisement or marketing, directed at all or a portion of another franchisee's Territory ("Target Marketing"). We will use commercially reasonable efforts to enforce this requirement regarding Target Marketing if you or any other franchisee violates it.

If we authorize you to sell products, you may sell products to anyone from anywhere so long as your sales do not result from any direct solicitation activities by you and the products you sell are being sold from your Business or Satellite Location within your defined Territory.

The Territory described above will affect where you and our other franchisees may provide services, sell product (if we authorize you to sell products in the future) and solicit business. We may grant you permission in writing or by email to perform services in other geographical areas outside your Territory (as further described below).

If you are asked to provide services for clients and/or accounts that are in another geographical area in which there is another franchisee or company-owned business, you must immediately refer the client to the ARCHIVE® business in that geographical area or directly to us. If the other franchisee or company-owned business determines it in the best interest of the client or the account for you to provide services, then you can service the client or the account. If there is not an ARCHIVE® franchise or company-owned business in the geographical area in which the client or account wants services then you must obtain our written permission to service the client or account and if granted permission you must be prepared to refer the client or the account to another franchisee when the unassigned area is purchased. We shall approve or deny your request, which approval is in our sole discretion, within three (3) business days of receipt of your written request by email or any other form of written communication.

We and other franchisees must refer clients and/or accounts that live within your Territory to you and also reserve the same right to provide services to clients or to accounts who may live within your defined Territory if it is determined to be in the client's or the account's best interest. If during the time of the Franchise Agreement, you are unable to promptly and properly serve any of your clients and/or accounts due to excessive work or other cause you must refer that client or account to another franchisee in the System or to us, even if such client or account is in your protected Territory. If you fail to refer clients and/or accounts as set forth herein, we will have the right to terminate the Franchise Agreement.

We encourage all ARCHIVE® businesses, when owned by different individuals, to work out a referral relationship and an advertising strategy if they are within close proximity of each other (defined as being within a ten-mile radius of each other). We must be notified in writing or by email of all such arrangements. In the event of any conflict between any ARCHIVE® franchisees, we encourage the franchisees to resolve such conflict within the terms of the Franchise Agreement, and we will mediate any such conflicts.

### Development Agreement: Development Area

If you are granted the right to open multiple ARCHIVE® Businesses under our form of Development Agreement, then we will provide you with a Development Area upon execution of this agreement. The size of your Development Area will substantially vary from other System developers based on: (i) the number of ARCHIVE® Businesses we grant you the right to open and operate; and (ii) the location and demographics of the general area where we mutually agree you will be opening these locations. The boundaries of your Development Area may be described in terms of zip codes, streets, landmarks (both

natural and man-made) or county lines, or otherwise delineated on a map attached to the Data Sheet.

Each ARCHIVE® Business you timely open and commence operating under our then-current form of Franchise Agreement will be operated: (i) from a distinct Approved Location located within the Development Area; and (ii) within its own Designated Territory that we will define once the Approved Location for that ARCHIVE® Business has been approved.

We will not own or operate, or license a third party the right to own or operate, an ARCHIVE® Business utilizing the Proprietary Marks and System within the Development Area until the earlier of: (i) the date we define the Designated Territory of the final Franchised Business you were granted the right to operate under the Development Agreement; or (ii) the expiration or termination of the Development Agreement for any reason.

Upon the occurrence of any one of the events described in the preceding paragraph, your territorial rights within the Development Area will terminate, except that each ARCHIVE® Business that you have opened and are continuously operating as of the date of such occurrence will continue to enjoy the territorial rights within their respective Designated Territories that were granted under the Franchise Agreement(s) you entered into for those ARCHIVE® Business(es).

You must comply with your development obligations under the Development Agreement, including your Development Schedule, in order to maintain your exclusive rights within the Development Area. If you do not comply with your Development Schedule, we may terminate your Development Agreement and any further development rights you have under that agreement. Otherwise, we will not modify the size of your Development Area except by mutual written agreement signed by both parties.

#### Reservation of Rights under the Franchise Agreement

The rights granted under the Franchise Agreement do not include any right to: (i) offer any product or service via e-commerce; (ii) establish an independent website or to establish a URL incorporating the Proprietary Marks or any variation of the Proprietary Marks; (iii) sell products or services at wholesale prices from the ARCHIVE® Business; or (iv) otherwise distribute, market, or implement our products and services in any channel of distribution not specifically identified in the Franchise Agreement.

Under the Franchise Agreement, we and our affiliates have the right, in our sole discretion, to: (i) own and operate ARCHIVE® Businesses at any location(s) outside of your Territory under the same or different marks, or to license others the right to own and operate ARCHIVE® Businesses at any location(s) outside your Territory under the same or different marks; (ii) use the Proprietary Marks and System in connection with services and products, promotional and marketing efforts or related items, or in alternative channels of distribution, including but not limited to the internet, without regard to location; (iii) to acquire, be acquired by, merge with, own and operate, franchise or license others to own and operate, or otherwise affiliate with any business of any kind, including, without limitation, any business that offers products or services the same as or similar to those offered by the ARCHIVE® Business (but under different marks), within or outside your Territory; and (iv) engage and license others to engage in any other activities not expressly prohibited in the Franchise Agreement.

Certain of our or our affiliate's products or services, whether now existing or developed in the future, may be distributed in your Territory by us, our affiliates, or our franchisees, licensees or designees, in such manner and through such alternate channels of distribution as we, in our sole discretion, shall determine. The Franchise Agreement grants you no rights to: (i) distribute such products in alternate channels of distribution; or (ii) share in any of the proceeds received by any such party.

### National Accounts

We have the exclusive right to negotiate and enter into agreements or approve forms of agreements to provide services to “National Accounts.” The term “National Account” means a special class of accounts that may include but are not limited to any insurance company, third party administrator (TPA), property management company, large business, national organization or non-profit organization with outlets located in multiple territories and government agencies that own, manage, control or otherwise have responsibility for buildings or common-services in more than one location whose presence is not confined within any one particular franchisee’s Territory. Any dispute as to whether a particular client is a National Account shall be determined by us in our sole and absolute discretion and our determination shall be final and binding;

After we sign a contract with a National Account, we may, at our option, provide you the opportunity to perform the services under the National Account contract. Your acceptance into National Account is contingent upon approval by the applicable Account program administrator and we have no authority of or guarantee that the National Account will accept you into their program. We or the National Account may establish additional credentialing criteria that you will be required to maintain your participation in any National Account program. If you fail to meet and/maintain program credentialing requirements we may suspend or terminate you from the Program.

If we choose, or if you choose not to provide services to the National Account, we may provide the services directly ourselves or authorize an affiliate, another franchisee or third-party to do so even if the job site is within your Territory without compensation to you. If you decline to service any National Account or fail to meet the obligations of a National Account or at the request of the National Account, we may remove you from the National Account program. For this reason, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

We or the National Account may establish additional credentialing criteria that you will be required to maintain your participation in any National Account program.

### Minimum Performance Requirement

<b>Time Period</b>	<b>Monthly Gross Sales Requirement</b>
Second twelve (12) months from commencement of operations	\$1 per household in your Territory divided by 12
Third twelve (12) months from commencement of operations each twelve (12) month period and thereafter	\$2 per household in your Territory divided by 12

Performance is assessed based a “Monthly Gross Sales Requirement.” The Monthly Gross Sales Requirement is based on a rolling average of the preceding ninety (90) days. If you fall below the 90-day average for your territory we will collect a “Shortfall Fee” by EFT transfer equal to the difference between the actual amount of Royalty Fees you paid to us and the Royalty Fees you should have paid to us had you

satisfied the Sales Requirement. A failure to meet the Monthly Gross Sales Requirement is a default of the Franchise Agreement. If you fail to meet the Monthly Gross Sales Requirement six (6) times during any twelve (12) month period, we have the right to do one or more of the following: (i) enter into an agreement with you under which we will offer assistance, planning and consultation to assist in meeting the Monthly Gross Sales Requirements; (ii) terminate the exclusive rights in your Territory; (iii) adjust the size of your Territory; and/or (iv) terminate the Franchise Agreement.

### **ITEM 13** **TRADEMARKS**

We grant you the right to operate the ARCHIVE® Business under the word mark “ARCHIVE®”, as described more fully in the table below. You may also use our other current or future trademarks to operate your ARCHIVE® Business. The term “trademark” includes service marks, trade names, slogans, insignia, logos, labels and trade dress. You do not obtain any additional rights to use any of our Proprietary Marks under any Development Agreement you execute.

Our affiliate, Archive Enterprises, Inc. (the “TM Owner”) is the current owner of the following Proprietary Marks, which are currently registered on the Principal Register of the United States Patent and Trademark Office (“USPTO”) as of the Issue Date of this Disclosure Document:

<b>MARK</b>	<b>REGISTRATION NO.</b>	<b>REGISTRATION DATE</b>	<b>REGISTER</b>
ARCHIVE	5,764,599	May 28, 2019	Principal

We derived the right to use our Proprietary Marks from a license agreement we entered into with the TM Owner, effective as of April 1, 2020 (the “License Agreement”). Under the License Agreement, we have the right to use the Proprietary Marks and System, as well as license third parties the right to use the Proprietary Marks and System to operate ARCHIVE® Businesses, as part of our franchise system.

We expect and intend to work with the TM Owner to file all affidavits and other documents with the USPTO to maintain the federal registration(s) described above. There are currently no effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court; no pending interference, opposition or cancellation proceedings; nor any pending material litigation involving the Proprietary Marks.

You must promptly notify us of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our ownership of, our right to use and to license others to use, or your right to use, the Proprietary Marks. We have the sole right, though not the obligation, to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including the right to settle the proceedings or litigation, and to affirmatively prosecute actions against third parties for infringement or threatened infringement of the Proprietary Marks.

We also have the right, though not the obligation, to defend you against any third-party claim, suit, or

demand arising solely out of your use of the Proprietary Marks in a manner expressly authorized by us. If we, in our sole discretion, determine that you have used the Proprietary Marks in accordance with the Franchise Agreement and the Manuals, we will pay the cost of defending the action, including the cost of any judgment or settlement. If we, in our sole discretion, determine that you have not used the Proprietary Marks in accordance with the Franchise Agreement and the Manuals, you will be required to pay for the defense or to reimburse us for costs we incurred in providing the defense, including the cost of any judgment or settlement. In the event of any litigation relating to your use of the Proprietary Marks, you are required to sign all documents and assist us, as we deem necessary, to carry out the defense or prosecution including, without limitation, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Proprietary Marks in a manner not in accordance with the terms of the Franchise Agreement, we will reimburse you for your out-of-pocket costs in performing such acts.

We are not aware of any superior prior rights or infringing uses that could materially affect your use of the Proprietary Marks in any state. Therefore, before entering into the Franchise Agreement, you should make every effort to ascertain that there are no existing uses of the Proprietary Marks or confusingly similar marks being used in the market area where you wish to do business. You should immediately notify us of any confusingly similar marks you discover.

You cannot register any of the Proprietary Marks now or hereafter owned by us or any abbreviation, acronym or variation of the Proprietary Marks, or any other name that could be deemed confusingly similar, as Internet domain names. We retain the sole right to advertise the System on the Internet and to create, operate, maintain and modify, or discontinue using of a website using the Proprietary Marks.

You may use only the Proprietary Marks which we designate, and may use them only in the manner we authorize and permit. Any goodwill associated with Proprietary Marks, including any goodwill which might be deemed to have arisen through your activities, inures directly and exclusively to our benefit. You may use the Proprietary Marks only for the operation of the ARCHIVE® Business and only at the ARCHIVE® Business or in advertising for the ARCHIVE® Business. You must use all Proprietary Marks without prefix or suffix and in conjunction with the symbols “SM,” “TM,” “S” or “R,” as applicable. You may not use the Proprietary Marks in connection with the offer or sale of any services or products, which we have not authorized for use in connection with the System. You may not use the Proprietary Marks as part of your corporate or other legal name. We must approve your corporate name and all fictitious names under which you propose to do business in writing before use. You must use your corporate or limited liability company name either alone or followed by the initials “D/B/A” and the business name “ARCHIVE®.” You must promptly register at the office of the county in which your ARCHIVE® Business is located, or such other public office as provided for by the laws of the state in which your ARCHIVE® Business is located, as doing business under your assumed business name.

All of your advertising must prominently display the Proprietary Marks and must comply with our standards for using the Proprietary Marks. You may use the Proprietary Marks including, without limitation, trade dress, color combinations, designs, symbols, and slogans, only in the manner and to the extent specifically permitted by the Franchise Agreement or by our prior written consent. You must submit to us and we must approve all advertising, publicity, signs, stationary, business cards, forms, decorations, furnishings, equipment or other materials employing the Proprietary Marks, or related marks, before first publication or use. We will not unreasonably withhold our approval. You must identify yourself as the owner of the ARCHIVE® Business (in the manner we prescribe) in conjunction with any use of the Proprietary Marks including, without limitation, on invoices, order forms, receipts, and business stationery, as well as at such conspicuous locations as we may designate in writing.

We reserve the right to substitute different Proprietary Marks for use in identifying the System and the

businesses operating thereunder. You must discontinue using all Proprietary Marks which we have notified you, in writing, have been modified or discontinued within ten (10) days of receiving written notice and must promptly begin using such additional, modified or substituted Proprietary Marks at your expense.

#### **ITEM 14**

#### **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

We do not own any registered patents or copyrights that are material to the franchise, however, we claim common law copyright and trade secret protection for several aspects of the System including our Manuals, advertising, and business materials.

There are no current determinations, proceedings or litigation involving any of our copyrighted materials. Should you become aware that any unauthorized third party is using any of our copyrighted materials, we request that you notify us of this unauthorized use. We may revise any of our copyrighted materials in our discretion, and may require that you cease using any outdated copyrighted material. You will be responsible for printing any revised or new advertising, marketing or other business materials.

During the term of the Franchise Agreement, you will receive information which we consider to be our trade secrets and confidential information, including but not limited to information regarding the set-up of an ARCHIVE® Business; information about proprietary merchandise and services; any Proprietary Software Program we may now or in the future create; our Manuals; trade secrets; price marketing mixes related to the sale of goods or services offered or authorized for sale by System franchisees; standards and specifications for customer service; systems and training manuals; compensation systems; marketing strategies; online social marketing systems; merchandise sales systems; sales training; location identification and acquisition; ongoing training; general operations; our copyrighted materials; and methods and other techniques and know-how concerning the operation of the ARCHIVE® Business which may be communicated to you or of which you may be apprised by virtue of your operation of an ARCHIVE® Business (collectively, the "Confidential Information"). You shall not, during the term of the Franchise Agreement or after, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information except to your employees that must have access to it in order to operate the ARCHIVE® Business. Certain additional information, including the following: (i) current customer and prospective customer names and addresses, (ii) information about credit extensions to customers, (iii) customer service purchasing histories, (iv) rates charged to customers, and (v) sources of suppliers and purchasing arrangements with suppliers, also constitute our trade secrets and Confidential Information. Any and all information, knowledge, know-how, techniques, and other data, which we designate as confidential will be deemed Confidential Information for purposes of the Franchise Agreement. We have expended considerable time, effort, and money to develop the System, and the Confidential Information is not well known outside of the System. The Confidential Information is of great value to us, and we are implementing this non-disclosure policy in an effort to protect our trade secrets and Confidential Information.

If you, your employees, or principals develop any new concept, process or improvement in the operation or promotion of the ARCHIVE® Business, you must promptly notify us and provide us with all necessary related information, without compensation. Any such concept, process or improvement will become our sole property and we will be the sole owner of all patents, patent applications, trademarks, copyrights and other related intellectual property rights. You and your principals will assign to us any rights you may have or acquire, including the right to modify the concept, process or improvement, and otherwise must waive and/or release all rights of restraint and moral rights. You and your principals agree to assist us in obtaining and enforcing the intellectual property rights to any such concept, process or improvement in any and all countries and further agree to execute and provide us with all necessary documentation for obtaining and

enforcing these rights. You and your principals will irrevocably designate and appoint us as your agent and attorney-in-fact to execute and file any documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property rights related to any concept, process or improvement. In the event that these provisions are found to be invalid or otherwise unenforceable, you and your principals will grant to us a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the concept, process or improvement if this use or sublicense would otherwise directly or indirectly infringe your rights.

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

You (or at least one of your principals if you are a corporation or partnership) must personally supervise the day-to-day operations of the ARCHIVE® Business. You must devote your personal full-time attention and best efforts to the management and operation of the ARCHIVE® Business. You may, however, delegate the day-to-day management of your ARCHIVE® Business to a manager (the “Designated Manager”).

We must approve your Designated Manager and your Designated Manager must (a) be an equity partner in the franchisee entity if the franchisee is an entity as opposed to an individual and (b) successfully complete our Initial Training Program before assuming any managerial responsibility.

Even if you appoint a Designated Manager, you must still have a principal/owner that serves as our primary contact and that will be responsible for all operations in the event the Designated Manager is not present at the Approved Location and/or otherwise not actively handling operations on a day-to-day basis.

Your ARCHIVE® Business must, at all times, be managed and staffed with at least one (1) individual who has successfully completed our Initial Training Program. You must keep us informed at all times of the identity of any personnel acting as Designated Manager, and obtain our approval before substituting a new Designated Manager at any of your locations.

Your ARCHIVE® Business must be staffed by you (or one of your principals that has completed our Initial Training Program) and/or your Designated Manager at all times. You shall keep us informed at all times of the identity of any employee acting as a Designated Manager of an ARCHIVE® Business. Designated Managers shall devote their full time and best efforts to the day-to-day operation and management of the ARCHIVE® Business and shall not engage in any other business activity without our prior written consent. Franchisee, and if applicable, its owners, partners, and any spouses of the forgoing must execute the form of Personal Guaranty attached to the Franchise Agreement as Exhibit A.

It is important to note that we are not your employer and that you will have the right to control all decisions related to recruiting, hiring or firing any personnel at your ARCHIVE® Business. Please note that nothing in this Disclosure Document or any agreement you enter into with us will create any type of employer or joint employer relationship between (a) you and/or your personnel, and (b) us.

**ITEM 16**  
**RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You may offer for sale and sell only those services and products we designate, and you must sell all services and products we designate and, in the manner, prescribed in your Franchise Agreement and our Manuals. We have the right to change the types of designated services and products, and there are no limits on our



right to do so. If you wish to sell additional services or products, you must follow the approval process outlined in Item 8 of this Disclosure Document.

If we discontinue any Approved Product or Service offered by the ARCHIVE® Business, then you must cease offering or selling such product/service within a reasonable time, unless such product/service represents a health or safety hazard (in which case you must immediately comply upon receipt of notice from us).

You may not perform work on National Accounts except as permitted in the Franchise Agreement (see Items 1 and 12 for a discussion of National Accounts).

## **ITEM 17**

### **RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

#### **THE FRANCHISE RELATIONSHIP UNDER THE FRANCHISE AGREEMENT**

**This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this disclosure document.**

	Provision	Section in Franchise Agreement	Summary
a.	Term of franchise	2.1	Term of five (5) years, beginning on the date we sign your Franchise Agreement.
b.	Renewal or extension of the term	2.2	You have the right to renew for two (2), successive five (5) year terms, subject to meeting certain conditions.
c.	Requirements for you to renew or extend	2.2	In order to renew, you must: (a) notify us of your intent to renew at least ninety (90) days but no more than one hundred and eighty (180) days, prior to expiration of the current term; (b) demonstrate that you have the right to operate the ARCHIVE® Business from the Approved Location for the duration of the renewal term; (c) not be in breach of any agreements with us, our affiliates, or our major suppliers and vendors or any other agreement between you and us or the landlord of the Approved Location; (d) have consistently satisfied the Minimum Performance Requirements (e) satisfy all monetary obligations to us, our affiliates, and our major suppliers and vendors; (f) sign our then-current form of franchise agreement, which may contain materially different terms than your Franchise Agreement; (g) satisfy our then-current training requirements for renewal franchisees; (h) sign a general release; and (i) pay us a renewal fee of twenty percent (20%) of our then-current Initial Franchise Fee.
d.	Termination by you	No	Not Applicable

	Provision	Section in Franchise Agreement	Summary
		Provision	
e.	Termination by us without cause	No Provision	Not Applicable
f.	Termination by us with cause	15	We may terminate your Franchise Agreement with cause.
g.	Cause defined - default which can be cured	15.3	We may terminate your Franchise Agreement following a fifteen (15) day cure period if you: (a) fail to pay sums owed to us, our affiliates, or our major vendors and suppliers; (b) under-report Royalty or any advertising payments by more than two percent (2%) or fail to submit timely reports or payments for any two (2) reporting periods in a twelve (12) month period; (c) fail to immediately endorse and deliver to us any payments due to us from a third party that are erroneously remitted to you; (d) fail to maintain sufficient levels of inventory if applicable; (e) fail to open your ARCHIVE® Business within one hundred and twenty (120) days of the date we sign your Franchise Agreement; (f) fail to maintain the required days and hours of operation at your ARCHIVE® Business; (g) fail to personally or have a Designated Manager(s) supervise the day-to-day operation of the ARCHIVE® Business; (h) fail to employ one or more full time marketing representatives for more than ninety (90) consecutive days at any time (i) fail to maintain the strict quality controls reasonably required by your Franchise Agreement and/or the Manuals; (j) conduct yourself in a manner that reflects adversely on the System, the Proprietary Marks, or the services or products offered through the System; and (k) fail to procure or maintain any licenses, certifications, or permits necessary for the operation of your ARCHIVE® Business.
		15.4	We may terminate your agreement following a thirty (30) day cure period if you fail to perform or comply with any one or more of the terms or conditions of your Franchise Agreement or any ancillary agreements between you and us or our affiliates.
h.	Cause defined - default which cannot be cured	15.1	Your Franchise Agreement will automatically terminate if: (a) you make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated bankrupt or insolvent, file or acquiesce in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consent to or acquiesce in the appointment of a trustee or receiver for you or the ARCHIVE® Business; (b) proceedings are commenced to have you

	Provision	Section in Franchise Agreement	Summary
		15.2	<p>adjudicated bankrupt or to seek your reorganization under any state or federal bankruptcy or insolvency law, and the proceedings are not dismissed within sixty (60) days, or a trustee or receiver is appointed for you or the ARCHIVE® Business without your consent, and the appointment is not vacated within sixty (60) days; or (c) you attempt to make an unauthorized sale or transfer of you or any interest in the ARCHIVE® Business.</p> <p>We may terminate your Franchise Agreement upon notice but without providing you with an opportunity to cure if: (a) you or your principals are convicted of or plead guilty or no contest to a felony or take part in any criminal misconduct relevant to the operation of your ARCHIVE® Business; (b) you or your principals commit any fraud or misrepresentation in the operation of your ARCHIVE® Business; (c) you or your principals make any misrepresentation or omission in connection with your franchise application; (d) you fail to successfully complete the Initial Training Program; (e) we send you two (2) or more written notices to cure pursuant to Sections 15.3 or 15.4 of your Franchise Agreement in any twelve (12) month period; (f) you or your principals materially breach any other agreement with us or any of our affiliates or the Lease for the Approved Location, or threaten any material breach of any the same agreements, and fail to cure the breach within any permitted period for cure; (g) you or your principals materially violate any provision of the Franchise Agreement relating to Proprietary Marks or Confidential Information or misuse the Proprietary Marks or Confidential Information; (h) you violate any health, safety or sanitation law, ordinance or regulation, or operate the ARCHIVE® Business in a manner that presents a health or safety hazard to customers, or the general public; (i) you violate the in-term restrictive covenant in your Franchise Agreement; (j) a levy of writ of attachment or execution or any other lien is placed against you or your principals or any of their assets which is not released or bonded against within thirty (30) days; (k) you or your principals become insolvent; (l) you abandon the ARCHIVE® Business; (m) you offer any unauthorized and unapproved products or services from the ARCHIVE® Business; (n) you order or purchase supplies, signs, furnishings, fixtures, equipment or inventory from any currently unapproved supplier or any supplier which we have not approved; (o) you misuse or make unauthorized use of our Proprietary Software Program; (p) you fail to maintain insurance or otherwise adhere to our insurance requirements; (q) you fail, within fifteen (15) days after notification of non-compliance by federal, state or local government authorities to comply with any law or regulation applicable to the ARCHIVE® Business; (r) any government action is</p>

	Provision	Section in Franchise Agreement	Summary
			taken against you that results in any obligation upon us which in our sole judgment is uneconomical, not in our best interests, or would result in us having an unintended relationship or obligation; (s) you fail to comply with the anti-terrorist provision of your Franchise Agreement; (t) you take for your own personal use any assets or property of the ARCHIVE® Business, including employee taxes, FICA, insurance or benefits; (u) there are insufficient funds in your bank account to cover a check or EFT payment to us three (3) or more times within any twelve (12) month period; or (v) you fail to satisfy the Monthly Gross Sales Requirements on six (6) or more occasions in any given twelve (12) month period.
i.	Your obligations on termination/non-renewal	16.1	Upon termination, non-renewal, or transfer, you must, at your own cost and expense: (a) cease immediately all operations under the Franchise Agreement; (b) pay us immediately all unpaid fees and pay us, our affiliates, and our major suppliers and vendors, all other monies owed; (c) discontinue immediately the use of the Proprietary Marks; (d) immediately return the Manuals, along with all other manuals and Confidential Information we loaned to you, and immediately and permanently cease use of the Confidential Information; (e) immediately cease using all telephone numbers and listings used in connection with the operation of the ARCHIVE® Business and direct the telephone company to transfer all such numbers and listings to us or our designee or, if we direct, disconnect the numbers; (f) at our written option, assign the Lease for the Approved Location to us (g) promptly surrender all stationery, printed matter, signs, advertising materials and other items containing the Proprietary Marks, and all items which are a part of the trade dress of the System, as we direct; (h) cease to hold yourself out as our franchisee; (i) take the necessary actions required to amend or cancel any assumed name, business name or equivalent registration which contains any trade name or other Proprietary Mark we licensed to you, and provide us with evidence of this within thirty (30) days after the termination, expiration or transfer of your Franchise Agreement; (j) permit us to make final inspection of your financial records, books, and other accounting records within six (6) months of the effective date of termination, expiration, or transfer; (k) comply with the post-termination covenants set forth in Section 17 of your Franchise Agreement; (l) cease to use in advertising or in any other manner, any methods, procedures or techniques associated with us or the System; (m) transfer all rights and access to any Proprietary Software Program used in connection with the ARCHIVE® Business; and (n) sign from time to time any necessary papers, documents, and assurances to effectuate any of the obligations listed in Section 16 of the Franchise

	Provision	Section in Franchise Agreement	Summary
		16.2	<p>Agreement.</p> <p>You appoint us as your attorney-in-fact to execute in your name and on your behalf all documents necessary to discontinue your use of the Proprietary Marks and the Confidential Information.</p>
j.	Assignment of contract by us	14.5	We have the right to sell, transfer, assign and/or encumber all or any part of our assets and our interest in, and rights and obligations under, the Franchise Agreement in our sole discretion.
k.	“Transfer” by you - definition	14.3	A “transfer” occurs: (a) if you are a corporation, upon any assignment, sale, pledge or transfer of any fractional portion of your voting stock or any increase in the number of outstanding shares of your voting stock which results in a change of ownership; (b) if you are a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; or (c) if you are a limited liability company, upon the assignment, sale, pledge or transfer of any interest in the limited liability company.
l.	Our approval of transfer by franchisee	14.1	You shall not sell, transfer, assign or encumber your interest in the ARCHIVE® Business without our prior written consent. Any sale, transfer, assignment or encumbrance made without our prior written consent will be voidable at our option and will subject your Franchise Agreement to termination.
m.	Conditions for our approval of transfer	14.3.2	We may condition our approval of a transfer on the following occurrences: (a) all of your monetary obligations to us, our affiliates, and our major suppliers and vendors are satisfied; (b) you have cured all existing defaults under the Franchise Agreement or any other agreement with us, our affiliates, and our major suppliers and vendors; (c) you and your principals, and the transferee, have executed a general release; (d) you or the transferee have provided us with the executed purchase agreement relating to the proposed transfer, along with all supporting documents and schedules; (e) the transferee has demonstrated that he/she meets our educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business to be transferred; has adequate financial resources and capital to meet the performance obligations under the Franchise Agreement; and is not in the same business as us; (f) the transferee executes our then-current form of franchise agreement for the unexpired term of your Franchise Agreement; (g) you or the transferee pays us our then-current transfer fee; (h) the transferee satisfactorily completes our Initial Training Program; (i) you, your principals, and your family members

	Provision	Section in Franchise Agreement	Summary
			<p>comply will the post-termination provisions of your Franchise Agreement; (j) the transferee obtains all permits and licenses required for the operation of the ARCHIVE® Business; (k) to the extent required, the lessors or other parties must have consented to the proposed transfer; (l) the transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises; (m) the purchase price and terms of the proposed transfer are not so burdensome to the prospective transferee as to impair or materially threaten its future operation of the ARCHIVE® Business and the transferee's performance under its franchise agreement; (n) you must request that we provide the prospective transferee with our current form of franchise disclosure document; (o) our approval of the transfer shall not constitute a waiver of any claims we may have against you; (p) we may disclose to any prospective transferee such revenue reports and other financial information concerning you and your ARCHIVE® Business; (q) in any event, we may withhold or condition our consent to any transfer as we deem appropriate based on the circumstances of the transfer or otherwise; and (r) you are responsible for the payment of all commissions or other monies due from the sale of the ARCHIVE® Business if, (a) you listed the ARCHIVE® Business with a broker, or (b) the transferee is referred to us by a broker lead referral network or otherwise.</p>
n.	Our right of first refusal to acquire your business	14.3.1	<p>If you propose to transfer either the Franchise Agreement or all, or substantially all, of the assets used in connection with the ARCHIVE® Business or any interest in your lease to any third party, you shall first offer to sell the interest to us on the same terms and conditions as offered by such third party. You shall obtain a letter of intent containing the terms of the offer that is signed by you and the third party, ("Letter of Intent"). If we decline the offer within a thirty (30) day period, you will have a period of up to sixty (60) days to complete the transfer described in the Letter of Intent subject to our transfer conditions. Any material change in the terms of the offer shall be deemed a new proposal subject to our right of first refusal. So long as you have obtained our prior written consent, a transfer to an existing partner or shareholder, or a transfer as a result of the death, disability or incapacitation of a shareholder or partner, is not subject to our first right of refusal.</p>
o.	Our option to purchase your business	16.3	<p>Upon termination or expiration of your Franchise Agreement, we have the option, but not the obligation, to purchase any personal property used in connection with operation of your ARCHIVE® Business by providing you written notice within sixty (60) days after such termination or expiration and paying you the book value for such personal property within sixty (60) days of the notice. We may exclude</p>

	Provision	Section in Franchise Agreement	Summary
			from the personal property purchased any cash or its equivalent and any equipment, signs, inventory, materials and supplies that are not reasonably necessary (in function or quality) to the ARCHIVE® Business's operation or that we have not approved as meeting our standards for the ARCHIVE® Business.
p.	Your death or disability	14.2	In the event of your death, disability, or incapacitation, your legal representative must transfer your interest in the Franchise Agreement to a third party that we must approve, in our sole discretion. That transfer must be completed within a reasonable time, not to exceed six (6) months from the date of death or disability, and is subject to all of the terms and conditions in Section 14 of the Franchise Agreement. If a certified Designated Manager is not managing the ARCHIVE® Business, your legal representative must appoint a manager that we approve, no later than thirty (30) days from the date of death or disability. The newly appointed manager must complete our standard Initial Training Program at your expense. If we determine that the ARCHIVE® Business is not being managed properly any time after your death or disability, we may, but have no obligation to, assume the ARCHIVE® Business's management (or appoint a third party to assume its management). We may charge you (in addition to the Royalty, National Brand Fund Contributions, and other amounts due under the Franchise Agreement) a reasonable amount of compensation, plus our (or the third party's) direct out-of-pocket costs and expenses, if we (or a third party) assume the ARCHIVE® Business's management.
q.	Non-competition covenants during the term of the franchise	17.1	You may not: (a) own, maintain, engage in, be employed by, lend money to, extend credit to or have any interest in any business providing restoration services, or any other business offering products and services offered or authorized for sale by System franchisees (a "Competing Business"), other than any other ARCHIVE® Business; or (b) divert or attempt to divert any business or customer or prospect of the ARCHIVE® Business to any Competing Business, 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 Proprietary Marks or the System.
r.	Non-competition covenants after the franchise is terminated or expires	17.2.1  17.2.2	For a period of two (2) years after the expiration and nonrenewal, transfer or termination of your Franchise Agreement, you may not enter into any business competing in whole or in part with us in granting franchises or licenses to operate a Competing Business at the time your Franchise Agreement is terminated or otherwise expires and is not renewed.

	Provision	Section in Franchise Agreement	Summary
			For a period of two (2) years after the expiration and nonrenewal, transfer or termination of your Franchise Agreement, regardless of the cause, you may not: (i) own, maintain, engage in, be employed by, or have any interest in any Competing Business at the time of termination or expiration and nonrenewal, (1) within your Territory, or (2) within a radius of twenty (20) miles of the perimeter of (a) your Territory, or (b) any other Territory licensed by us as of the date of expiration or termination of your Franchise Agreement; or (ii) interfere with our business relationships or with anyone or any entity with which we have a business relationship.
s.	Modification of the Franchise Agreement	22.1	The Franchise Agreement may not be modified except by a written document signed by both parties.
t.	Integration/ merger clauses	22.1	The Franchise Agreement constitutes the entire agreement by the parties. Nothing in the Franchise Agreement is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you. Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable.
u.	Dispute resolution by arbitration or mediation	18.2-18.3	You must bring all disputes before our President and/or Chief Executive Officer prior to bringing a claim before a third party. After exhausting this internal dispute resolution procedure, at our option, all claims or disputes between you and us must be submitted first to non-binding mediation in Las Vegas, Nevada in accordance with the American Arbitration Association's Commercial Mediation Rules then in effect (subject to state law).
v.	Choice of forum	18.4	All claims not subject to mediation must be brought before a court of general jurisdiction in Las Vegas, Nevada, or the United States District Court for the District of Nevada. You consent to the personal jurisdiction and venue of any court of general jurisdiction in Clark County, Nevada, and the United States District Court for the District of Nevada (subject to state law).
w.	Choice of law	18.1	The Franchise Agreement is governed by the laws of the State of Nevada (subject to state law).



**B. Development Agreement**

	<b>Provision</b>	<b>Section in Development Agreement</b>	<b>Summary</b>
a.	Term of franchise	6.1	The Development Agreement will commence on the date it is fully executed and end on the earlier of (a) the last day of the calendar month that the final Franchised Business is required to be opened and operating under the Development Schedule or (b) the day that the final Franchised Business is opened.
b.	Renewal or extension of the term	Not Applicable	Not Applicable.
c.	Requirements for you to renew or extend	Not Applicable	Not Applicable.
d.	Termination by you	Not Applicable	Not Applicable.
e.	Termination by us without cause	Not Applicable	Not Applicable.
f.	Termination by us with cause	6.2	We may terminate your Development Agreement with cause.
g.	Cause defined - default which can be cured	Not Applicable	Not Applicable.
h.	Cause defined - default which cannot be cured	6.2	Your Development Agreement can be terminated by us if: (i) you cease to actively engage in development activities in the Development Area or otherwise abandon your development business for three (3) consecutive months, or any shorter period that indicates an intent by you to discontinue development of the Franchised Businesses within the Development Area; (ii) you become insolvent or are adjudicated bankrupt, or if any action is taken by Franchisee, or by others against you, under any insolvency, bankruptcy or reorganization act, or if you make an assignment for the benefit of creditors or a receiver is appointed by you; (iii) you fail to meet your development obligations under the Development Schedule for any single development period, and fail to cure such default within 30 days of receiving notice thereof; and (iv) any Franchise Agreement that is entered into in order to fulfill your development obligations under the Development Agreement is terminated or subject to termination by us, pursuant to the terms of that Franchise Agreement.
i.	Your obligations on termination/non-renewal	Not Applicable	Not Applicable.
j.	Assignment of contract by us	8	We have the right to assign our rights under the Development Agreement.

	<b>Provision</b>	<b>Section in Development Agreement</b>	<b>Summary</b>
k.	“Transfer” by you - definition	8	Any transfer in you (if you are an entity) or your rights/obligations under the Development Agreement.
l.	Our approval of transfer by franchisee	8	You may not transfer any rights or obligations under the Development Agreement without our prior written consent.
m.	Conditions for our approval of transfer	Not Applicable	Not Applicable.
n.	Our right of first refusal to acquire your business	Not Applicable	Not Applicable.
o.	Our option to purchase your business	Not Applicable	Not Applicable.
p.	Your death or disability	Not Applicable	Not Applicable.
q.	Non-competition covenants during the term of the franchise	Not Applicable	Nothing additional. Please see non-competition covenants set forth in your Franchise Agreement(s) entered into under the Development Agreement.
r.	Non-competition covenants after the franchise is terminated or expires	Not Applicable	Nothing additional. Please see non-competition covenants set forth in your Franchise Agreement(s) entered into under the Development Agreement.
s.	Modification of the Franchise Agreement	27	Any modification of the Development Agreement must be in writing and signed by both parties.
t.	Integration/merger clauses	27	Only the terms of the Development Agreement are binding (subject to state law). Any representations or promises made outside of the disclosure document and the Development Agreement may not be enforceable.
u.	Dispute resolution by mediation	13	At our option, all claims or disputes between you and us must be submitted first to mediation in Las Vegas, Nevada in accordance with the American Arbitration Association’s Commercial Mediation Rules then in effect and if mediation is not successful, then by litigation.
v.	Choice of forum	15	All claims not subject to mediation must be brought before a court of general jurisdiction in Las Vegas, Nevada, or the United States District Court for the District of Nevada. You consent to the personal jurisdiction and venue of any court of general jurisdiction in Clark County, Nevada, and the United States District Court for the District of Nevada (subject to state law).

	<b>Provision</b>	<b>Section in Development Agreement</b>	<b>Summary</b>
w.	Choice of law	9	The Development Agreement is governed by the laws of the Nevada (subject to state law).

**ITEM 18**  
**PUBLIC FIGURES**

We do not currently use any public figure to promote our franchise, but we reserve the right to do so in the future.

**ITEM 19**  
**FINANCIAL PERFORMANCE REPRESENTATION**

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

We do not make any representation 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 our management by contacting our President/CEO, Eric Ten Eyck, at Archive Franchise Network, LLC, 1960 East McFadden Avenue, Santa Ana, California 92705 or 855-955-5677.

**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**  
**System-wide Outlet Summary**  
**For fiscal years ending December 31, 2021, 2022, and 2023**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2021	0	0	0
	2022	0	0	0
	2023	0	2	+2
Company-Owned or Affiliate-Owned	2021	1	1	0
	2022	1	1	0
	2023	1	1	0

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Total Outlets	2021	1	1	0
	2022	1	1	0
	2023	1	3	+2

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**  
**For fiscal years ending December 31, 2021, 2022, and 2023**

State	Year	Number of Transfers
Total	2021	0
	2022	0
	2023	0

**Table No. 3**  
**Status of Franchised Outlets**  
**For fiscal years ending December 31, 2021, 2022, and 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
California	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
Total	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2

**Table No. 4**  
**Status of Company-Owned and Affiliate-Owned Outlets**  
**For fiscal years ending December 31, 2021, 2022, and 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
California	2021	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Total	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1

**Table No. 5**  
**Projected Openings as of December 31, 2023**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	0	1	0
Utah	0	1	0
Total	0	2	0

A list of our franchisees as of the date of this Franchise Disclosure Document is attached as Exhibit G to this Disclosure Document. Additionally, a list of franchisees who have left the System or who have not communicated with us within the 10-week period immediately preceding the effective date of this Franchise Disclosure Document will be attached as Exhibit H to this Disclosure Document as and when these situations occur. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the System.

There is presently no trademark specific franchisee organization associated with the System. No franchisees have signed provisions during our last three (3) fiscal years restricting their ability to speak openly about their experience with us.

## **ITEM 21** **FINANCIAL STATEMENTS**

Attached as Exhibit C is our audited financial statements of December 31, 2021, 2022, and 2023. Our fiscal year end is December 31.

## **ITEM 22** **CONTRACTS**

The following contracts, agreements and other relevant documents are attached as Exhibits to this Disclosure Document:

Exhibit D - Franchise Agreement

Exhibit A -- Personal Guaranty

Exhibit B -- Conditional Assignment of Franchisee's Telephone Numbers, Facsimile  
Numbers, and Domain Names

Exhibit C -- Confidentiality and Restrictive Covenant Agreement

Exhibit D -- Electronic Funds Withdrawal Authorization

Exhibit F - Sample Termination and Release Agreement

**ITEM 23**  
**RECEIPTS**

Exhibit K of this Disclosure Document contains a detachable document, in duplicate, acknowledging receipt of this Disclosure Document by a prospective franchisee. You should sign both copies of the Receipts. You should retain one signed copy for your records and return the other signed copy to: Archive Franchise Network, LLC, 1960 East McFadden Avenue, Santa Ana, California 92705, Attn: Eric Ten Eyck.

**EXHIBIT A**  
**TO ARCHIVE FRANCHISE NETWORK, LLC'S**  
**FRANCHISE DISCLOSURE DOCUMENT**

**LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS**

Exhibit A

## LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

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

<b><u>CALIFORNIA</u></b>	<b><u>CONNECTICUT</u></b>
<p>(state administrators)</p> <p>Department of Financial Protection and Innovation: 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7500 Toll Free (866) 275-2677</p> <p>1515 K Street, Suite 200 Sacramento, CA 95814 (916) 445-7205</p> <p>1350 Front Street San Diego, CA 92101 (619) 525-4233</p> <p>One Sansome St., #600 San Francisco, California 94104 (415) 972-8559</p> <p>(agents for service of process) California Commissioner of the Department of Financial Protection and Innovation 320 West 4<sup>th</sup> Street, Suite 750 Los Angeles, CA 90013-2344</p> <p>Commissioner of Department of Financial Protection and Innovation One Sansome Street #600 San Francisco, California 94104</p> <p>Commissioner of Department of Financial Protection and Innovation 1515 K Street., Suite 200 Sacramento, CA 95814</p>	<p>(state administrator) State of Connecticut Department of Banking Securities &amp; Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230</p> <p>(agent for service of process) Banking Commissioner</p>

Exhibit A



<p><b><u>HAWAII</u></b></p> <p>(state administrator)  Business Registration Division  Department of Commerce and Consumer Affairs  335 Merchant Street, Room 203  Honolulu, Hawaii 96813  (808) 586-2722</p> <p>(agent for service of process)  Commissioner of Securities  State of Hawaii  335 Merchant Street  Honolulu, Hawaii 96813  (808) 586-2722</p>	<p><b><u>ILLINOIS</u></b></p> <p>Franchise Bureau  Office of the Attorney General  500 South Second Street  Springfield, Illinois 62706  (217) 782-4465</p>
<p><b><u>INDIANA</u></b></p> <p>(state administrator)  Indiana Secretary of State  Securities Division, E-111  302 Washington Street  Indianapolis, Indiana 46204  (317) 232-6681</p> <p>(agent for service of process)  Indiana Secretary of State  201 State House  200 West Washington Street  Indianapolis, Indiana 46204  (317) 232-6531</p>	<p><b><u>MARYLAND</u></b></p> <p>(state administrator)  Office of the Attorney General  Securities Division  200 St. Paul Place  Baltimore, Maryland 21202-2021  (410) 576-6360</p> <p>(agent for service of process)  Maryland Securities Commissioner  200 St. Paul Place  Baltimore, Maryland 21202-2021  (410) 576-6360</p>
<p><b><u>MICHIGAN</u></b></p> <p>(state administrator)  Consumer Protection Division  Antitrust and Franchise Unit  Michigan Department of Attorney General  525 W. Ottawa Street  G. Mennen Williams Building, 1<sup>st</sup> Floor  Lansing, Michigan 48933  (517) 373-7117</p> <p>(agent for service of process)  Corporations Division</p>	<p><b><u>MINNESOTA</u></b></p> <p>(state administrator)  Minnesota Department of Commerce  85 7<sup>th</sup> Place East, Suite 280  St. Paul, Minnesota 55101-2198  (651) 539-1600</p> <p>(agent for service of process)  Minnesota Commissioner of Commerce</p>

Exhibit A

Bureau of Commercial Services Department of Labor and Economic Growth P.O. Box 30054 Lansing, Michigan 48909	
<p><b><u>NEW YORK</u></b></p> <p>(state administrator)  Office of the New York State Attorney  General  Investor Protection Bureau  Franchise Section  28 Liberty Street, 21<sup>st</sup> Floor  New York, NY 10005  (212) 416-8236</p> <p>(agent for service of process)  New York Department of State  Attention: UCC  One Commerce Plaza,  99 Washington Avenue, 6th Floor  Albany, NY 12231  (518) 473-2492</p>	<p><b><u>NORTH DAKOTA</u></b></p> <p>North Dakota Securities Department  State Capitol, Fifth Floor, Dept. 414  600 East Boulevard Avenue  Bismarck, North Dakota 58505  (701) 328-4712</p>
<p><b><u>OREGON</u></b></p> <p>Department of Insurance and Finance  Corporate Securities Section  Labor and Industries Building  Salem, Oregon 97310  (503) 378-4387</p>	<p><b><u>RHODE ISLAND</u></b></p> <p>Securities Division  Department of Business Regulation,  Bldg 69, First Floor  John O. Pastore Center  1511 Pontiac Avenue  Cranston, Rhode Island 02920  (401) 462-9582</p>
<p><b><u>SOUTH DAKOTA</u></b></p> <p>Division of Securities  Department of Labor &amp; Regulation  124 S. Euclid, Suite 104  Pierre, South Dakota 57501  (605) 773-4823</p>	<p><b><u>VIRGINIA</u></b></p> <p>(state administrator)  State Corporation Commission  Division of Securities and Retail Franchising  1300 East Main Street, 9th Floor  Richmond, Virginia 23219  (804) 371-9051</p> <p>(for service of process)  Clerk of the State Corporation Commission  1300 East Main Street, 1<sup>st</sup> Floor</p>

Exhibit A

	Richmond, Virginia 23219 (804) 371-9733
<b><u>WASHINGTON</u></b>  (state administrator) Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, Washington 98507-9033 (360) 902-8760  (agent for service of process) Director, Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, Washington 98501	<b><u>WISCONSIN</u></b>  (state administrator) Division of Securities Department of Financial Institutions 201 W Washington Avenue, 3 <sup>rd</sup> Floor Madison, Wisconsin 53703 (608) 266-1064  (agent for service of process) Administrator, Division of Securities Department of Financial Institutions 201 W Washington Avenue, 3 <sup>rd</sup> Floor Madison, Wisconsin 53703

**EXHIBIT B**  
**TO ARCHIVE FRANCHISE NETWORK, LLC'S**  
**FRANCHISE DISCLOSURE DOCUMENT**  
**TABLE OF CONTENTS OF OPERATIONS MANUAL**

Exhibit B



## **ARCHIVE CONTENTS RESTORATION FRANCHISE OPERATIONS MANUAL**

### **TABLE OF CONTENTS**

#### **Preface for Manual (8 pages)**

The Manual Organization

The Purpose of this Manual

Keeping the Operations Manual Current

Submitting Suggestions to Archive Contents Restoration Home Office

Manual Disclaimer

## **I. SETTING UP THE BUSINESS**

### **A. INTRODUCTION (13 pages)**

Mission Statement (A-1)

Welcome Letter (A-2)

"Making Houses Feel Like Homes Again" (A-3)

History of Archive Contents Restoration (A-4)

Services Provided to the Archive Contents Restoration Franchisee (A-5)

Responsibilities of the Archive Contents Restoration Franchisee and Staff (A-7)

Visits from the Home Office (A-9)

Quality Review  
Sales and KPI Review

Paying Other Fees (A-11)



**I. Setting Up the Business (continued)**

**B. PRE-OPENING PROCEDURES (32 pages)**

Introduction (B-1)

Pre-Opening Timeline & Checklist (B-2)

Establishment of Business Form and Operation (B-4)

Setting Up Your Office and Facility (B-6)

Office Space Requirements  
Setting-Up the Facility

Vehicle Specifications (B-8)

Vehicle Supply and Equipment List

Required and Recommended List of Equipment (B-13)

Initial Inventory and Required Minimum Purchases (B-16)

Contracting with Required Utilities and Services (B-19)

Obtaining Required Licenses and Permits (B-20)

Certifications and Accreditations (B-21)

IICRC (Institute of Inspection Cleaning and Restoration)  
RIA (Restoration Industry Association)  
AMSA (American Moving and Storage Association)  
SCRT (Society of Cleaning and Restoration Technicians)

Setting-Up Bank Accounts (B-23)

Procuring Required Insurance Policies (B-24)

Meeting Your Tax Obligations (B-26)

Establishing Referral Relationships (B-28)

Setting-Up Contractor Relationships  
Setting-Up Insurance Claim Relationships

Conducting a Business Opening (B-30)

## **II. GETTING THE BUSINESS**

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Promoting Archive Contents Restoration Response in Your Area (C-4)

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    Job Site Signage

    Using of Referrals—Compensation Model for Referrals

    Networking through Local Professional Organizations

Public Relations Program (C-10)

Signage and Logo Specifications (C-12)

Guidelines for Using Archive Contents Restoration's Marks (C-14)

Required Advertising Expenditures (C-16)

    System-wide Advertising Contribution

    Local Advertising Requirement

    Grand Opening Advertising Requirement

Community Involvement (C-17)

Obtaining Advertising Approval (C-19)

### **D. SALES PROCEDURES (28 pages)**

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Sales Model (D-2)

    Direct vs. Contractor Referral

Determining Your Sales Goals (D-4)

    First 90 Days

    Ongoing

## **D. Sales Procedures (continued)**

### Preparing for Sales Activities (D-6)

- Identifying Leads/Targeting Referral Sources
- Working with Mitigation Contractors
- Working with Insurance Companies
- Understanding Your Competition
- Understanding Archive Contents Restoration Competitive Advantages

### The Archive Contents Restoration Sales Presentation (D-12)

- Answering the Phone
- Assessment of Needs—essential questions
- Detailing Solutions—preliminary work order
- Features, Advantages, and Benefits of Archive Contents Restoration

### Pricing the Job (D-17)

- Using Estimating Software (Xactimate)
- Handling Pricing Objections

### Closing the Sale (D-20)

- Asking for the Job
- Handling Objections
- Discussing Alternatives

### Prospect Management (D-24)

- Follow-Up Procedures
- Generating Prospect Management Reports

### Looking for Referral Business Opportunities (D-26)



### **III. DOING THE BUSINESS**

#### **E. SERVICE PROCEDURES (51 pages)**

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Approved Services and Types of Restoration(E-4)

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Smoke  
Mold  
Trauma

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Immediate On-Site Arrival (E-9)

Pre-Response Steps  
Loading and Prepping the Vehicle  
Procuring Required Equipment and Inventory for Job

In-Home Procedures (E-14)

Overview of Job Site Procedures  
Overview of Job Site Management  
Overview of Job Site Production  
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Documenting and Cataloging Procedures/Use of Bar Code Labels  
Determining Repair Potential  
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**TO ARCHIVE FRANCHISE NETWORK, LLC'S**  
**FRANCHISE DISCLOSURE DOCUMENT**  
  
**FINANCIAL STATEMENTS**

Exhibit C

**ARCHIVE FRANCHISE NETWORK, LLC  
FINANCIAL STATEMENTS  
DECEMBER 31, 2023**



**ARCHIVE FRANCHISE NETWORK, LLC**  
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**MUHAMMAD ZUBAIRY, CPA PC**

Certified Public Accountant

646.327.7013

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of  
Archive Franchise Network, LLC**

**Opinion**

We have audited the financial statements of Archive Franchise Network, LLC, "The Company" which comprises the balance sheet as of December 31, 2023, and the related statement of operations, and changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Archive Franchise Network, LLC as of December 31, 2023, and the results of its operations and its cash flows for the for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Archive Franchise Network, LLC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Archive Franchise Network, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

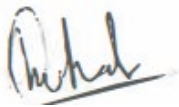
Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit 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 Archive Franchise Network, LLC's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Archive Franchise Network, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

A handwritten signature in blue ink, appearing to read 'Muhammad', with a horizontal line underneath.

Muhammad Zubairy, CPA PC  
Westbury, NY  
April 17, 2024

**ARCHIVE FRANCHISE NETWORK, LLC**  
**BALANCE SHEET**

	<u>ASSETS</u>	
	<u>YEARS ENDED DECEMBER 31</u>	
	<u>2023</u>	<u>2022</u>
<b>Current Assets</b>		
Cash	\$ 30,944	\$ 324
Due from related party	<u>13,000</u>	<u>13,000</u>
<b>Total Assets</b>	<u><u>\$ 43,944</u></u>	<u><u>\$ 13,324</u></u>
 <u>LIABILITIES AND MEMBERS' EQUITY</u>		
<b>Current Liabilities</b>		
Due to related party	<u>\$ 30,800</u>	<u>\$ —</u>
<b>Members' Equity</b>	<u>13,144</u>	<u>13,324</u>
<b>Total Liabilities &amp; Members' Equity</b>	<u><u>\$ 43,944</u></u>	<u><u>\$ 13,324</u></u>

See notes to financial statements

**ARCHIVE FRANCHISE NETWORK, LLC**  
**STATEMENT OF OPERATIONS AND MEMBERS' EQUITY**

	<b>YEARS ENDED DECEMBER 31</b>	
	<b>2023</b>	<b>2022</b>
<b>Revenues</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Operating Expenses</b>	<b>180</b>	<b>16,796</b>
<b>Net Income (Loss)</b>	<b>(180)</b>	<b>(16,796)</b>
<b>Members' Equity - Beginning</b>	<b>13,324</b>	<b>40,120</b>
<b>Members' Contributions (Distributions)</b>	<b>—</b>	<b>(10,000)</b>
<b>Members' Equity - Ending</b>	<b>\$ 13,144</b>	<b>\$ 13,324</b>

See notes to financial statements

**ARCHIVE FRANCHISE NETWORK, LLC**  
**STATEMENT OF CASH FLOWS**

	<b>YEARS ENDED DECEMBER 31</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
<b>Net (Loss)</b>	<b>\$ (180)</b>	<b>\$ (16,796)</b>
<b>Adjustments to reconcile net (loss) to net cash used by operating activities:</b>		
<b>Changes in operating assets and liabilities:</b>		
Increase in due from related party	—	(13,000)
Increase (Decrease) in due to related party	30,800	(60,000)
	<u>30,620</u>	<u>(89,796)</u>
<b>Cash flows from financing activities</b>		
<b>Members' Contributions</b>	<u>—</u>	<u>(10,000)</u>
<b>Net Increase in Cash</b>	<b>30,620</b>	<b>(99,796)</b>
<b>Cash - Beginning of Year</b>	<u>324</u>	<u>100,120</u>
<b>Cash - End of year</b>	<u><u>\$ 30,944</u></u>	<u><u>\$ 324</u></u>

See notes to financial statements

**ARCHIVE FRANCHISE NETWORK, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

---

**1. THE COMPANY** - Archive Franchise Network, LLC was formed in the state of Nevada on January 24, 2020; the Company is in the business of offering franchises for the operation of a full service restoration services for all types of textiles, furniture, electronics, artwork and soft goods that include, but are not limited to: digital documentation and cataloging of all items, packing and transporting of all items, short and/or long term storage facility services; repair, cleaning and deodorizing services using specialized equipment; backpack and reset services (returning all items to the property owner and putting everything in its place) and loss evaluation services in addition to other disaster recovery related services and products. Unless otherwise indicated, the terms “we,” “us,” “our,” and “Company” refer to Archive Franchise Network, LLC.

The Company is in its initial start-up phase and is currently in the process of acquiring franchisees to operate in various states.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**-The accompanying financial statements have been prepared on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to disbursement of cash.

**Franchise Arrangements**-The Company's franchise arrangements generally include a license which provides for payments of initial fees as well as continuing royalties to the Company based upon a percentage of sales. Under this arrangement, franchisees are granted the right to operate a Archive network for a specified number of years.

**Concentration of Credit Risk**-Financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents and franchisee accounts receivable. The balances in the Company's cash accounts did not exceed the Federal Deposit Insurance Company's (FDIC) insurance limit of \$250,000. The Company maintains its cash and cash equivalents with accredited financial institutions.

**Use of Estimates**-The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from those estimates.

**Taxes on Income**-The Company has elected to be taxed as a limited liability corporation for federal and state income tax purposes. Income and expenses for the Company pass through directly to the member and is reported on its individual income tax returns.

**3. REVENUE RECOGNITION**

The Company will record revenue in accordance Accounting Standards Board (“FASB”) and Accounting Standards Update (“ASU”) No. 2014-09, Revenue from Contracts with Customers (Topic 606). The transaction price attributable to performance obligations will be recognized as the performance obligations are satisfied. The portion of the franchise fee, if any, that is not attributable to a distinct performance obligation will be amortized over the life of the related franchise agreements. Commission paid for franchises will be amortized over the life of the franchise agreement.

#### **4. RELATED PARTIES**

The Company from time-to-time advances funds to related entities. As of December 31, 2023, and 2022, the balance due from these related parties were \$13,000 and \$13,000.

The Company from time-to-time receives advances from related entities. As of December 31, 2023, and 2022, the balance due to these related parties were \$30,800 and \$0.

All related entity balances are due upon demand and bear no interest.

#### **5. SUBSEQUENT EVENTS**

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements through April 17, 2024, the date the financial statements were available to be issued.



**ARCHIVE FRANCHISE NETWORK, LLC  
FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**ARCHIVE FRANCHISE NETWORK, LLC**  
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MONIS J. SIDDIQUI, CPA P.C.  
Certified Public Accountant  
917.309.5670

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of  
Archive Franchise Network, LLC**

**Opinion**

We have audited the financial statements of Archive Franchise Network, LLC, "The Company" which comprises the balance sheet as of December 31, 2022, and the related statement of operations, and changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Archive Franchise Network, LLC as of December 31, 2022, and the results of its operations and its cash flows for the for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Archive Franchise Network, LLC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Archive Franchise Network, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit 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 Archive Franchise Network, LLC's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Archive Franchise Network, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

A handwritten signature in purple ink that reads "Monis Siddiqui, CPA P.C.".

Monis Siddiqui, CPA  
Bellerose, NY  
April 14, 2023

**ARCHIVE FRANCHISE NETWORK, LLC**  
**BALANCE SHEET**

	<u>ASSETS</u>	
	<u>PERIOD ENDED DECEMBER 31</u>	
	<u>2022</u>	<u>2021</u>
Current Assets		
Cash	\$ 324	\$ 100,120
Due from related party	13,000	-
Total Assets	<u>\$ 13,324</u>	<u>\$ 100,120</u>
<u>LIABILITIES AND MEMBERS' EQUITY</u>		
Current Liabilities		
Due to related party	<u>\$ -</u>	<u>\$ 60,000</u>
Members' Equity	<u>13,324</u>	<u>40,120</u>
Total Liabilities & Members' Equity	<u>\$ 13,324</u>	<u>\$ 100,120</u>

See notes to financial statements

**ARCHIVE FRANCHISE NETWORK, LLC**  
**STATEMENT OF OPERATIONS AND MEMBERS' EQUITY**

	<b>PERIOD ENDED DECEMBER 31</b>	
	<b>2022</b>	<b>2021</b>
<b>Revenues</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Operating Expenses</b>	<b><u>16,796</u></b>	<b><u>8,910</u></b>
<b>Net Income (Loss)</b>	<b>(16,796)</b>	<b>(8,910)</b>
<b>Members' Equity - Beginning</b>	<b>40,120</b>	<b>49,030</b>
<b>Members' Contributions (Distributions)</b>	<b><u>(10,000)</u></b>	<b><u>-</u></b>
<b>Members' Equity - Ending</b>	<b><u><u>\$ 13,324</u></u></b>	<b><u><u>\$ 40,120</u></u></b>

See notes to financial statements

**ARCHIVE FRANCHISE NETWORK, LLC**  
**STATEMENT OF CASH FLOWS**

	PERIOD ENDED DECEMBER 31	
	2022	2021
Cash flows from operating activities:		
Net (Loss)	\$ (16,796)	\$ (8,910)
Adjustments to reconcile net (loss) to net cash used by operating activities:		
Changes in operating assets and liabilities:		
Increase in due to related party	(13,000)	-
Increase (Decrease) in due from related party	(60,000)	60,000
	<u>(89,796)</u>	<u>51,090</u>
Cash flows from financing activities		
Members' Contributions	<u>(10,000)</u>	<u>-</u>
Net Increase (Decrease) in Cash	(99,796)	51,090
Cash - Beginning of Year	<u>100,120</u>	<u>49,030</u>
Cash - End of year	<u><u>\$ 324</u></u>	<u><u>\$ 100,120</u></u>

See notes to financial statements

**ARCHIVE FRANCHISE NETWORK, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

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**1. THE COMPANY** - Archive Franchise Network, LLC was formed in the state of Nevada on January 24, 2020; the Company is in the business of offering franchises for the operation of a full service restoration services for all types of textiles, furniture, electronics, artwork and soft goods that include, but are not limited to: digital documentation and cataloging of all items, packing and transporting of all items, short and/or long term storage facility services; repair, cleaning and deodorizing services using specialized equipment; backpack and reset services (returning all items to the property owner and putting everything in its place) and loss evaluation services in addition to other disaster recovery related services and products. Unless otherwise indicated, the terms “we,” “us,” “our,” and “Company” refer to Archive Franchise Network, LLC.

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**Taxes on Income**-The Company has elected to be taxed as a limited liability corporation for federal and state income tax purposes. Income and expenses for the Company pass through directly to the member and is reported on its individual income tax returns.

**3. REVENUE RECOGNITION**

The Company will record revenue in accordance Accounting Standards Board (“FASB”) and Accounting Standards Update (“ASU”) No. 2014-09, Revenue from Contracts with Customers (Topic 606). The transaction price attributable to performance obligations will be recognized as the performance obligations are satisfied. The portion of the franchise fee, if any, that is not attributable to a distinct performance obligation will be amortized over the life of the related franchise agreements. Commission paid for franchises will be amortized over the life of the franchise agreement.



#### **4. RELATED PARTIES**

The Company from time-to-time advances funds to related entities. As of December 31, 2022, and 2021, the balance due from these related parties were \$13,000 and \$0.

The Company from time-to-time receives advances from related entities. As of December 31, 2022, and 2021, the balance due these related parties were \$0 and \$60,000.

All related entity balances are due upon demand and bear no interest.

#### **5. SUBSEQUENT EVENTS**

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements through April 14, 2023, the date the financial statements were available to be issued.

**EXHIBIT D**  
**TO ARCHIVE FRANCHISE NETWORK, LLC'S**  
**FRANCHISE DISCLOSURE DOCUMENT**  
  
**FRANCHISE AGREEMENT**

Exhibit D

**ARCHIVE FRANCHISE NETWORK, LLC  
FRANCHISE AGREEMENT**

**DATA SHEET**

Franchisee: \_\_\_\_\_

Guarantors: \_\_\_\_\_

Effective Date: \_\_\_\_\_

Territory: \_\_\_\_\_

Office Location: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Facsimile Number: \_\_\_\_\_

Initial Franchise Fee: \_\_\_\_\_

**The terms of this Data Sheet are incorporated into the attached Franchise Agreement.**

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### **Exhibits:**

Exhibit A – Personal Guaranty

Exhibit B – Conditional Assignment of Franchisee's Telephone Numbers, Facsimile Numbers and Domain Names

Exhibit C – Confidentiality and Restrictive Covenant Agreement

Exhibit D – Electronic Funds Withdrawal Authorization

Exhibit E – Sample Lease Addendum Form and Collateral Assignment of Lease Form

**ARCHIVE FRANCHISE NETWORK, LLC**  
**FRANCHISE AGREEMENT**

THIS AGREEMENT (the “Agreement” or “Franchise Agreement”) is entered into and made effective this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between Archive Franchise Network, LLC, a Nevada limited liability company, with its principal business address at 1960 East McFadden Avenue, Santa Ana, California 92705 (“Franchisor”) and the franchisee identified in the attached Data Sheet (“Franchisee”).

**BACKGROUND**

A. Franchisor and/or its principal or affiliate has developed a system for the establishment and operation of “ARCHIVE Contents Restoration” businesses that offers solutions for insurance restoration claims for residential, commercial and industrial property owners, assisting them to recover from catastrophic events (each an “ARCHIVE® Business”);

B. Franchisor is engaged in the business of granting franchises to operate ARCHIVE® Businesses;

C. Franchisee desires to enter into an agreement with Franchisor to obtain the rights to operate an ARCHIVE® Business using the system developed by Franchisor, which includes customized services and service standards, specific restoration and documentation methods, techniques and procedures; our proprietary marketing programs, proprietary software, relationships with insurance companies, adjustors and third party administrators; use of specialized equipment, products and third party software; our ongoing training programs; our unique recognizable signage and vehicle appearance standards with specific design and color schemes; a regional franchise website housed within our national website; purchasing strategies, relationships with vendors and suppliers, operational procedures, guidelines for hiring, training and retaining staff; procedures for safety and quality control; marketing, advertising and promotional programs; our confidential operations manual and other manuals which are made available either in hard copy or electronically; all of which may be changed, improved and further developed by Franchisor periodically (the “System”);

D. Franchisor and its franchisees use various trade names, trademarks and service marks including, without limitation, the service mark “ARCHIVE®”, in connection with the System (the “Proprietary Marks”). The rights to all such Proprietary Marks as are now, or shall hereafter be, designated as part of the System shall be owned exclusively by Franchisor or its Affiliates and be used for the benefit of Franchisor, Franchisor’s Affiliates and Franchisor’s franchisees to identify to the public the source of the products and services marketed thereunder;

E. Franchisee has applied to Franchisor for a franchise to operate an ARCHIVE® Business and such application has been approved in reliance upon all of the representations made therein; and

F. Franchisee hereby acknowledges that adherence to the terms of this Agreement and the standards and specifications of Franchisor are essential to the operation of its ARCHIVE® Business and to the operations of the System.

## **AGREEMENT**

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

### **1. GRANT OF FRANCHISE**

1.1 **Grant and Acceptance.** Franchisor hereby grants to Franchisee, upon the express terms and conditions contained in this Agreement, and Franchisee hereby accepts, a franchise for the right to establish and operate one (1) ARCHIVE® Business, under the System and Proprietary Marks identified herein, and the right to use the System and Proprietary Marks in the operation of the ARCHIVE® Business. Franchisor has the right to supplement, improve or otherwise modify the System from time to time in Franchisor's discretion, and Franchisee agrees to comply with all changes which may include, without limitation, the offer and sale of new or different products or services as Franchisor may specify.

1.2 **Reservation of Rights.** Except as otherwise provided for in this Agreement, the foregoing grant to Franchisee does not include any right to: (i) offer any product or service via e-commerce; (ii) establish an independent website or to establish a URL incorporating the Proprietary Marks or any variation thereof; (iii) sell products or services at wholesale prices from the ARCHIVE® Business; or (iv) otherwise distribute, market, or implement our products and services in any channel of distribution not specifically identified in this Agreement. Franchisee expressly understands and agrees that Franchisor and Franchisor's affiliates shall have the right, in Franchisor's sole discretion, to: (i) own and operate ARCHIVE® Businesses at any location(s) outside of Franchisee's Territory (as defined in Section 1.2) under the same or different marks, or to license others the right to own and operate ARCHIVE® Businesses at any location(s) outside Franchisee's Territory under the same or different marks; (ii) use the Proprietary Marks and System in connection with services and products, promotional and marketing efforts or related items, or in alternative channels of distribution, without regard to location; (iii) acquire, be acquired by, merge with, own and operate, franchise or license others to own and operate, or otherwise affiliate with any business of any kind, including, without limitation, any business that offers products or services the same as or similar to those offered by the Franchised Business (but under different marks), within or outside your Territory; and (iv) engage and license others to engage in any other activities not expressly prohibited in this Agreement.

1.3 **Approved Location.** Franchisee must establish and maintain a location from which to operate the ARCHIVE® Business that Franchisor reviews and approves (the "Approved Location").

1.4 **Relocation of Approved Location.** Once the Franchisor approves the Approved Location of the ARCHIVE® Business, the location will be set forth in the Data Sheet. Franchisee may not relocate the Approved Location without Franchisor's prior written consent, which Franchisor will not unreasonably withhold, provided: (i) Franchisee secures an alternate location for the ARCHIVE® Business within the Territory (as defined below) that meets Franchisor's then-current site selection criteria; (ii) Franchisee reimburses Franchisor for all costs incurred in connection with reviewing and approving the relocation and new premises, if any. If Franchisee's landlord terminates Franchisee's right to possess the Approved Location before the term of Agreement expires, then Franchisee must find and receive Franchisor's approval of a suitable replacement location within 60 days.

1.5 **Territory.** Except as otherwise provided in this Agreement, for so long as Franchisee complies with the terms and conditions hereof, Franchisor shall not establish and operate, nor license to any party other than Franchisee the right to establish and operate, any ARCHIVE® Business under the System and the Proprietary Marks during the term hereof from a traditional location within the protected area identified in the Data Sheet, the terms of which are incorporated herein by reference (“Territory”). Franchisor shall designate the Territory prior to execution of the Franchise Agreement. Franchisor and its affiliates retain all other rights, including without limitation, the right to distribute products and services as described in Sections 1.1.1 and 1.4 hereof within Franchisee’s Territory, as applicable.

1.6. **Other Channels of Distribution.** Franchisee expressly acknowledges and agrees that certain of Franchisor’s or its affiliate’s products or services, whether now existing or developed in the future, may be distributed in Franchisee’s Territory by Franchisor, Franchisor’s affiliates, or Franchisor’s franchisees, licensees or designees, in such manner and through such alternate channels of distribution as Franchisor, in its sole discretion, shall determine. Such alternate channels of distribution shall include, but are not limited to, sales of any products under the Proprietary Marks at or through the internet. Franchisee understands that this Agreement grants Franchisee no rights: (i) to distribute such products as described in this Section 1.4; or (ii) to share in any of the proceeds received by any such party therefrom.

1.7 **National Accounts.** The term “National Account” means a special class of accounts that may include but are not limited to any insurance company, large business, national organization or non-profit organization with outlets located in multiple territories and government agencies that own, manage, control or otherwise have responsibility for buildings or common-services in more than one (1) location whose presence is not confined within any one particular franchisee’s Territory

1. Franchisor has the exclusive right, unless otherwise specifically delegated in writing, on behalf of itself, you, and/or other franchisees utilizing the Proprietary Marks, to negotiate and enter into agreements or approve forms of agreement to provide services to National Account customers, licensees or franchisees including locations within the Territory. Franchisee may not solicit or service any entity, customer, contract or site that is a National Account, as defined in the Franchise Agreement, whether within or outside the Territory, without Franchisor’s prior written approval, which may be conditioned on such terms and conditions as Franchisor deems fit in its sole discretion, including Franchisor’s right to exclusively negotiate the terms of any National Account, set additional training requirements and set the fees due Franchisor for services rendered in connection with any National Account contract.

2. Following the execution of a contract with or the acceptance of a bid by a National Account customer which contemplates the provision of services to one or more National Account customers location within the Territory, Franchisor may, at its option, provide Franchisee the option to perform such services pursuant to the terms and conditions of the National Account contract or on such terms and conditions as Franchisor in its discretion determines.

3. If Franchisor so chooses, or if Franchisee elects not to provide services to a National Account customer in conformity with the terms and conditions of the National Account bid or contract, Franchisor shall have the right, exercisable in its sole discretion, to:

i. provide, directly or through any other licensee or franchisee utilizing the Proprietary Marks, services to the National Account customer location(s) within the Territory on the terms and conditions contained in the National Account bid or contract; and/or

ii. contract with another party to provide such services to the National Account customer location(s) within the Territory on the terms and conditions contained in the National Account bid or contract between Franchisor and the National Account customer, utilizing the Proprietary Marks or any other trademarks, service marks or trade names.

4. Neither the direct provision by Franchisor (or a franchisee, licensee, or agent of Franchisor) of services to National Account customers as authorized in Section 1.7(3) above, nor Franchisor's contracting with another party to provide such services as authorized Section 1.7(3)(ii) above, shall constitute a violation of Section 1.5 of this Agreement relating to the Territory. You disclaim any compensation or consideration for work performed by others in the Territory pursuant to this section.

## **2. TERM AND RENEWAL**

2.1 **Term.** The initial term of this Agreement is for a period of five (5) years which will begin on the date that Franchisor signs this Agreement.

2.2 **Renewal.** Franchisee has the right to renew this Agreement for two (2), successive five (5) year periods, provided Franchisee has met the following conditions:

2.2.1 Franchisee has notified Franchisor of Franchisee's intention to renew this Agreement in writing at least ninety (90) days, but no more than one hundred eighty (180) days, prior to expiration of the current term;

2.2.2 Franchisee has demonstrated to Franchisor's satisfaction that Franchisee has the right to operate the ARCHIVE<sup>®</sup> Business from the Approved Location for the duration of the renewal term;

2.2.3 Franchisee is not in breach of any provision of this Agreement, or any other agreement between Franchisee and Franchisor, Franchisor's affiliates, or Franchisor's designated suppliers and vendors, Franchisee's landlord if applicable, and Franchisee has substantially complied with all such agreements during their respective terms;

2.2.4 Franchisee must have consistently satisfied the Minimum Performance Requirement;

2.2.5 Franchisee has satisfied all monetary obligations Franchisee owes Franchisor, Franchisor's affiliates, and Franchisor's designated suppliers and vendors;

2.2.6 Franchisee executes Franchisor's then-current form of franchise agreement, the terms of which may vary materially from the terms of this Agreement and may include, without limitation, increased Royalty fees (defined in Section 3.2) and advertising obligations;



2.2.7 Franchisee satisfies Franchisor's then-current training requirements for renewing franchisees, if any, at Franchisee's expense, as of the date of such renewal;

2.2.8 Franchisee signs a general release, in the form Franchisor prescribes, provided that said release shall not be inconsistent with any applicable state statute regulating franchises; and

2.2.9 Franchisee pays Franchisor a renewal fee equal to twenty percent (20%) of Franchisor's then-current Initial Franchise Fee.

### **3. FEES**

3.1 **Initial Franchise Fee.** In consideration of the franchise granted to Franchisee by Franchisor, Franchisee must pay Franchisor an initial franchise fee equal to \$50,000, in full, when Franchisee signs this Agreement. The initial franchise fee is non-refundable and is deemed fully earned upon payment in consideration of administrative and other expenses Franchisor incurs in granting the franchise and for Franchisor's lost or deferred opportunity to franchise others.

3.2 **Royalty Fee.** Franchisee must pay Franchisor a monthly royalty equal to seven percent (7%) of the ARCHIVE® Business's "Gross Sales" per month (the "Royalty"). "Gross Sales" includes all income of any type or nature and from any source that Franchisee derives or receives directly or indirectly from, through, by or on account of the operation of the ARCHIVE® Business at any time after the signing of the Franchise Agreement, in whatever form and from whatever source, as well as business interruption insurance proceeds, all without deduction for expenses including marketing expenses. However, the definition of Gross Sales does not include sales tax that is collected from customers and actually transmitted to the appropriate taxing authorities.

3.3 **Gross Sales Reports.** Franchisee must send Franchisor a signed Gross Sales Report ("Gross Sales Report") on Monday of each week for the preceding week ending in the manner and form Franchisor specifies. Each Gross Sales Report must set forth: (i) the Gross Sales generated during the period; (ii) a calculation of the Royalty and National Brand Fund Contribution; and (iii) any other information Franchisor may require. Franchisor may change the form and content of the Gross Sales Reports from time to time and/or require Franchisee to submit Gross Sales Reports on a different schedule upon notice. Franchisor also reserves the right to access such information from Franchisee's computer system or authorize others to do so.

3.4 **Manner of Payment.** Payment of Royalties shall be made on a weekly basis, on Wednesday each week for the preceding week, and shall be made by an electronic funds transfer program (the "EFT Program") under which Franchisor automatically deducts all payments owed to Franchisor under this Agreement, or any other agreement between Franchisee and Franchisor, from Franchisee's bank account. Franchisee shall deposit all revenues from operation of Franchisee's ARCHIVE® Business into Franchisee's bank account within two (2) days of receipt, including all cash, checks, and credit card receipts. Before opening Franchisee's ARCHIVE® Business, Franchisee shall provide Franchisor with Franchisee's bank name, address and account number, a voided check from such bank account, and shall sign and give to Franchisor and Franchisee's bank, all documents, including Exhibit D to this Agreement, necessary to effectuate the EFT Program and Franchisor's ability to withdraw funds from such bank account via electronic funds transfer ("EFT"). Franchisee shall immediately notify Franchisor of any change in Franchisee's banking relationship, including changes in account numbers. Franchisor reserves the right to require Franchisee to pay any fees due

under this Agreement by such other means as Franchisor may specify from time to time. If any Gross Sales Report has not been received within the time period required by this Agreement, then Franchisor may process an EFT for the subject month based on the most recent Gross Sales Report provided by Franchisee to Franchisor, provided, that if a Gross Sales Report for the subject month is subsequently received and reflects: (i) that the actual amount of the fee due was more than the amount of the EFT, then Franchisor shall be entitled to withdraw additional funds through EFT from Franchisee's designated bank account for the difference; or (ii) that the actual amount of the fee due was less than the amount of the EFT, then Franchisor shall credit the excess amount to the payment of Franchisee's future obligations.

**3.5 Minimum Performance Requirement.** After Franchisee's first year of operation, the rights granted to Franchisee by the terms of this Agreement are dependent upon Franchisee's satisfying the "Minimum Performance Requirement" by achieving the following Gross Sales amounts outlined below:

<b>Time Period</b>	<b>Monthly Gross Sales Requirement</b>
Second twelve (12) months from commencement of operations	\$1 per household in your Territory divided by 12
Third twelve (12) months from commencement of operations each twelve (12) month period and thereafter	\$2 per household in your Territory by 12

Performance is assessed based a "Monthly Gross Sales Requirement." The Monthly Gross Sales Requirement is based on a rolling average of the preceding ninety (90) days. If Franchisee falls below the ninety (90) day average for the Territory Franchisor will collect a "Shortfall Fee" by EFT transfer equal to the difference between the actual amount of Royalty Fees you paid to us and the Royalty Fees you should have paid to us had you satisfied the Sales Requirement. A failure to meet the Monthly Gross Sales Requirement is a default of the Franchise Agreement. If you fail to meet the Monthly Gross Sales Requirement six (6) times during any twelve (12) month period, we have the right to do one or more of the following: (i) enter into an agreement with you under which we will offer assistance, planning and consultation to assist in meeting the Monthly Gross Sales Requirements; (ii) terminate the exclusive rights in your Territory; (iii) adjust the size of your Territory; and/or (iv) terminate the Franchise Agreement.

**3.6 Insufficient Funds.** As part of Franchisee's participation in the EFT Program, if the funds in Franchisee's bank account are insufficient to cover any amounts due under this Agreement on the date such funds are due, Franchisor has the right to charge Franchisee a penalty fee of \$100 per occurrence. Should any EFT not be honored by Franchisee's bank for any reason, Franchisee agrees that Franchisee shall be responsible for that payment and any service charge. Nothing contained in this Section shall prevent Franchisor from exercising, in Franchisor's sole judgment, any other rights or remedies available to Franchisor under this Agreement.

**3.7 Late Fees.** If Franchisee makes any late payment or underpayment of the Royalty or any other fee due under this Agreement or any other agreement between Franchisee and Franchisor, or any other charges or fees Franchisee owes Franchisor or Franchisor's affiliates, in addition to the overdue amount, Franchisor

has the right to charge Franchisee interest on such amount from the date it was due until all past due amounts are paid, at a rate of the higher of eighteen percent (18%) per annum or the maximum permitted by law.

**3.8 Taxes on Payments.** In the event any taxing authority, wherever located, imposes any future tax, levy or assessment on any payment Franchisee makes to Franchisor, Franchisee must, in addition to all payments due to Franchisor, pay such tax, levy or assessment.

**3.9 Computer Hardware and Software Fee.** Franchisee is required to use certain software that Franchisor specifies (the “Designated Software”). Franchisee shall pay Franchisor’s Designated Software provider(s) a monthly fee associated with maintaining required computer hardware and software, and such payment shall be made in the manner designated by Franchisor or Franchisor’s Designated Software provider. Franchisor reserves the right to change the amount of this fee and the manner of payment of this fee as changes are made to the System’s hardware and software requirements, which are described more fully in Section 7.9 of this Agreement.

**3.10 Technology Fee.** Franchisor may charge Franchisee an on-going technology fee to pay for certain aspects of Franchisee’s Computer System and/or software (“Technology Fee”). Franchisor may designate and/or change the amount, scope, or manner of payment of the Technology Fee, including the party to whom payment is made, at any time providing thirty (30) days’ notice to Franchisee.

#### **4. PROPRIETARY MARKS**

##### **4.1 Franchisee’s Use of the Proprietary Marks.**

**4.1.1** Franchisee shall use only the Proprietary Marks which Franchisor designates, and only in the manner Franchisor authorizes and permits.

**4.1.2** Franchisee shall use the Proprietary Marks only in connection with the ARCHIVE® Business in advertising for the ARCHIVE® Business.

**4.1.3** Franchisee shall use all Proprietary Marks without prefix or suffix and in conjunction with the symbols “TM”, “SM”, “S” or “®”, as applicable. Franchisee may not use the Proprietary Marks in connection with the offer or sale of any products or services which Franchisor has not authorized for use in connection with the System. Franchisee may not use the Proprietary Marks as part of Franchisee’s corporate or other legal name. Franchisee’s corporate name and all fictitious names under which Franchisee proposes to do business must be approved by Franchisor in writing before use. Franchisee must use Franchisee’s corporate or limited liability company name either alone or followed by the initials “D/B/A” and the business name “ARCHIVE®”. Franchisee must promptly register at the office of the county in which Franchisee’s ARCHIVE® Business is located, or such other public office as provided for by the laws of the state in which Franchisee’s ARCHIVE® Business is located, as doing business under such assumed business name.

**4.1.4** Franchisee must identify itself as the owner of the ARCHIVE® Business (in the manner Franchisor prescribes) in conjunction with any use of the Proprietary Marks including, without limitation, on invoices, order forms, receipts, and business stationery and otherwise as Franchisor may designate in writing.

4.1.5 Franchisee must prominently display the Proprietary Marks on or in connection with any media advertising, promotional materials, posters, displays, receipts, stationery and forms that Franchisor designates and in the manner that Franchisor prescribes.

4.1.6 Franchisee's right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of Franchisor's rights.

4.1.7 Franchisee shall not use the Proprietary Marks to incur any obligation or indebtedness on Franchisor's behalf.

4.1.8 Franchisee shall execute all documents Franchisor deems necessary to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

4.1.9 Franchisee must promptly notify Franchisor of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to Franchisor's ownership of, Franchisor's right to use and to license others to use, or Franchisee's right to use, the Proprietary Marks. Franchisee acknowledges that Franchisor has the sole right, though not the obligation to: (i) direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof; (ii) take action against uses by others that may constitute infringement of the Proprietary Marks; or (iii) defend Franchisee against any third-party claim, suit, or demand arising out of Franchisee's use of the Proprietary Marks. In such circumstances, if Franchisor, in Franchisor's sole discretion, determines that Franchisee has used the Proprietary Marks in accordance with this Agreement, Franchisor shall bear the cost of such defense, including the cost of any judgment or settlement. If Franchisor, in Franchisor's sole discretion, determines that Franchisee has not used the Proprietary Marks in accordance with this Agreement, Franchisee shall bear the cost of such defense, including the cost of any judgment or settlement. In the event of any litigation relating to Franchisee's use of the Proprietary Marks, Franchisee shall execute any and all documents and do such acts as may, in Franchisor's opinion, be necessary to carry out such defense or prosecution including, without limitation, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of Franchisee's use of the Proprietary Marks in a manner not in accordance with this Agreement, Franchisor agrees to reimburse Franchisee for Franchisee's out-of-pocket costs in performing such acts.

4.1.10 Franchisee expressly understands and acknowledges that:

4.1.10.1 Franchisor's Affiliate owns all right, title, and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them, and Franchisor has the right to use, and license others to use, the Proprietary Marks;

4.1.10.2 The Proprietary Marks are valid and serve to identify the System and those who are authorized to operate under the System;

4.1.10.3 During the term of this Agreement and after its expiration or termination, Franchisee shall not directly or indirectly contest the validity of, or Franchisor's right to use and to license others to use, the Proprietary Marks;

4.1.10.4 Franchisee's use of the Proprietary Marks does not give Franchisee any ownership interest or other interest in or to the Proprietary Marks;

4.1.10.5 All goodwill arising from Franchisee's use of the Proprietary Marks shall inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Proprietary Marks;

4.1.10.6 Except as specified in Section 1.3 hereof, the license of the Proprietary Marks granted to Franchisee hereunder is nonexclusive and Franchisor retains the right, among others, (i) to use the Proprietary Marks itself in connection with selling products and services, (ii) to grant other licenses for the Proprietary Marks, and (iii) to develop and establish other systems using the Proprietary Marks, similar proprietary marks, or any other proprietary marks, and to grant licenses thereto without providing Franchisee any rights therein; and

4.1.10.7 Franchisor reserves the right, in Franchisor's sole discretion, to substitute different proprietary marks for use in identifying the System and the ARCHIVE® Businesses operating thereunder. Franchisee shall discontinue using all Proprietary Marks which Franchisor has notified Franchisee, in writing, have been modified or discontinued within ten (10) days of receiving written notice and, at Franchisee's sole cost and expense, shall promptly begin using such additional, modified or substituted Proprietary Marks.

## 5. CONFIDENTIAL INFORMATION

5.1 **Nondisclosure.** During the term of this Agreement, Franchisee will receive information which Franchisor considers its trade secrets and Confidential Information, including but not limited to information regarding the set-up of an ARCHIVE® Business; information about proprietary merchandise and services; any proprietary software Franchisor may now or in the future create; our Operations Manual (defined in Section 6.1); trade secrets; price marketing mixes related to the sale of goods or services offered or authorized for sale by System franchisees; standards and specifications for customer service; systems and training manuals; compensation systems; marketing strategies; online social marketing systems; merchandise sales systems; sales training; location identification and acquisition; ongoing training; recruitment, training and management of remote teams; general operations; our copyrighted materials; and methods and other techniques and know-how concerning the of operation of the ARCHIVE® Business which may be communicated to you or of which you may be apprised by virtue of your operation of an ARCHIVE® Business (collectively, the "Confidential Information"). Franchisee agrees that Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information except to Franchisee's employees that must have access to it in order to operate the ARCHIVE® Business. Franchisee acknowledges and agrees that certain information, including (i) current customer and prospective customer names and addresses, (ii) information about credit extensions to customers, (iii) customer service purchasing histories, (iv) rates charged to customers, and (v) sources of suppliers and purchasing arrangements with suppliers, are the sole property of Franchisor and also constitute the trade secrets and Confidential Information of Franchisor. Any and all information, knowledge, know-how, techniques, and other data which Franchisor designates as confidential will be deemed Confidential Information for purposes of this Agreement. Franchisee acknowledges and agrees that Franchisor has expended considerable time, effort, and money to develop the System that the enumerated Confidential Information is not well known outside of the System, that the Confidential Information is of great value to the Franchisor, and that Franchisor is implementing this non-disclosure policy in an effort to protect its trade secrets and Confidential Information. Franchisee acknowledges that in the event of the actual or

threatened breach of this Section 5.1, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm.

**5.2 Employees.** Franchisee shall ensure that Franchisee's Designated Manager (as defined in Section 7.7.5 below) and other employees who have access to Franchisor's Confidential Information execute a Confidentiality and Noncompete Agreement, in the form attached hereto as Exhibit C, or as Franchisor, in Franchisor's sole discretion, otherwise prescribes. Franchisee must furnish Franchisor with a copy of each executed agreement.

**5.3 New Concepts.** If Franchisee, Franchisee's employees, or Franchisee's principals develop any new concept, process or improvement in the operation or promotion of the ARCHIVE® Business, Franchisee shall promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Any such concept, process or improvement shall become Franchisor's sole property and Franchisor shall be the sole owner of all patents, patent applications, trademarks, copyrights and other intellectual property rights related thereto. Franchisee and Franchisee's principals hereby assign to Franchisor any rights Franchisee may have or acquire therein, including the right to modify such concept, process or improvement, and otherwise waive and/or release all rights of restraint and moral rights therein and thereto. Franchisee and Franchisee's principals agree to assist Franchisor in obtaining and enforcing the intellectual property rights to any such concept, process or improvement in any and all countries, and further agree to execute and provide Franchisor with all necessary documentations for obtaining and enforcing such rights. Franchisee and Franchisee's principals hereby irrevocably designate and appoint Franchisor as Franchisee's agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property rights related to any such concept, process or improvement. In the event that the foregoing provisions of this Section 5.3 are found to be invalid or otherwise unenforceable, Franchisee and Franchisee's principals hereby grant to Franchisor a worldwide, perpetual, nonexclusive, fully-paid license to use and sublicense the use of the concept, process or improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe Franchisee's rights therein.

## **6. FRANCHISOR'S OBLIGATIONS**

**6.1 Operations Manual.** Franchisor will make available to Franchisee one (1) copy of Franchisor's proprietary and confidential operations and training manual, as well as any other confidential manuals and writings prepared by Franchisor for Franchisee's use in operating an ARCHIVE® Business (collectively, the "Manuals"). Franchisee shall operate the ARCHIVE® Business in strict compliance with the Manuals, as they may be reasonably changed from time to time. The Manuals shall remain confidential and Franchisor's exclusive property. Franchisee shall not disclose, duplicate or make any unauthorized use of any portion of the Manuals. The provisions of the Manuals constitute provisions of this Agreement as if fully set forth herein. Franchisee shall ensure that Franchisee's copy of the Manuals is current and up to date. If there is a dispute relating to the contents of the Manuals, the master copy which Franchisor maintains at Franchisor's corporate headquarters will control.

**6.2 Site Selection Assistance.** Franchisor will provide Franchisee with site selection assistance and guidance with regards to Franchisee's selection of an Approved Location for the ARCHIVE® Business, including Franchisor's then-current site selection criteria, as it deems appropriate in its sole discretion. Franchisor may require that Franchisee use an Approved Supplier for site selection assistance. Franchisor will also review and approve of any location the Franchisee proposes for the ARCHIVE® Business. Franchisor must

approve of Franchisee's proposed location prior to Franchisee entering into a lease for the Approved Location (the "Lease") or purchase agreement for the location. Franchisor may condition its approval of the Approved Location on the Lease for the proposed Approved Location and on the landlord's execution of Franchisor's form of Consent and Agreement of Landlord attached to this Agreement at Exhibit C. Franchisor will use reasonable efforts to review and approve of any proposed Approved Location and corresponding Lease within thirty (30) days of receiving all reasonably requested information from Franchisee. If Franchisor does not provide specific approval of a proposed location within this thirty (30) day period, the proposed location will be deemed rejected.

**6.3 Specifications for Equipment and Supplies.** To the extent Franchisor deems necessary in its sole discretion, Franchisor will provide written specifications for and designate sources of supply from which Franchisee agrees to purchase equipment and supplies necessary for the start-up and ongoing operations of Franchisee's ARCHIVE® Business.

**6.4 Direct Mail Marketing.** Before Franchisee commences operations of the ARCHIVE® Business, Franchisor will obtain a database of leads in Franchisee's Territory, prepare and send a single direct mail post card announcement to these leads on Franchisee's behalf and cover the costs to do so.

**6.5 Ongoing Assistance.** Franchisor will provide Franchisee continuing consultation and advice, to the extent that Franchisor deems necessary and appropriate in its sole discretion, regarding the management and operation of the ARCHIVE® Business. Franchisor will provide such assistance, in Franchisor's discretion, by telephone, facsimile, intranet communication and on-site visits. If Franchisee requires and requests additional on-site assistance from Franchisor, subject to the availability of Franchisor's personnel, Franchisor will provide Franchisee with such assistance at Franchisor's then-current rate for providing such assistance, plus expenses, including but not limited to, Franchisor's travel and lodging expenses.

**6.6 Additional Training.** Franchisor may, in Franchisor's sole discretion, hold refresher and ongoing training courses, training courses upon a significant change to the System, or to assist Franchisee in the operation of Franchisee's ARCHIVE® Business, in order to provide additional assistance to franchisees. Such additional training may be provided online, or in any other manner as Franchisor determines. Up to ten (10) days per year, Franchisor may require Franchisee, Franchisee's Designated Manager (as defined in Section 7.7.5 of this Agreement), and/or Franchisee's employees to attend or participate in such training at Franchisor's then-current tuition rate for providing such training. All expenses, including Franchisee's, Franchisee's Designated Manager's, and Franchisee's employees' transportation, meal, and lodging expenses to attend such training, if applicable, shall be Franchisee's sole responsibility. In the event that Franchisee requests, and Franchisor agrees, for Franchisor to provide additional at Franchisee's Approved Location, Franchisee shall be responsible for Franchisor's expenses including transportation, meals and lodging.

**6.7 Toll Free Telephone Number.** Franchisor has the right, but not the obligation, to establish and maintain a toll free telephone number for the purpose of improving customer service and conducting customer follow-up and satisfaction surveys. If Franchisor establishes a toll free number, Franchisee must comply with Franchisor's procedures for implementing the nationwide service as Franchisor specifies in the Operations Manual or otherwise in writing.

**6.8 Annual Conference.** Franchisor may, in Franchisor's discretion, hold an annual conference at a location to be selected by Franchisor (the "Annual Conference"). Franchisor shall determine the topics and agenda for such conference to serve the purpose, among other things, of updating franchisees on new

developments affecting franchisees, exchanging information between franchisees and Franchisor's personnel regarding ARCHIVE® Business operations and programs, and recognizing franchisees for their achievements. Franchisor may require Franchisee to attend the Annual Conference and to pay Franchisor's then-current registration fee. All expenses, including Franchisee's and Franchisee's employees' transportation to and from the Annual Conference, and lodging, meals, and salaries during the Annual Conference, are Franchisee's sole responsibility. Franchisor may use expenditures from the National Brand Fund (as defined in Section 12.5 of this Agreement) for purposes related to the Annual Conference, including costs related to programs and materials.

**6.9 No Assumption of Liability.** Franchisor shall not, by virtue of any approvals or advice provided to the Franchisee under this Agreement, including site selection or other approval provided under this Section 6, assume any responsibility or liability to Franchisee or to any third party to which it would not otherwise be responsible or liable. Franchisee acknowledges that any assistance (including site selection and project oversight) provided by Franchisor or its nominee in relation to the selection of the Approved Location is only for the purpose of determining compliance with System standards and does not constitute a representation, warranty, or guarantee, express, implied or collateral, regarding the choice and location of the Approved Location nor that the ARCHIVE® Business is likely to achieve any level of volume, profit or success.

**6.10 Delegation of Duties.** Franchisee acknowledges and agrees that any designee, employee, or agent of Franchisor may perform any duty or obligation imposed on Franchisor by the Agreement, as Franchisor may direct.

**6.11 Pre-Opening Obligations Acknowledgement.** If Franchisee believes Franchisor has failed to provide adequate pre-opening services as provided in this Agreement, Franchisee shall notify Franchisor in writing within ninety (90) days following the opening of the ARCHIVE® Business. Absent such notice to Franchisor, Franchisee acknowledges, agrees and grants that Franchisor complied with all of its pre-opening and opening obligations set forth in this Agreement.

## **7. FRANCHISEE'S OBLIGATIONS**

**7.1 Secure an Approved Location.** Franchisee must establish an Approved Location that Franchisor approves prior to commencing operations, unless Franchisor agrees to an extension of time in writing. If Franchisor has designated an Approved Supplier for site selection assistance, then Franchisor may require that Franchisee use this Approved Supplier. If Franchisee is entering into a Lease for the proposed Approved Location, the form of Lease must be approved by Franchisor and Franchisee must ensure that the Lease contains the following terms as a condition to Franchisor's approval thereof:

1. The leased Approved Location will only be used as an ARCHIVE® Business offering only the Approved Products and Services that Franchisor designates;
2. Franchisor has the right to enter the Approved Location to make any modifications necessary to protect Franchisor's Proprietary Marks;
3. Upon Franchisor's request, the landlord shall supply Franchisor with a current copy of the Lease;



4. The landlord will notify Franchisor in writing of and upon the failure of Franchisee to cure any default by Franchisee under the Lease, and provide Franchisor with an opportunity to cure the default on behalf of Franchisee within a reasonable period of time;
5. Franchisor will have the option, but not the obligation, to assume or renew the Lease and the occupancy of the business premises, including the right to sublease to another party operating an ARCHIVE® Business, for all or any part of the remaining term of the Lease only if: (i) the Agreement or Lease is terminated for cause; (ii) Franchisee is in default under the Lease and, if applicable, fails to cure within the time period provided for in the Lease; (iii) Franchisee is in material default of the Agreement and fails to cure said default(s) within the applicable time period (if any) thereunder; or (iv) either the Agreement or Lease expires (and Franchisee does not renew in accordance with the respective terms of those agreements). Franchisor will not have the right to assume any Lease in the event Franchisee is relocating the ARCHIVE® Business from the Approved Location governed by the Lease in accordance with the terms of this Agreement. In the event Franchisor assumes the Lease under this Section, Franchisor will not be obligated to pay to the landlord past due rent, common area maintenance, and/or other charges attributable to more than one (1) month. The landlord shall give Franchisor thirty (30) days upon termination of Franchisee's rights under the Lease to exercise this option, which Franchisee must do in writing; and
6. The Lease may not be materially amended, assigned, or terminated without Franchisor's prior written approval.

**7.2 Approved Vehicle.** Franchisee must purchase or lease a vehicle that meets Franchisor's specifications provided in the Manuals or otherwise (the "Approved Vehicle").

**7.3 Training.** Franchisee (or Franchisee's principal, as applicable) and Franchisee's Designated Manager (if one has been designated pursuant to Section 7.7.5 of this Agreement) must attend and successfully complete Franchisor's initial tuition-free training program (the "Initial Training Program") as set forth in Section 8.1 below.

**7.4 Required Licenses and Permits.** Prior to opening, Franchisee must obtain and maintain (throughout the term of this Agreement) all required licenses, permits and approvals to establish, open and operate the ARCHIVE® Business in the Territory.

**7.5 Opening Requirements.** Franchisee shall open the ARCHIVE® Business within one hundred and twenty (120) days from the date the parties sign this Agreement. Notwithstanding the foregoing, Franchisor reserves the right to extend such deadline in its sole discretion, upon Franchisee's reasonable request. Franchisee shall not be permitted to commence operations of Franchisee's ARCHIVE® Business unless and until Franchisee receives written notice from Franchisor approving Franchisee's proposed opening date.

**7.6 Purchasing Requirements.**

7.6.1 Compliance with Standards. Franchisee acknowledges and agrees that Franchisee's obligations set forth in this Agreement and the Operations Manual are reasonable and necessary for the operation of the ARCHIVE® Business and to maintain uniformity throughout the System. Franchisee shall adhere to the standards and specifications set forth in this Agreement and the Operations Manual or otherwise in writing, as they may be revised or amended from time to time. Franchisee shall use signs, furnishings, supplies, fixtures and inventory which comply with Franchisor's then-current standards and specifications (including, without limitation, standards and specifications for products, services, equipment, furnishings, fixtures and signage), which Franchisor establishes from time to time. Franchisor has the right to change Franchisor's standards and specifications in Franchisor's discretion. Franchisee acknowledges that Franchisee may be required to incur an increased cost to comply with any such changes at Franchisee's expense.

7.6.2 Designated and Approved Suppliers. Recognizing that preservation of the System depends upon uniformity and the maintenance of Franchisor's trade dress, Franchisee agrees to purchase certain signs, furnishings, supplies, fixtures, signage, equipment and inventory from Franchisor or from approved or designated third party suppliers as Franchisor shall specify, from time to time, in the Operations Manual and otherwise in writing. Franchisee hereby acknowledges that Franchisor, Franchisor's affiliates and/or a third party may be one of several, or the only, approved supplier of any item. Franchisee further acknowledges and agrees that Franchisor and/or Franchisor's affiliates have the right to realize a profit on any items that Franchisor, Franchisor's affiliates or Franchisor's approved suppliers supply to Franchisee.

7.6.3 Supplier Approval. In the event Franchisee wishes to purchase any unapproved item, including equipment and supplies, and/or acquire approved items from an unapproved supplier, Franchisee must provide Franchisor the name, address and telephone number of the proposed supplier, a description of the item Franchisee wishes to purchase, and the purchase price of the item, if known. At Franchisor's request, Franchisee must provide Franchisor, for testing purposes, a sample of the item Franchisee wishes to purchase. If Franchisor incurs any costs in connection with testing a particular product or evaluating an unapproved supplier at Franchisee's request, Franchisee or the supplier must reimburse Franchisor for Franchisor's reasonable testing costs, regardless of whether Franchisor subsequently approves the item or supplier. Nothing in the foregoing shall be construed to require Franchisor to approve any particular supplier. Franchisor may base Franchisor's approval of any such proposed item or supplier on considerations relating not only directly to the item or supplier itself, but also indirectly to the uniformity, efficiency, and quality of operation Franchisor deems necessary or desirable in Franchisor's System as a whole. Franchisor has the right to receive payments from suppliers on account of their dealings with Franchisee and other franchisees and to use all amounts Franchisor receives without restriction (unless instructed otherwise by the supplier), for any purposes Franchisor deems appropriate. Nothing herein shall require Franchisor to approve an unreasonable number of suppliers for a given item, which approval might, in Franchisor's reasonable judgment, result in higher costs or prevent the effective or economical supervision of approved suppliers. Franchisor may revoke Franchisor's approval of particular products or suppliers when Franchisor determines, in Franchisor's sole discretion, that such products or suppliers no longer meet Franchisor's standards. Upon receipt of written notice of such revocation, Franchisee must cease purchasing products from such supplier. Franchisee must use products purchased from approved suppliers solely in connection with the operation of Franchisee's ARCHIVE® Business and not for any competitive business purpose.

7.6.4 System Suppliers. Franchisor may establish business relationships, from time to time, with suppliers who may provide services or produce, among other things, certain furnishings, supplies, fixtures, and other materials according to Franchisor's proprietary standards and specifications ("System Suppliers"). Franchisee recognizes that such products and services are essential to the operation of the ARCHIVE® Business

and to the System generally. Franchisee further recognizes that Franchisee's failure to pay System Suppliers may interfere with such suppliers' willingness to supply the System, which may result in other System franchisees' inability to obtain product or ability to obtain product only on less favorable credit terms. Accordingly, Franchisee expressly agrees to pay System Suppliers as and when due.

**7.7 Authorized Services.** Franchisee shall offer for sale all services which Franchisor prescribes and only those services which Franchisor prescribes. Franchisee may not offer any services or products for sale, rent or lease without having received Franchisor's prior written authorization.

**7.8 Operations.**

**7.8.1** Franchisee must operate Franchisee's ARCHIVE® Business for at least those months, hours and days that Franchisor specifies in the Operations Manual or otherwise in writing.

**7.8.2** Franchisee must maintain the Approved Location for the ARCHIVE® Business in a clean, safe and attractive manner, and in accordance with all applicable requirements of law, including all federal, state and local regulations, and the Operations Manual.

**7.8.3** Franchisee must employ a sufficient number of qualified, competent personnel, offer prompt, courteous and efficient service to the public, and otherwise operate the ARCHIVE® Business in compliance with the System so as to preserve, maintain and enhance the reputation and goodwill of the System. All employees engaged in the operation of the ARCHIVE® Business during working hours shall dress conforming to Franchisor's standards, shall present a neat and clean appearance (including wearing Franchisor's uniform, if required) in conformance with Franchisor's reasonable standards, and shall render competent, efficient service to the customers of the ARCHIVE® Business.

**7.8.4** Franchisee agrees to operate the ARCHIVE® Business in accordance with the Operations Manual. Franchisee shall immediately train and instruct Franchisee's employees in accordance with the Operations Manual, and shall continue such training and instruction as long as each employee is employed. The Operations Manual shall set forth the practices, procedures and methods to be utilized at Franchisee's ARCHIVE® Business.

**7.8.5** Franchisee (or at least one of Franchisee's principals if Franchisee is an entity or partnership) must personally supervise the day-to-day operations of the ARCHIVE® Business and devote Franchisee's personal full-time attention to the management and operation of the ARCHIVE® Business. Franchisee may, however, delegate the day-to-day management of Franchisee's ARCHIVE® Business to a manager (a "Designated Manager"). Franchisor must approve any Designated Manager and any Designated Manager must successfully complete Franchisor's Initial Training Program before assuming any managerial responsibility. Franchisee shall keep Franchisor informed at all times of the identity of any employee acting as a Designated Manager. Designated Managers shall devote their full time and best efforts to the day-to-day operation and management of the ARCHIVE® Business and shall not engage in any other business activity without Franchisor's prior written consent.

**7.8.6** Franchisee must at all times maintain such working capital as may be reasonably necessary to enable Franchisee to properly and fully carry out and perform all of Franchisee's duties, obligations and responsibilities hereunder and to operate the ARCHIVE® Business in a businesslike, proper and efficient manner.

7.8.7 Franchisee will obtain and use all supplies and materials required by Franchisor, and will refrain from using any supplies and materials prohibited or not approved by Franchisor.

7.9 **Franchised Business Evaluation.** Franchisee agrees, that in order to maintain the high quality and uniform standards associated with the System and to protect its goodwill and reputation, to permit Franchisor, during business hours, to inspect Franchisee's Approved Location, inspect any computer hardware and software, including the data contained therein, that Franchisee uses in connection with the ARCHIVE® Business, confer with Franchisee and Franchisee's employees and customers, check methods, instruction, and techniques, and perform any other inspection which Franchisor deems necessary to protect the standards of quality and uniformity of the System and Franchisee's performance under this Agreement. Franchisee is obligated to make changes to Franchisee's operations based upon any inspections by Franchisor.

7.10 **Computer Software and Hardware.** Franchisee shall purchase and use any and all computer software programs which Franchisor has developed or may develop and/or designate for use for the System, the "Designated Software", and shall purchase such computer hardware as may be necessary for the efficient operation of the Designated Software, which may include, without limitation, a computer, a mobile phone and a wireless router. Franchisor has the right to require Franchisee to update or upgrade computer hardware components and/or Designated Software as Franchisor deems necessary from time to time. In addition, Franchisor has the right to require Franchisee to enter into a separate maintenance agreement for such computer hardware and/or Designated Software. Notwithstanding the fact that Franchisee must buy, use and maintain the computer hardware and Designated Software meeting Franchisor's standards and specifications, Franchisee will have the sole and complete responsibility for: (i) the acquisition, operation, maintenance and upgrading of the computer hardware and Designated Software; and (ii) any and all consequences that may arise if the computer hardware and Designated Software is not properly operated, maintained and upgraded.

7.10.1 Franchisee must use the Designated Software and pay the associated monthly fees. Franchisor reserves the right to change the amount of these fees as changes are made to the System's hardware and software requirements. Franchisee, at its own expense, must obtain the computer hardware required to implement the Designated Software, and Franchisee must comply with all specifications and standards prescribed by Franchisor regarding the Designated Software as provided from time to time in the Operations Manual or otherwise in writing. Franchisee shall only utilize the Designated Software as prescribed by Franchisor and the Designated Software will be considered to be a part of Franchisor's Confidential Information. Franchisee expressly acknowledges that Franchisor shall have the unlimited right to access all data contained in the Designated Software, as well as any other software used by Franchisee in the operation of the ARCHIVE® Business, and accordingly, Franchisee must take any and all actions specified by Franchisor to ensure that Franchisor has said access to the Designated Software and/or other software.

7.11 **Area Computer Network, Intranet or Extranet Participation.** Franchisee is required to participate in any System-wide area computer network, intranet system or extranet system that Franchisor implements and may be required by Franchisor to use such area computer network, intranet system or extranet system to, among other things: (i) submit Franchisee's reports due under this Agreement to Franchisor online; (ii) view and print portions of the Operations Manual; (iii) download approved local advertising and promotions materials; (iv) communicate with Franchisor and other System franchisees; and (v) participate in online training. Franchisee agrees to use the facilities of any such area computer network, intranet system or extranet system in strict compliance with the standards, protocols, and restrictions that Franchisor includes in the Operations Manual, including those related to the encryption of Confidential Information and prohibitions

against the transmission of libelous, derogatory or defamatory statements.

**7.12 Personal Conduct.** Franchisee agrees to refrain from committing any act or pursuing any course of conduct that tends to bring Franchisor's Proprietary Marks or System into disrepute.

**7.13 Best Efforts.** Franchisee must use best efforts to promote and increase the demand for the goods and services of the ARCHIVE® Business. All of Franchisee's advertising and promotion shall be completely factual and shall conform to the highest standards of ethical advertising. Franchisee agrees to refrain from any business or advertising practice which may be injurious to the ARCHIVE® Business or the goodwill associated with the Proprietary Marks and System.

**7.14 Telephone.** Franchisee must obtain a new telephone number and telephone listing at Franchisee's expense, to be listed under the "ARCHIVE®" name and not under Franchisee's corporate, partnership, or individual name, and to be used exclusively in connection with Franchisee's operation of the ARCHIVE® Business. Franchisee expressly agrees to execute the Conditional Assignment of Franchisee's Telephone Numbers, Facsimile Numbers and Domain Names attached hereto as Exhibit B, which provides that, upon the expiration, transfer or termination of this Agreement for any reason, Franchisee shall terminate Franchisee's use of such telephone number and listing, as well as any other facsimile numbers and listings and domain names and Internet listings, and assign same to Franchisor or Franchisor's designee. Franchisee must answer the telephone in the manner Franchisor specifies in the Operations Manual.

**7.15 Payment of Debts.** Franchisee is solely responsible for selecting, retaining and paying Franchisee's employees; the payment of all invoices for the purchase of goods for use in the ARCHIVE® Business; and determining whether, and on what terms, to obtain any financing or credit which Franchisee deems advisable or necessary for the conduct of the ARCHIVE® Business. Franchisee agrees to pay all current obligations and liabilities to suppliers, lessors and creditors on a timely basis. Franchisee agrees to indemnify Franchisor in the event that Franchisor elects to pay any of Franchisee's obligations in order to preserve the relationship between System Suppliers and System franchisees. Franchisee agrees to 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 ARCHIVE® Business. Franchisee agrees to indemnify Franchisor in the event that Franchisor is held responsible for these taxes.

**7.16 Compliance with Applicable Laws.** Franchisee must comply with all applicable federal, state and local laws, ordinances and regulations regarding the construction, design and operation of the ARCHIVE® Business (including, without limitation, all regulations relating to occupational hazards and health, consumer protection, trade regulation, worker's compensation, unemployment insurance, withholding and payment of federal and state income taxes, social security taxes and sales, use and property taxes, classification of employees and independent contractors, and the applicable provisions of the Americans with Disabilities Act ("ADA")). Franchisee expressly acknowledges that Franchisor has not researched the specific laws and regulations applicable to Franchisee's ARCHIVE® Business, and that Franchisee is solely responsible for compliance with such laws and regulations. Franchisee will have sole authority and control over the day-to-day operations of the ARCHIVE® Business and Franchisee's employees and/or independent contractors. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the ARCHIVE® Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. At no time will Franchisee or Franchisee's

employees be deemed to be employees of Franchisor or Franchisor's affiliates.

**7.17 Trade Secrets and Confidential Information.** Franchisee must maintain the confidentiality of all Confidential Information as set forth in Section 5 of this Agreement.

**7.18 Image.** Franchisee acknowledges that Franchisor has developed the System to offer services which will distinguish the ARCHIVE® Business from other restoration businesses that offer similar services at different prices and with less attention paid to the quality of the services. Franchisee agrees to offer services and to conduct the ARCHIVE® Business in such a manner which will serve to emulate and enhance the image Franchisor intended for the System. Franchisee further acknowledges and agrees that each aspect of the System is important not only to Franchisee but also to Franchisor and to other System franchisees in order to maintain the highest operating standards, achieve system wide uniformity and increase the demand for the services rendered by System franchisees. Franchisee agrees to comply with the standards, specifications and requirements Franchisor sets forth in order to uniformly convey the distinctive image of an ARCHIVE® Business. Franchisee shall, in the operation of the ARCHIVE® Business, use only displays, forms and other specified materials imprinted with the Proprietary Marks and colors as prescribed from time to time by Franchisor.

**7.19 Pending Actions.** Franchisee shall notify Franchisor, in writing, within five (5) days of the commencement of any action, suit or proceeding or the issuance of any order, suit or proceeding of any court, agency or other government instrumentality, including the receipt of any notice or citation, which may adversely affect the operation or financial condition of Franchisee or the ARCHIVE® Business.

**7.20 Agreements with Customers.** Prior to providing any services to any customers, Franchisee will provide to that customer any information or disclosures required by Franchisor or otherwise by law. Franchisee will fully comply with any warranty or guarantee program implemented by Franchisor, and Franchisee will not misrepresent or omit to state any required warranty or guarantee. Franchisee will resolve all customer complaints and disputes directly with customers, and will make every reasonable effort not to involve Franchisor in those disputes.

**7.21 Customer Lists.** Franchisee must (i) maintain a list of all of its current and former customers and any other data associated with specific customers that Franchisor designates for use in connection with the System and (ii) make such lists and contracts available for Franchisor's inspection upon request. Franchisee must promptly provide this information, which is deemed "Confidential Information" hereunder, to Franchisor upon expiration or termination of this Agreement for any reason.

**7.22 Forms of Client Payment.** Franchisee will maintain agreements or arrangements with any financial institution or credit/debit card issuer or sponsor designated by Franchisor, so that the ARCHIVE® Business may accept customers' credit cards, debit cards, checks, and other methods of payment designated by Franchisor.

**7.23 Personal Participation by Franchisee.** Franchisee must personally participate in the direct management operation of the ARCHIVE® Business on a full-time basis, unless Franchisee engages a Designated Manager that Franchisor approves in writing to manage the day-to-day operations of the ARCHIVE® Business. If Franchisee designates a manager at any time, that manager must successfully complete the Initial Training Program prior to assuming any management responsibilities in connection with the ARCHIVE® Business. Regardless, Franchisee is solely responsible for all aspects of the operation

of the ARCHIVE® Business and ensuring that all the terms, conditions, and requirements contained in this Agreement and in the Manuals are met and kept.

**7.24 Employment Decisions.** Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the ARCHIVE® Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. Franchisee's employees must be competent, conscientious, and properly trained.

## **8. TRAINING**

**8.1 Initial Training Program.** Franchisee shall attend (if Franchisee is a partnership, corporation or limited liability company, Franchisee's general partner, principal shareholder, or principal member/manager, as appropriate, shall attend) and complete to Franchisor's satisfaction, Franchisor's Initial Training Program. If Franchisee has a Designated Manager, as described in Section 7.7.5 of this Agreement, then he/she/they shall also attend the initial tuition-free training program. Franchisor provides the Initial Training Program for up to three (3) people, including Franchisee, tuition free so long as all individuals attend at the same time. If all individuals do not attend the Initial Training Program at the same time, Franchisor reserves the right to charge its then-current tuition fee. All training shall be held at Franchisor's headquarters in Las Vegas, Nevada or another site designated by Franchisor. All training related expenses, including Franchisee's and its employees' transportation to and from the training site, as well as their lodging, meals, and wages during training, are Franchisee's sole responsibility. The Initial Training Program lasts a minimum of five (5) days. Franchisee shall complete the Initial Training Program to Franchisor's satisfaction no later than forty-five (45) days prior to commencing operations of the ARCHIVE® Business. Should Franchisee or another individual fail to complete the Initial Training Program to Franchisor's satisfaction, at Franchisor's option, the respective person may repeat the course. Franchisor may charge its then-current tuition fee for such repeat training. Failure by Franchisee to complete the Initial Training Program to Franchisor's satisfaction is a cause for termination of this Agreement and Franchisor may terminate this Agreement.

**8.2 Training of Additional Personnel.** Franchisee's other employees may be trained by Franchisee, or at Franchisee's request, and subject to the availability of Franchisor's personnel, Franchisor will train Franchisee's additional personnel at Franchisor's then-current Initial Training Fee. Franchisee is responsible for all expenses, including transportation to and from the training site, as well as lodging, meals, and wages during training, incurred in training Franchisee's additional personnel. Only Franchisor-provided training materials may be used by Franchisee in training Franchisee's personnel. Updated training materials will be provided to Franchisee by Franchisor as they are developed. All training materials provided to Franchisee by Franchisor shall at all times remain Franchisor's property and Confidential Information, and Franchisee agrees not to challenge Franchisor's or Franchisor's affiliates' title or rights in or to the training materials. Franchisee may not make any disclosure, duplication or other unauthorized use of any portion of the training materials.

## **9. INSURANCE**

Franchisee agrees to purchase/procure and maintain such insurance covering the operation and location of the ARCHIVE® Business as Franchisor may designate from time to time in the Operations Manual or otherwise in writing from time to time. Franchisee agrees to provide Franchisor with proof of coverage on demand. Franchisee agrees to obtain these insurance policies from insurance carriers that are rated "A" or better

by Alfred M. Best & Company, Inc. and that are licensed and admitted in the state in which Franchisee operates its ARCHIVE® Business. All insurance policies must: (i) name Franchisor (and Franchisor's members, officers, directors, and employees) as additional insureds; and (ii) contain a waiver by the insurance carrier of all subrogation rights against Franchisor. Furthermore, Franchisee shall be required to provide ten (10) days prior written notice of the termination, expiration, cancellation or modification of any insurance policy. Franchisor's acceptance of an insurance carrier does not constitute Franchisor's representation or guarantee that the insurance carrier will be capable of meeting claims during the term of the insurance policy. Franchisee also expressly agrees to carry such insurance as may be required by any of Franchisee's lenders or equipment lessors. Franchisee must annually submit a certification of insurance which demonstrates compliance with this Section. If Franchisee fails to comply with the minimum insurance requirements set forth herein, Franchisor has the right to obtain such insurance and keep same in force and effect and Franchisee shall pay Franchisor, on demand, the premium cost thereof and administrative costs of fifteen percent (15%) in connection with Franchisor's obtaining the insurance. Franchisor has the right to increase or otherwise modify the minimum insurance requirements upon prior written notice to Franchisee, and Franchisee shall comply with any such modification within the time specified in said notice.

## **10. FINANCIAL RECORDS AND REPORTS**

Franchisee must maintain for at least seven (7) fiscal years from their preparation complete financial records for the operation of the ARCHIVE® Business in accordance with U.S. generally accepted accounting principles and must provide Franchisor with: (i) a monthly Gross Sales Report signed by Franchisee and in the form Franchisor specifies, which contains the sales information pertaining to the preceding month including, without limitation, a summary of all monies received during the relevant period categorized by service, as well as counts of clients, leads, and such other additional information which Franchisor deems necessary to properly evaluate Franchisee's progress; (ii) a quarterly income statement and profit and loss statement, within fifteen (15) days following the end of each quarter, in a format specified by Franchisor, including a standard chart of accounts; (iii) annual financial reports and operating statements in the form Franchisor specifies, prepared by a certified public accountant or state licensed public accountant, within ninety (90) days after the close of each of Franchisee's fiscal years; (iv) state and local sales tax returns or reports and federal, state and local income tax returns for each year in which Franchisee's ARCHIVE® Business is operated, within thirty (30) days after their timely completion; and (v) such other reports as Franchisor may from time to time require, in the form and at the time Franchisor prescribes. Franchisee's fiscal year must be on a calendar year basis. To assist Franchisee in recording and keeping accurate and detailed financial records for reports and tax returns, Franchisor, at Franchisor's discretion, may specify the form in which the business records are to be maintained, provide a uniform set of business records for Franchisee to use, and specify the type of equipment to be used in connection with the ARCHIVE® Business. Franchisor shall have full access to all of Franchisee's data, System, and related information by means of direct access.

## **11. BOOKS AND RECORDS**

Franchisee must maintain accurate business records, reports, accounts, books and data relating to the operation of Franchisee's ARCHIVE® Business. Franchisor and Franchisor's designees have the right to inspect and/or audit Franchisee's business records, which includes Franchisee's call logs related to the ARCHIVE® Business, at any time during normal business hours, to determine whether Franchisee is current with suppliers and is otherwise operating in compliance with the terms of this Agreement and the Operations Manual. If any audit reveals that Franchisee has understated Franchisee's Royalty or any other payments due to Franchisor, or Franchisee's local advertising expenditures, by more than two percent (2%) Franchisee must



pay the reasonable cost of such audit and/or inspection, including the cost of outside auditors and attorneys (to the extent Franchisor incurs such costs), together with any amounts due for Royalty and other fees as a result of such underreporting and/or failure to submit reports, along with all late fees and interest which may otherwise be due under this Agreement.

## **12. ADVERTISING**

Recognizing the value of advertising and promotion, and the importance of the standardization of advertising and promotion programs to the furtherance of the goodwill and public image of the System, the parties agree as follows:

**12.1 Generally.** With regard to advertising generally for the ARCHIVE® Business, Franchisee shall use or display only such signs, emblems, lettering, logos, displays and advertising materials as Franchisor approves in writing from time to time. Franchisee shall submit to Franchisor, at least fifteen (15) days prior to publication or use, samples of all sales, promotional, and advertising materials Franchisee desires to use and which Franchisor has not previously approved, including, but not limited to, print, radio and television advertising, signage, supplies and packaging. Franchisor's failure to approve or disapprove the materials within fifteen (15) days of receipt shall be deemed a rejection. All advertising shall prominently display the Proprietary Marks and shall comply with any standards for use of the Proprietary Marks Franchisor establishes as set forth in the Operations Manual or otherwise in writing. Franchisor may require Franchisee to discontinue the use of any advertising or marketing material, within time frames prescribed by Franchisor, at Franchisee's sole cost and expense. Franchisee will ensure that its local advertising and promotions reflect favorably on and do not disparage the Proprietary Marks, Franchisor, and any other franchisee.

**12.2 Territorial Advertising Restriction.** Franchisee is permitted to market and advertise solely within Franchisee's Territory. Notwithstanding the foregoing, Franchisee may provide services to customers from outside Franchisee's Territory if they are not within the territory of another ARCHIVE® franchisee. Franchisee may not advertise the ARCHIVE® Business or any products or services offered by the ARCHIVE® Business via the Internet or any other means of e-commerce, except as permitted in Section 12.3 below.

**12.3 Internet Website.** Franchisee must have and maintain adequate hardware and software in order to access high speed Internet, such that Franchisee is able to access Franchisor's Designated Software. Franchisee is prohibited, however, from establishing any website or other presence on the Internet, except as provided herein.

**12.3.1** Franchisor has established an Internet website that provides information about the System and the services offered by ARCHIVE® Businesses. Franchisor shall have sole discretion and control over the website (including timing, design, contents and continuation).

**12.3.2** Franchisor may provide an interior page on its website(s) or a separate Franchisor-created website that contains information about Franchisee's ARCHIVE® Business. Franchisor reserves the right to require Franchisee to prepare and maintain all of the information, links, videos, images, etc. needed for Franchisee's page, at Franchisee's expense, using a template that Franchisor provides. All such information will be subject to Franchisor's approval prior to posting.

**12.3.3** Franchisor will provide Franchisee with access to certain directory webpages (including Yelp and Google Places), and social media websites designated by Franchisor (including Facebook,

Twitter and Instagram), to contain Franchisee's ARCHIVE® Business-related content for distribution to Franchisee's community ("Permitted Webpages"). Franchisor must approve, in advance, any posts made to Permitted Webpages. Franchisee must submit any proposed post to Franchisor three (3) hours prior to publication or use. Franchisor's failure to approve or disapprove the materials within three (3) hours of receipt shall be deemed an approval. Franchisee's Permitted Webpages should only contain content relevant to Franchisor's mission and must meet Franchisor's standards and otherwise support ARCHIVE®'s brand, image and methodologies. Franchisor reserves the right to demand that Franchisee remove any nonconforming Permitted Webpages or blog post(s), to delete the link to Franchisee's Permitted Webpage(s) from Franchisor's website, and/or to revoke Franchisee's right to continue using such Permitted Webpage, if Franchisor determines in its sole discretion that the content of Franchisee's Permitted Webpage(s) is detrimental to ARCHIVE®'s brand and image.

12.3.4 Except Franchisee's Permitted Webpages, or as approved in advance in writing by Franchisor, Franchisee must not establish or maintain a separate website, splash page, profile or other presence on the Internet, or otherwise advertise on the Internet or any other public computer network in connection with the ARCHIVE® Business. All additional websites for ARCHIVE® Businesses will be centrally managed from the corporate website to maintain consistency, consolidate views/likes/etc. and reduce the expense and time required by Franchisee to create and manage individual websites and pages. If such approval is granted by Franchisor, Franchisee must: (i) establish and operate such Internet site or listing in accordance with System standards and any other policies Franchisor designates in the Operations Manual or otherwise in writing from time to time, including but not limited to Franchisor's Internet privacy policies; and (ii) utilize any templates that Franchisor provides to Franchisee to create and/or modify such site(s).

12.3.5 Franchisor shall have the right to modify the provisions of this Section 12.3 relating to Internet websites as Franchisor deems necessary or appropriate in the best interest of the System.

12.3.6 Franchisee acknowledges that Franchisor and/or Franchisor's affiliates are the lawful, rightful and sole owner of the Internet domain name [www.archivecontents.com](http://www.archivecontents.com), [www.archive.biz](http://www.archive.biz), and any other Internet domain names registered by Franchisor, and Franchisee unconditionally disclaims any ownership interest in such domain names and any Internet domain names colorably similar thereto. Franchisee agrees not to register any Internet domain name in any class or category that contains words used in or similar to any brand name owned by Franchisor or Franchisor's affiliates, or any abbreviation, acronym, phonetic variation or visual variation of those words.

12.4 **National Brand Fund.** Franchisor has established a national advertising fund (the "National Brand Fund"). Franchisor requires Franchisee to participate in and contribute monthly to the National Brand Fund in the amount of one percent (1%) of Franchisee's Gross Sales (the "Brand Fund Contribution"), which Franchisor may increase up two percent (2%) upon notice, in the manner Franchisor prescribes. Franchisee must pay the Brand Fund Contribution in the same manner and time as the Royalty fees due under this Agreement.

12.4.1 Franchisor will use contributions to the National Brand Fund, in Franchisor's sole discretion, to develop, produce and distribute national, regional and/or local advertising and to create advertising materials and public relations programs which promote, in Franchisor's sole judgment, the products and services offered by the System. Franchisor has the sole right to determine contributions and expenditures of the National Brand Fund, or any other advertising program, and the sole authority to determine, without limitation, the selection of the advertising materials and programs; provided, however, that Franchisor will

make a good faith effort to expend the National Brand Fund's contributions in the general best interests of the System on a national or regional basis. Nevertheless, Franchisee acknowledges that not all System Franchisees will benefit directly or on a pro rata basis from the National Brand Fund's expenditures. Franchisor may use the National Brand Fund to satisfy any and all costs of maintaining, administering, directing, preparing, and producing advertising, social media, public relations, including the cost of preparing and producing television, radio, magazine and newspaper advertising campaigns, the cost of direct mail and outdoor billboard advertising; the cost of public relations activities, social media activities, and advertising agencies; the cost of developing and maintaining an Internet website and managing social media and other online advertising; the cost of holding an Annual Conference, and personnel and other departmental costs for advertising that Franchisor internally administers or prepares. While Franchisor does not anticipate that any part of the National Brand Fund's contributions will be used for advertising which is principally a solicitation for franchisees, Franchisor reserves the right to use the National Brand Fund's contributions for public relations or recognition of the ARCHIVE® brand and for the creation and maintenance of Franchisor's website, a portion of which can be used to explain the franchise offering and solicit potential franchisees, and to include a notation in any advertisement indicating "Franchises Available." Sales materials, if developed, may be sold to franchisees at a reasonable cost.

12.4.2 Franchisor may periodically assist franchisees in maintaining high quality standards by conducting customer surveys, customer interviews, and other similar initiatives ("Surveys"). The cost of such programs will be paid from the National Brand Fund. The cost of these programs may be charged directly to Franchisee if Franchisee's results from a Survey fall below System-established minimum standards for such Surveys.

12.4.3 Franchisor has the right to reimburse itself from the National Brand Fund contributions for such reasonable costs and overhead, if any, as Franchisor may incur in activities reasonably related to the direction and implementation of the National Brand Fund.

12.4.4 Franchisor's contribution to the National Brand Fund for subsequent company-owned ARCHIVE® Businesses will be paid at the rate provided for franchisees in Franchisor's franchise disclosure document in the year that the company-owned ARCHIVE® Business is established.

12.4.5 Franchisor will prepare on an annual basis, and will have available for Franchisee within ninety (90) days of the end of the fiscal year, a statement of contributions and expenditures for the National Brand Fund, which will be provided to Franchisee upon Franchisee's written request. The National Brand Fund is not required to be independently audited.

12.4.6 Franchisor is under no obligation to conduct any advertising in Franchisee's Territory, however, Franchisor reserves the right to conduct such advertising if it chooses to do so in its sole discretion.

12.4.7 Franchisor will use commercially reasonable efforts to operate effectively all advertising, marketing, and promotions activities, including the National Brand Fund, but Franchisor will have no direct or indirect liability or obligation to Franchisee with respect to the maintenance, direction or administration of the National Brand Fund. Franchisee is not a third party beneficiary of any other franchise agreement and will have no right to require or enforce any contributions from other franchisees to, or with respect to the administration of, the National Brand Fund. Franchisee has no proprietary right in the National Brand Fund or the media created for it, and Brand Fund Contribution funds are not held in trust and do not create any trust or fiduciary duties on behalf of Franchisor.

**12.5 Regional Advertising and Promotional Cooperative.** Franchisor shall have the right, in Franchisor's sole discretion, to designate any geographical area for purposes of establishing a regional advertising and promotional cooperative ("Cooperative"), and to determine whether a Cooperative is applicable to Franchisee's ARCHIVE® Business. Franchisor has the right to require that a Cooperative and/or franchisee advisory council be formed, changed, dissolved or merged. If a Cooperative has been established applicable to Franchisee's ARCHIVE® Business at the time Franchisee begins operating under this Agreement, Franchisee must immediately become a member of such Cooperative. If a Cooperative applicable to the ARCHIVE® Business is established at any later time during the term of this Agreement, Franchisee must become a member of such Cooperative no later than thirty (30) days after the date on which the Cooperative begins operation. If the ARCHIVE® Business is within the territory encompassed by more than one Cooperative, Franchisee is required to be a member of only one such Cooperative. The following provisions will apply to each Cooperative:

12.5.1 Each Cooperative will be organized and governed in a form and manner, and will commence operation on a date, approved in advance by Franchisor;

12.5.2 Each Cooperative will be organized for the exclusive purpose of administering regional advertising programs and standardizing advertising materials for use by the members in local advertising;

12.5.3 No promotional or advertising plans or materials may be used by a Cooperative or furnished to its members without Franchisor's prior approval. All such plans and materials shall be submitted to Franchisor in accordance with the procedure set forth in Section 12.1 hereof;

12.5.4 All contributions (which may exceed the Local Advertising and Promotions Requirement described in Section 12.7, however Franchisee will receive credit for Cooperative contributions against the Local Advertising and Promotions Requirement) to the Cooperative shall be determined by a majority vote of the member franchisees in the Cooperative, subject to Franchisor's approval, which shall not be unreasonably withheld;

12.5.5 Each member franchisee must submit to the Cooperative, no later than the fifteenth (15<sup>th</sup>) of each month, for the preceding month, its respective contribution as provided in this Agreement together with such other statements or reports as Franchisor may require or as may be required by the Cooperative with Franchisor's approval;

12.5.6 All activities and decisions of the Cooperative shall be determined by a majority vote of the member franchisees in the Cooperative; and

12.5.7 Franchisor may grant to any franchisee, in Franchisor's sole discretion, an exemption for any length of time from the requirement of membership in a Cooperative, upon written request of such franchisee stating reasons supporting such exemption. Franchisor's decision concerning such request for exemption will be final.

**12.6 Local Advertising.** In addition to the Brand Fund Contribution described above in Section 12.5, Franchisor reserves the right to require Franchisee to spend at least one percent (1%) of Gross Sales each month on local advertising and promotions in accordance with an annual local marketing plan developed by

Franchisee (the “Local Advertising and Promotion Requirement”) which Franchisor may increase up two percent (2%) upon notice. If required, Franchisee must spend the Local Advertisement and Promotion Requirement as Franchisor prescribes in the Operations Manual or otherwise in writing, which may include, without limitation, requirements for placing a certain number and/or type(s) of media advertisements. Franchisee acknowledges and agrees that if applicable, Franchisee’s Local Advertising and Promotion Requirement must be expended regardless of the amount(s) spent by other System franchisees on local advertising. Franchisee may spend any additional sums Franchisee wishes on local advertising and promotions. Franchisee must use only such advertising and promotional materials as have been previously approved by Franchisor. Franchisee must send Franchisor proof of these expenditures along with Franchisee’s Gross Sales Reports, as specified in Section 3.3 of this Agreement. Franchisee’s local advertising and promotions efforts will include advertisement of the ARCHIVE® Business in any print or online directory listings required by Franchisor, which advertisements Franchisee will submit to Franchisor for approval prior to placement.

### **13. INDEPENDENT CONTRACTOR; INDEMNIFICATION**

**13.1 Independent Contractor Status.** Franchisee is an independent contractor responsible for full control over the internal management and daily operation of Franchisee’s ARCHIVE® Business, and neither party to this Agreement is the agent, principal, partner, employee, employer or joint venture partner of the other party. Franchisee may not act or represent itself, directly or by implication, as Franchisor’s agent, partner, employee or joint venture partner, and Franchisee may not incur any obligation on Franchisor’s behalf or in Franchisor’s name. All stationery, business cards and contractual agreements entered into by Franchisee shall contain Franchisee’s corporate or fictitious name and a conspicuously displayed notice, in the place Franchisor designates, that Franchisee operates Franchisee’s ARCHIVE® Business as an independently owned and operated ARCHIVE® Business and that Franchisee independently owns and operates the ARCHIVE® Business as a System franchisee. At Franchisor’s request, Franchisee must prominently display a “Franchises Available” sign in the form Franchisor prescribes and in the place that Franchisor designates. Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Franchisor’s behalf, or to incur any debt or other obligation in Franchisor’s name; and Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Franchisor be liable by reason of any of Franchisee’s acts or omissions in the operation of the ARCHIVE® Business or for any claim or judgment arising therefrom against Franchisee or Franchisor. Neither this Agreement nor Franchisor’s course of conduct is intended, nor may anything in this Agreement (nor Franchisor’s course of conduct) be construed to state or imply that Franchisor is the employer of Franchisee’s employees and/or independent contractors.

**13.2 Indemnification.** Franchisee and Franchisee’s principals agree to indemnify, defend and hold Franchisor, Franchisor’s affiliates and their respective shareholders, directors, officers, employees, agents, successors and assignees (“Indemnitees”) harmless against and to reimburse them for all claims, obligations, liabilities and damages (“Claims”), including any and all taxes, directly or indirectly arising out of, in whole or in part: (i) the operation of Franchisee’s ARCHIVE® Business, including the use, condition, construction, equipping, decorating, maintenance or day-to-day operations of the ARCHIVE® Business, the sale of any service or merchandise sold from the ARCHIVE® Business, and Franchisee’s advertising; (ii) Franchisee’s use of the Proprietary Marks; (iii) the transfer of any interest in this Agreement or Franchisee’s ARCHIVE® Business in any manner not in accordance with this Agreement; (iv) the infringement, alleged infringement, or any other violation or alleged violation by Franchisee or any of Franchisee’s principals of any patent, mark or copyright or other proprietary right owned or controlled by third parties; or (v) libel, slander or any other form of defamation of Franchisor, the System or any franchisee operating under the System, by Franchisee or by any of Franchisee’s principals. For purposes of this indemnification, “Claims” shall mean and include all

obligations, actual, consequential, punitive and other damages, and costs reasonably incurred in the defense of any action, including attorneys', attorney assistants' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether or not such claims exceed the amount of insurance coverage available through Franchisee to Franchisor. Franchisor shall have the right, though not the obligation, to defend any such Claim against it in such manner as Franchisor deems appropriate or desirable in Franchisor's sole discretion. Such an undertaking by Franchisor shall, in no manner or form, diminish Franchisee's and each of Franchisee's principals' obligation to indemnify the Indemnitees and to hold them harmless. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

## **14. SALE OR TRANSFER**

**14.1 Transfer.** Franchisee's rights under this Agreement are personal, and Franchisee shall not sell, transfer, assign or encumber Franchisee's interest in the ARCHIVE® Business without Franchisor's prior written consent, as described more fully in Section 14.3 below. Any sale, transfer, assignment or encumbrance made without Franchisor's prior written consent shall be voidable at Franchisor's option and shall subject this Agreement to termination as specified herein.

### **14.2 Death or Disability.**

**14.2.1 Transfer Upon Death or Disability.** Upon Franchisee's or any of its Designated Manager's death or disability, Franchisee's or the Designated Manager's executor, administrator, conservator, guardian, or other personal representative must transfer Franchisee's interest in this Agreement, or the Designated Manager's ownership interest in Franchisee, if any, to a third party (which may be Franchisee's or the Designated Manager's heirs, beneficiaries, or devisees) that Franchisor must approve, in Franchisor's sole discretion. That transfer must be completed within a reasonable time, not to exceed six (6) months from the date of death or disability, and is subject to all of the terms and conditions in this Section 14. If Franchisee is an entity and has more than one (1) principal, upon a principal's death, the remaining living principals may continue operation of the ARCHIVE® Business while the transfer is being finalized (but is still subject to the transfer provisions of Section 14). A failure to transfer Franchisee's interest in this Agreement or the Designated Manager's ownership interest in Franchisee within this time period is a breach of this Agreement. The term "disability" means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent Franchisee or the Designated Manager from supervising the management and operation of the ARCHIVE® Business.

**14.2.2 Operation Upon Death or Disability.** If, upon Franchisee's death or disability, a certified manager is not managing the ARCHIVE® Business, Franchisee's executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, no later than thirty (30) days from the date of death or disability, appoint a manager that Franchisor approves. The manager must complete Franchisor's standard training program at Franchisee's expense. If, in Franchisor's judgment, the ARCHIVE® Business is not being managed properly any time after Franchisee's death or disability, Franchisor may, but need not, assume the ARCHIVE® Business's management (or appoint a third party to assume its management). Franchisor may charge Franchisee (in addition to the Royalty, Brand Fund Contribution, and other amounts due under this Agreement) a reasonable amount of compensation, plus Franchisor's (or the third party's) direct out-of-pocket costs and expenses, if Franchisor (or a third party) assumes the ARCHIVE® Business's management under this subparagraph. Provided Franchisor is not grossly negligent and does not commit an act of willful misconduct, Franchisor will not be liable to Franchisee or its owners for any debts, losses, or

obligations the ARCHIVE® Business incurs, or to any of Franchisee's creditors for any products, other assets, or services the ARCHIVE® Business purchases, while Franchisor (or a third party) manages it. Franchisor's assumption of the ARCHIVE® Business's management will be for no more than ninety (90) day intervals. Franchisor will reevaluate the situation at the end of each such interval in consultation with Franchisee.

**14.3 Ownership Changes.** A sale, transfer or assignment requiring Franchisor's prior written consent shall be deemed to occur if Franchisee is: (i) a corporation, upon any assignment, sale, pledge or transfer of any fractional portion of Franchisee's voting stock or any increase in the number of outstanding shares of Franchisee's voting stock which results in a change of ownership; (ii) a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; or (iii) a limited liability company, upon the assignment, sale, pledge or transfer of any interest in the limited liability company. Any new partner, shareholder, or member or manager will be required to personally guarantee Franchisee's obligations under this Agreement. A transfer pursuant to (i) and (iii) in accordance with Section 14.4 below shall not be subject to Franchisor's right of first refusal described herein in Section 14.3.1.

**14.3.1 Right of First Refusal.** If Franchisee proposes to transfer either this Agreement or all, or substantially all, of the assets used in connection with the ARCHIVE® Business or any interest in Franchisee's lease to any third party (other than a corporation or limited liability company as set forth in Section 14.4 below), Franchisee shall first offer to sell such interest to Franchisor on the same terms and conditions as offered by such third party. Franchisee shall obtain from the third party and provide Franchisor a statement in writing, signed by the third party and Franchisee, of the terms of the offer ("Letter of Intent"). If Franchisor elects not to accept the offer within a thirty (30) day period, Franchisee shall have a period not to exceed sixty (60) days to complete the transfer described in the Letter of Intent subject to the conditions for approval set forth in Section 14.3.2 below. Franchisee shall effect no other sale or transfer as contemplated under the Letter of Intent without first complying with this Section 14.3.1. Any material change in the terms of the Letter of Intent shall be deemed a new proposal subject to Franchisor's right of first refusal. So long as Franchisee has obtained Franchisor's prior written consent, which shall not be unreasonably withheld, a transfer to an existing partner or shareholder, or a transfer as a result of the death, disability or incapacitation of a shareholder or partner, in accordance with the provisions set forth below, is not subject to Franchisor's first right of refusal.

**14.3.2 Conditions for Approval.** Franchisor may condition Franchisor's approval of any proposed sale or transfer of the ARCHIVE® Business or of Franchisee's interest in this Agreement upon satisfaction of the following occurrences:

**14.3.2.1** All of Franchisee's accrued monetary obligations to Franchisor, Franchisor's affiliates, and Franchisor's designated suppliers and vendors, are satisfied;

**14.3.2.2** Franchisee must cure all existing defaults under this Agreement, or any other agreement between Franchisee and Franchisor, Franchisor's affiliates, or Franchisor's designated suppliers and vendors, within the period permitted for cure, and must have substantially complied with such agreements during their respective terms;

**14.3.2.3** Franchisee and Franchisee's principals (if Franchisee is a partnership, corporation or limited liability company), and the transferee (if it has had any previous relationship with Franchisor or Franchisor's affiliates), must execute a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's affiliates and their respective officers,

directors, shareholders and employees, in their corporate and individual capacities; provided, however, the release shall not be inconsistent with any applicable state statute regulating franchising;

14.3.2.4 Franchisee or transferee shall provide Franchisor a copy of the executed purchase agreement relating to the proposed transfer with all supporting documents and schedules, including transferee's assumption of and agreement to faithfully perform all of Franchisee's obligations under this Agreement;

14.3.2.5 The transferee shall demonstrate to Franchisor's satisfaction that he or she meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business to be transferred; and has adequate financial resources and capital to meet the performance obligations under this Agreement; provided, however, transferee shall not be in the same business as Franchisor either as licensor, franchisor, independent operator or licensee of any other restoration services business or franchise System which is similar in nature or in competition with Franchisor, except that the transferee may be an existing System franchisee;

14.3.2.6 The transferee shall execute Franchisor's then-current form of franchise agreement for the unexpired term of this Agreement;

14.3.2.7 Franchisee or transferee shall pay Franchisor a transfer fee equal to: fifty percent (50%) of the then-current Initial Franchise Fee if transferring to an existing ARCHIVE® franchisee approved by Franchisor; \$1,500 if transferring shares between existing owners that have already been approved by Franchisor or if Franchisee is adding a shareholder that does not change the majority ownership in the franchisee entity; or seventy-five (75%) of our then-current Initial Franchise Fee otherwise;

14.3.2.8 The transferee shall satisfactorily complete Franchisor's training program at the transferee's sole expense within the time frame required by Franchisor;

14.3.2.9 Franchisee (and Franchisee's principals if Franchisee is a partnership, corporation or limited liability company), and the members of their respective families must comply with the post-termination provisions of this Agreement;

14.3.2.10 The transferee must obtain, within the time limits set by Franchisor, and maintain thereafter, all permits and licenses required for the operation of the ARCHIVE® Business;

14.3.2.11 To the extent required by the terms of any leases or other agreements, the lessors or other parties must have consented to the proposed transfer;

14.3.2.12 The transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises;

14.3.2.13 The purchase price and terms of the proposed transfer are not so burdensome to the prospective transferee as to impair or materially threaten its future operation of the ARCHIVE® Business and the transferee's performance under its franchise agreement;

14.3.2.14 Franchisee must request that Franchisor provide the prospective transferee with Franchisor's current form of franchise disclosure document;



14.3.2.15 Franchisor's approval of the transfer shall not constitute a waiver of any claims Franchisor may have against Franchisee;

14.3.2.16 Franchisor may disclose to any prospective transferee such revenue reports and other financial information concerning Franchisee and Franchisee's ARCHIVE® Business that Franchisee supplied to Franchisor;

14.3.2.17 In any event, Franchisor may withhold or condition Franchisor's consent to any transfer as Franchisor deems appropriate based on the circumstances of the transfer or otherwise; and

14.3.2.18 Franchisee is responsible for payment of all commissions or other monies due from the sale of the ARCHIVE® Business if: (i) Franchisee listed the ARCHIVE® Business with a broker; or (ii) transferee is referred to Franchisor by a broker lead referral network or otherwise.

**14.4 Transfer to a Corporation or Limited Liability Company.** If Franchisee is an individual and desires to assign its rights under this Agreement to a corporation or limited liability company, and if all of the following conditions are met, Franchisor will consent to the transfer without assessing the transfer fee set forth in Section 14.3.2.7 hereof, and such assignment will not be subject to Franchisor's right of first refusal set forth in Section 14.3.1 hereof if:

14.4.1 The corporation or limited liability company is newly organized and its activities are confined to operating the ARCHIVE® Business;

14.4.2 Franchisee is, and at all times remains, the owner of fifty-one percent (51%) of the outstanding shares of the corporation or a controlling interest in the limited liability company;

14.4.3 The corporation or limited liability company agrees in writing to assume all of Franchisee's obligations hereunder; and

14.4.4 All shareholders of the corporation, or members and managers of the limited liability company, as applicable, personally guarantee prompt payment and performance by the corporation or limited liability company of all its obligations to Franchisor and Franchisor's affiliates, under this Agreement and any other agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and such persons execute a confidentiality and noncompetition agreement as set forth in Section 17.2 hereof.

**14.5 Franchisor's Right to Transfer.** Franchisor has the right to sell, transfer, assign and/or encumber all or any part of Franchisor's assets and Franchisor's interest in, and rights and obligations under, this Agreement in Franchisor's sole discretion.

## **15. BREACH AND TERMINATION**

**15.1 Automatic Termination.** This Agreement shall automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following:

15.1.1 Voluntary Bankruptcy. If Franchisee makes an assignment for the benefit of creditors, files a voluntary petition in bankruptcy, is adjudicated bankrupt or insolvent, files or acquiesces in the filing of

a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consents to or acquiesces in the appointment of a trustee or receiver for Franchisee or the ARCHIVE® Business.

15.1.2 Involuntary Bankruptcy. If proceedings are commenced to have Franchisee adjudicated bankrupt or to seek Franchisee's reorganization under any state or federal bankruptcy or insolvency law, and such proceedings are not dismissed within sixty (60) days, or a trustee or receiver is appointed for Franchisee or the ARCHIVE® Business without Franchisee's consent, and the appointment is not vacated within sixty (60) days.

15.1.3 Unauthorized Transfer. If Franchisee purports to sell, transfer or otherwise dispose of Franchisee or any interest in the ARCHIVE® Business in violation of Section 14 hereof.

15.2 **With Notice and Without Opportunity to Cure**. Franchisor has the right to terminate this Agreement upon notice without providing Franchisee an opportunity to cure for any of the following breaches or defaults:

15.2.1 Criminal Acts. If Franchisee or Franchisee's principals are convicted of or plead guilty or no contest to any felony, or take part in any criminal misconduct relevant to the operation of Franchisee's ARCHIVE® Business.

15.2.2 Fraud. If Franchisee or Franchisee's principals commit any fraud or misrepresentation in the operation of Franchisee's ARCHIVE® Business.

15.2.3 Misrepresentation. If Franchisee or Franchisee's principals make any misrepresentation or omission in connection with Franchisee's franchise application, including but not limited to any financial misrepresentation.

15.2.4 Failure to Complete Training. If Franchisee fails to successfully complete initial training as provided in Section 8.1 hereof.

15.2.5 Repeated Breaches. If Franchisor sends Franchisee two (2) or more written notices to cure pursuant to Sections 15.3 or 15.4 hereof in any twelve (12) month period.

15.2.6 Breach of Other Agreements. If Franchisee or Franchisee's principals materially breach any other agreement with Franchisor or any of Franchisor's affiliates or the lease or finance agreement for the Approved Location if applicable, or threaten any material breach of any such agreement, and fail to cure such breach within any permitted period for cure.

15.2.7 Misuse of the Proprietary Marks or Confidential Information. If Franchisee or Franchisee's principals materially violate any provision hereof pertaining to Proprietary Marks or Confidential Information or misuse the Proprietary Marks or Confidential Information.

15.2.8 Violation of Health Code. If Franchisee violates any health, safety or sanitation law, ordinance or regulation, or operates the ARCHIVE® Business in a manner that presents a health or safety hazard to customers, or the general public.

15.2.9 Violation of In-term Restrictive Covenant. If Franchisee violates the in-term restrictive covenant contained in Section 17.1 hereof.

15.2.10 Liens. If a levy of writ of attachment or execution or any other lien is placed against Franchisee or any of Franchisee's principals or any of their assets which is not released or bonded against within thirty (30) days.

15.2.11 Insolvency. If Franchisee or any of Franchisee's principals become insolvent.

15.2.12 Abandonment. If Franchisee voluntarily or otherwise abandons the ARCHIVE® Business. The term "abandon" includes any conduct which indicates a desire or intent to discontinue the ARCHIVE® Business in accordance with the terms of this Agreement and shall apply in any event Franchisee fails to operate the ARCHIVE® Business for a period of two (2) or more consecutive days without Franchisor's prior written approval.

15.2.13 Unauthorized Products or Services. If Franchisee offers any unauthorized and unapproved training or other products or services at or from the ARCHIVE® Business.

15.2.14 Unapproved Purchases. If Franchisee orders or purchases supplies, signs, services, furnishings, fixtures, equipment or inventory from any currently unapproved supplier.

15.2.15 Proprietary Software. If Franchisee misuses or makes unauthorized use of Franchisor's proprietary software, if any.

15.2.16 Insurance. If Franchisee fails to maintain insurance or to repay Franchisor for insurance paid for by it, or otherwise fails to adhere to the requirements of Section 9 hereof.

15.2.17 Government Regulations. If Franchisee fails, within fifteen (15) days after notification of non-compliance by federal, state or local government authorities, to comply with any law or regulation applicable to the ARCHIVE® Business.

15.2.18 Government Actions. If any government action is taken against Franchisee that results in any obligation upon Franchisor which in Franchisor's sole judgment is uneconomical, not in the best interests of Franchisor, or would result in Franchisor having an unintended relationship or obligation.

15.2.19 Anti-Terrorist Activities. If Franchisee fails to comply with the provisions of Section 22.7 hereof.

15.2.20 Personal Use of Franchised Business Property. If Franchisee takes for Franchisee's own personal use any assets or property of the ARCHIVE® Business, employee taxes, FICA, insurance or benefits.

15.2.21 Insufficient Funds. If there are insufficient funds in Franchisee's bank account to cover a check or EFT payment to Franchisor three (3) or more times within any twelve (12) month period.

15.2.22 Minimum Performance Requirements. If Franchisee fails to fail to satisfy the Monthly Gross Sales Requirements on six (6) or more occasions in any given twelve (12) month period.

**15.3 Upon 15 Days' Notice to Cure.** Franchisor has the right to terminate this Agreement if any of the following defaults remain uncured after providing notice and expiration of the fifteen (15) day cure period:

15.3.1 Nonpayment. If Franchisee fails to pay as and when due any sums owed to Franchisor, any of Franchisor's affiliates, or any of Franchisor's designated suppliers.

15.3.2 Under-reporting of Gross Sales. If any audit reveals that Franchisee has understated Franchisee's Royalty or advertising payments, or Franchisee's local advertising expenditures, by more than two percent (2%), or if Franchisee has failed to submit timely reports and/or payments for any two (2) reporting periods within any twelve (12) month period, as described in Section 11 hereof.

15.3.3 Endorsement of Checks. If Franchisee fails to immediately endorse and deliver to Franchisor any payments due to Franchisor from any third party that is erroneously remitted to Franchisee.

15.3.4 Failure to Maintain Inventory. If Franchisee fails to maintain sufficient levels of inventory of applicable.

15.3.5 Failure to Open. If Franchisee fails to commence operations of Franchisee's ARCHIVE® Business within the time prescribed in Section 7.3 hereof.

15.3.6 Interruption of Service. If Franchisee fails to maintain the prescribed days or hours of operation at the ARCHIVE® Business.

15.3.7 Failure to Personally Supervise Operations or Employ Adequately Trained Personnel. If Franchisee fails, in Franchisor's sole discretion, to personally supervise the day-to-day operation of the ARCHIVE® Business or fails to employ one or more Designated Manager(s) to supervise the day-to-day operation of the ARCHIVE® Business as required under this Agreement.

15.3.8 Failure to Employ Marketing Representative. If Franchisee fails to employ one or more full time marketing representatives for more than ninety (90) consecutive days at any time.

15.3.9 Quality Control. If Franchisee fails to maintain the strict quality controls reasonably required by this Agreement and/or the Operations Manual.

15.3.10 Other Conduct Reflecting Adversely on System. If Franchisee conducts itself in a manner that, although not criminal, reflects adversely on the System, the Proprietary Marks, or the services or products offered through the System.

15.3.11 Licenses and Permits. If Franchisee fails to procure or maintain any licenses, certifications, or permits necessary for the operation of Franchisee's ARCHIVE® Business.

**15.4 Upon 30 Days' Notice to Cure.** Franchisor has the right to terminate this Agreement after providing notice and a thirty (30) day cure period if Franchisee fails to perform or comply with any one or more of the terms or conditions of this Agreement or any ancillary agreements between Franchisee and Franchisor or Franchisor's affiliates.

**15.5 Step-In Rights.** In addition to Franchisor's right to terminate this Agreement, and not in lieu of such right or any other rights Franchisor may have against Franchisee, upon a failure to cure any default within the applicable time period (if any), Franchisor has the right, but not the obligation, to exercise complete authority with respect to the operation of the ARCHIVE® Business until such time as Franchisor determines, in Franchisor's sole discretion, that the default has been cured and Franchisee is otherwise in compliance with this Agreement. In the event Franchisor exercises the rights described in this Section, Franchisee must reimburse Franchisor for all reasonable costs and overhead, if any, incurred in connection with Franchisor's operation of Franchisee's ARCHIVE® Business including, without limitations, costs of personnel for supervising and staffing the ARCHIVE® Business and their travel and lodging accommodations. If Franchisor undertakes to operate the ARCHIVE® Business pursuant to this Section, Franchisee agrees to indemnify and hold Franchisor (and Franchisor's representative(s) and employees) harmless from and against any fines, claims, suits or proceedings which may arise out of Franchisor's operation of the ARCHIVE® Business.

**15.6 Nonwaiver.** Franchisor's delay in exercising or failing to exercise any right or remedy under this Agreement or Franchisor's acceptance of any late or partial payment due hereunder shall not constitute a waiver of any of Franchisor's rights or remedies against Franchisee.

**15.7 Final Charges.** In the event of termination for any default by Franchisee, Franchisee shall promptly pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of franchisee's personal property, furnishings, equipment, signs, fixtures and inventory related to the operation of the ARCHIVE® Business.

## **16. RIGHTS AND DUTIES UPON TERMINATION OR EXPIRATION**

**16.1 Franchisee's Obligations.** Upon termination of this Agreement, regardless of the cause, and upon expiration and nonrenewal or transfer of this Agreement, Franchisee must, at Franchisee's cost and expense:

16.1.1 Cease immediately all operations under this Agreement;

16.1.2 Immediately pay Franchisor all unpaid fees and pay Franchisor, Franchisor's affiliates, and Franchisor's designated suppliers and vendors all other monies owed;

16.1.3 Immediately discontinue the use of the Proprietary Marks;

16.1.4 Immediately return the Operations Manual to Franchisor, along with all other manuals and Confidential Information Franchisor loaned to Franchisee, and immediately and permanently cease use of any Confidential Information;

16.1.5 Immediately cease using all telephone numbers and listings, facsimile numbers and listings, and Internet listings used in connection with the operation of the ARCHIVE® Business and direct the applicable company to transfer all such numbers and listings to Franchisor or Franchisor's designee pursuant to the Conditional Assignment of Telephone Numbers attached hereto as Exhibit B or, if Franchisor directs, to disconnect the numbers and delete the listings;

16.1.6 Promptly surrender all stationery, printed matter, signs, advertising materials and other items containing the Proprietary Marks, and all items which are a part of the trade dress of the System, as Franchisor directs;

16.1.7 Cease to hold itself out as Franchisor's franchisee;

16.1.8 Take such action as shall be necessary to amend or cancel any assumed name, business name or equivalent registration which contains any trade name or other Proprietary Mark Franchisor licensed to Franchisee, and furnish Franchisor evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after the termination, expiration or transfer of this Agreement;

16.1.9 Permit Franchisor to make final inspection of Franchisee's financial records, books, and other accounting records at any time within six (6) months of the effective date of termination, expiration, or transfer;

16.1.10 Comply with the post-termination covenants set forth in Section 17 hereof, all of which shall survive the transfer, termination or expiration of this Agreement;

16.1.11 Cease to use in advertising or in any other manner, any methods, procedures or techniques associated with Franchisor or the System;

16.1.12 Transfer all rights and access to any proprietary software program used in connection with the ARCHIVE® Business; and

16.1.13 Execute from time to time any necessary papers, documents, and assurances to effectuate the intent of this Section 16.

**16.2 Power of Attorney.** Franchisee hereby irrevocably appoints Franchisor as Franchisee's attorney-in-fact to execute in Franchisee's name and on Franchisee's behalf all documents necessary to discontinue Franchisee's use of the Proprietary Marks and the Confidential Information.

**16.3 Option to Purchase Personal Property.**

16.3.1 Upon the termination or expiration of this Agreement, Franchisor or Franchisor's designee shall also have the option, but not the obligation, to purchase any personal property used in connection with operation of Franchisee's ARCHIVE® Business by providing Franchisee written notice of Franchisor's election within sixty (60) days after such termination or expiration and paying Franchisee the book value for such personal property within sixty (60) days of such notice. For purposes of this paragraph, "book value" means the amount Franchisee actually paid for the personal property less depreciation (calculated by using the straight-line depreciation method on a five (5) year depreciation schedule, irrespective of the depreciation method or schedule Franchisee uses for accounting purposes). Notwithstanding the foregoing, to the extent that Franchisor exercises its right to purchase any personal property that is subject to a lease or finance agreement, the purchase price of such personal property shall equal the amount of Franchisee's remaining obligations under the lease or finance agreement, as applicable. Franchisor shall be entitled to offset the purchase price by the amount of money owed by Franchisee to Franchisor for any payments necessary to acquire clear title to property or for any other debt. If Franchisor exercises Franchisor's option to purchase, pending the closing of such purchase, Franchisor has the right to

appoint a manager to maintain operation of the ARCHIVE® Business, or Franchisor may require that Franchisee close the ARCHIVE® Business during such period without removing any assets. Franchisee is required to maintain in force all insurance policies required under this Agreement until the date of such closing. Franchisor has the unrestricted right to assign this option to purchase personal property. Franchisor will be entitled to all customary warranties and representations in connection with Franchisor's purchase of Franchisee's property, including, without limitation, representations and warranties as to ownership and condition of and title to the property; liens and encumbrances on the property; validity of contracts and agreements; and liabilities affecting the property, contingent or otherwise.

16.3.2 **Exclusions.** Franchisor may exclude from the personal property purchased hereunder cash or its equivalent and any equipment, signs, inventory, materials and supplies that are not reasonably necessary (in function or quality) to the ARCHIVE® Business's operation or that Franchisor has not approved as meeting standards for the ARCHIVE® Business.

## **17. COVENANTS**

Franchisee acknowledges that as a member of Franchisor's System, Franchisee will receive proprietary and Confidential Information and materials, trade secrets, and the unique methods, procedures and techniques which Franchisor has developed. Therefore to protect Franchisor and all Franchisor's franchisees, Franchisee agrees as follows:

17.1 **During the Term of This Agreement.** During the term of this Agreement, neither Franchisee, Franchisee's officers, directors, principals, or Designated Manager, nor any member of the immediate family of Franchisee or Franchisee's officers, directors, principals, or Designated Manager may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

17.1.1 Own, maintain, engage in, be employed by, lend money to, extend credit to or have any interest in any business providing restoration services, or any other business offering products and services offered or authorized for sale by System franchisees (a "Competing Business"); provided, however, that this Section does not apply to Franchisee's operation of any other ARCHIVE® Business; or

17.1.2 Divert or attempt to divert any business or customer or prospect of the ARCHIVE® Business to any Competing Business, 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 Proprietary Marks or the System.

### **17.2 After the Term of This Agreement.**

17.2.1 For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, Franchisee's officers, directors, or principals, nor any member of the immediate family of Franchisee or Franchisee's officers, directors, or principals may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation enter into any business that is competing in whole or in part with Franchisor by granting franchises or licenses to operate a Competing Business.

17.2.2 For a period of two (2) years after the expiration and nonrenewal, transfer or

termination of this Agreement, regardless of the cause, neither Franchisee, Franchisee's officers, directors, or principals, nor any member of the immediate family of Franchisee or Franchisee's officers, directors, or principals may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

17.2.2.1 Own, maintain, engage in, be employed by, or have any interest in any Competing Business located: (i) within the Territory granted to Franchisee hereunder; or (ii) within a radius of fifteen (15) miles of the perimeter of, (a) the Territory being granted hereunder, or (b) any other territory licensed by Franchisor as of the date of expiration, termination or transfer of this Agreement; or

17.2.2.2 Interfere with our business relationships or with anyone or any entity with which we have a business relationship.

17.3 **Intent and Enforcement.** It is the parties' intent that the provisions of this Section 17 be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Section 17, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. Franchisee agrees that in the event of the actual or threatened breach of this Section 17, Franchisor's harm will be irreparable, and that Franchisor has no adequate remedy at law to prevent such harm. Franchisee acknowledges and agrees on Franchisee's own behalf and on behalf of the persons who are liable under this Section 17 that each has previously worked or been gainfully employed in other careers and that the provisions of this Section 17 in no way prevent any such person from earning a living. Franchisee further acknowledges and agrees that the time limitation of this Section 17 shall be tolled during any default under this Section.

17.4 **No Defense.** Franchisee hereby agrees that the existence of any claim Franchisee may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to Franchisor's enforcement of the covenants contained in this Section 17. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) which Franchisor incurs in connection with the enforcement of this Section 17.

## 18. DISPUTE RESOLUTION

18.1 **Choice of Law.** This Agreement shall be governed by the laws of the Nevada.

18.2 **Internal Dispute Resolution.** Franchisee must first bring any claim or dispute between Franchisee and Franchisor to Franchisor's President and/or Chief Executive Officer, after providing notice as set forth in Section 18.6 below. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

18.3 **Mediation.** At Franchisor's option, all claims or disputes between Franchisee and Franchisor or its affiliates arising out of, or in any way relating to, this Agreement or any other agreement by and between Franchisee and Franchisor or its affiliates, or any of the parties' respective rights and obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure set forth in Section 18.2 above, must be submitted first to non-binding mediation, in or near Las Vegas, Nevada under the auspices of the American Arbitration Association ("AAA"), in accordance with the AAA's Commercial



Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Franchisee must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify Franchisee as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. Franchisee may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor's rights to mediation, as set forth herein, may be specifically enforced by Franchisor. Each party shall bear its own cost of mediation and Franchisor and Franchisee shall share mediation costs equally. This agreement to mediate shall survive any termination or expiration of this Agreement.

18.3.1 The parties shall not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 18.3 if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating):

18.3.1.1 Any federally protected intellectual property rights in the Proprietary Marks, the System, or in any Confidential Information;

18.3.1.2 Any claims pertaining to or arising out of any warranty issue; or

18.3.1.3 Any of the restrictive covenants contained in this Agreement.

18.4 **Selection of Venue.** The parties expressly agree to the jurisdiction and venue of any court of general jurisdiction in Las Vegas, Nevada and the jurisdiction and venue of the United States District Court for the District of Nevada. Franchisee acknowledges that this Agreement has been entered into in the State of Nevada, and that Franchisee is to receive valuable and continuing services emanating from Franchisor's business operations in Las Vegas, Nevada. In recognition of such services and their origin, Franchisee hereby irrevocably consents to the personal jurisdiction of the state and federal courts of Las Vegas, Nevada set forth above. Nothing contained in this Agreement shall prevent Franchisor from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interests.

18.5 **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of the provisions of this Agreement, including the mediation provision set forth in this Section 18, each having authority to specifically enforce the right to mediate claims asserted against such person(s) by Franchisee.

18.6 **Prior Notice of Claims.** As a condition precedent to commencing an action for damages or for violation or breach of this Agreement, Franchisee must notify Franchisor within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

18.7 **No Right to Offset.** Franchisee shall not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount

Franchisor or any of Franchisor's affiliates allegedly may owe Franchisee under this Agreement or any related agreements.

**18.8 Injunctive Relief.** Nothing in this Agreement shall prevent Franchisor from seeking to obtain injunctive relief, without posting a bond, against threatened conduct that will cause Franchisor loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions. If injunctive relief is granted, Franchisee's only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Franchisee expressly waives all claims for damages Franchisee incurred as a result of the wrongful issuance.

**18.9 Limitation of Action.** Franchisee further agrees that no cause of action arising out of or under this Agreement may be maintained by Franchisee against Franchisor unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after the Franchisee becomes aware of facts or circumstances reasonably indicating that Franchisee may have a claim against Franchisor hereunder, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

**18.9.1** Franchisee hereby waives the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any mediation, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder.

**18.10 Waiver of Punitive Damages.** Franchisee hereby waives, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, Franchisee's recovery is limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

**18.11 THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, OPERATION OF THE ARCHIVE® BUSINESS AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY PRODUCTS OR SERVICES. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE ARCHIVE® BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.**

## **19. REPRESENTATIONS**

**19.1 No Authority.** NO SALESPERSON, REPRESENTATIVE OR OTHER PERSON HAS THE AUTHORITY TO BIND OR OBLIGATE FRANCHISOR EXCEPT FRANCHISOR'S AUTHORIZED OFFICER BY A WRITTEN DOCUMENT. FRANCHISEE ACKNOWLEDGES THAT NO REPRESENTATIONS, PROMISES, INDUCEMENTS, GUARANTEES OR WARRANTIES OF ANY KIND WERE MADE BY FRANCHISOR OR ON FRANCHISOR'S BEHALF WHICH HAVE LED FRANCHISEE TO ENTER INTO THIS AGREEMENT. FRANCHISEE UNDERSTANDS THAT WHETHER FRANCHISEE SUCCEEDS AS A FRANCHISEE IS DEPENDENT UPON FRANCHISEE'S EFFORTS, BUSINESS JUDGMENTS, THE PERFORMANCE OF FRANCHISEE'S EMPLOYEES, MARKET CONDITIONS AND VARIABLE FACTORS BEYOND FRANCHISOR'S CONTROL OR INFLUENCE. FRANCHISEE FURTHER UNDERSTANDS THAT SOME FRANCHISEES ARE MORE OR LESS SUCCESSFUL THAN OTHER FRANCHISEES AND THAT FRANCHISOR HAS MADE NO REPRESENTATION THAT FRANCHISEE WILL DO AS WELL AS ANY OTHER FRANCHISEE.

**19.2 Opportunity for Review by Franchisee's Advisors.** FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR HAS RECOMMENDED, AND THAT FRANCHISEE HAS HAD THE OPPORTUNITY TO OBTAIN, REVIEW OF THIS AGREEMENT AND FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT BY FRANCHISEE'S LAWYER, ACCOUNTANT OR OTHER BUSINESS ADVISOR PRIOR TO EXECUTION.

**19.3 Execution of Agreement.** EACH OF THE UNDERSIGNED PARTIES WARRANTS THAT IT HAS THE FULL AUTHORITY TO SIGN AND EXECUTE THIS AGREEMENT. IF FRANCHISEE IS A PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY, THE PERSON EXECUTING THIS AGREEMENT ON BEHALF OF SUCH PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY WARRANTS TO FRANCHISOR, BOTH INDIVIDUALLY AND IN HIS OR HER CAPACITY AS PARTNER OR OFFICER, THAT ALL OF THE PARTNERS OF THE PARTNERSHIP, ALL OF THE SHAREHOLDERS OF THE CORPORATION OR ALL OF THE MEMBERS/MANAGERS OF THE LIMITED LIABILITY COMPANY, AS APPLICABLE, HAVE READ AND APPROVED THIS AGREEMENT, INCLUDING ANY RESTRICTIONS WHICH THIS AGREEMENT PLACES UPON RIGHTS TO TRANSFER INTERESTS IN THE PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY.

## **20. GUARANTY**

If Franchisee is a corporation, or subsequent to execution hereof, Franchisee assigns this Agreement to a corporation, all shareholders of Franchisee's outstanding shares and their spouses (or if Franchisee is a partnership, or subsequent to execution hereof, Franchisee assigns this Agreement to a partnership, all partners and their spouses, or if Franchisee is a limited liability company, or subsequent to execution hereof Franchisee assigns this Agreement to a limited liability company, all members and managers and their spouses) hereby personally and unconditionally guarantee without notice, demand, or presentment, the payment of all of Franchisee's monetary obligations under this Agreement, and any other agreement between Franchisee and Franchisor and/or Franchisor's affiliates, as if each were an original party to this or any other agreement in his or her individual capacity. All such personal guarantors further agree to be bound by the restrictions of Franchisee's activities upon transfer, termination, or expiration and nonrenewal of this Agreement as if each were an original party to this Agreement in his or her individual capacity. All such personal guarantors and their spouses must execute a continuing personal guarantee in the form attached hereto as Exhibit A. If

Franchisee is an individual, Franchisee’s spouse must execute a continuing personal guarantee in the form attached hereto as Exhibit A.

## 21. NOTICES

All notices and requests to be given under this Agreement are to be in writing, and delivered by either certified mail, or via a recognized courier service offering a delivery receipt (e.g., UPS or FedEx), to the following addresses (which may be changed by written notice):

Franchisee: \_\_\_\_\_  
\_\_\_\_\_

Franchisor: Archive Franchise Network, LLC  
1960 East McFadden Avenue  
Santa Ana, CA 92705

With a copy to: F Joseph Dunn, Esquire.  
Dunn & Allsman, LLC  
18 Campus Boulevard, Suite 100  
Newtown Square, PA 19073

## 22. MISCELLANEOUS

**22.1 Entire Agreement.** This Agreement contains the entire Agreement of the parties. There are no representations, either oral or written, except those contained in this Agreement. This written Agreement includes all representations between the parties. This Agreement may not be modified except by a written document signed by both parties. Nothing in the Agreement is intended to disclaim the representations made in the franchise disclosure document that was furnished to Franchisee.

**22.2 Construction of Language.** The language of this Agreement shall be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as Franchisee, their obligations and liabilities shall be joint and several. Headings are for reference purposes and do not control interpretation. Reference to “immediate family” means spouse, parents, children and siblings and spouse’s parents, children and siblings. Reference to Franchisee’s “principals” means Franchisee’s partners, officers, directors, shareholders, members and managers, as applicable. References to “Franchisor” and “Franchisee” include the party’s successors, assigns or transferees.

**22.3 Severability.** If any provision of this Agreement is deemed invalid or inoperative for any reason, that provision shall be deemed modified to the extent necessary to make it valid and operative or, if it cannot be so modified, it shall then be severed, and the remainder of that provision shall continue in full force and effect as if this Agreement had been signed with the invalid portion so modified or eliminated; provided, however, that if any part of this Agreement relating to payments to Franchisor or any of its affiliates, or

protection of the Proprietary Marks or the Confidential Information, including the Operations Manual and Franchisor's other trade secrets, is declared invalid or unenforceable, then Franchisor at Franchisor's option may terminate this Agreement immediately upon written notice to Franchisee.

**22.4 State Law Applies.** If any provision of this Agreement, including but not limited to its provisions for transfer, renewal, termination, notice of termination, or cure rights, is inconsistent with any valid law or regulation of the state in which Franchisee's ARCHIVE® Business is located, then the valid law or regulation of that state applicable to the franchise shall supersede any provision of this Agreement that is less favorable to Franchisee.

**22.5 Additional Documentation.** Franchisee must from time to time, subsequent to the date first set forth above, at Franchisor's request and without further consideration, execute and deliver such other documentation or agreement and take such other action as Franchisor reasonably may require in order to effectuate the transactions contemplated herein. In the event that Franchisee fails to comply with the provisions of this Section, Franchisee hereby appoints Franchisor as Franchisee's attorney-in-fact to execute all such documents on Franchisee's behalf.

**22.6 Force Majeure.** Neither Franchisee, Franchisor, nor Franchisor's affiliates will be liable for loss or damage or deemed to be in breach of this Agreement or any related agreement if its failure to perform its obligations is not the fault nor within the reasonable control of the person due to perform but results from, without limitation, fire, flood, natural disasters, acts of God, governmental acts or orders, or civil disorders. Any delay resulting from any such cause will extend the time of performance for the period of such delay or for such other reasonable period of time as the parties agree in writing or will excuse performance, in whole or in part, as Franchisor deems reasonable.

**22.7 Anti-Terrorist Activities.** Franchisee certifies that neither Franchisee, nor Franchisee's owners, principals, employees nor anyone associated with Franchisee is listed in the Annex to Executive Order 13224 (the "Annex"). Franchisee agrees not to hire or have any dealings with a person listed in the Annex. Franchisee certifies that Franchisee has no knowledge or information that, if generally known, would result in Franchisee, Franchisee's owners, principals, employees, or anyone associated with Franchisee being listed in the Annex. Franchisee agrees to comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such 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 and Franchisee's owners or principals are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all such Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that Franchisee's indemnification responsibilities as provided in Section 13.2 of this Agreement pertain to Franchisee's obligations under this Section 22.7. Any misrepresentation by Franchisee under this Section or any violation of the Anti-Terrorism Laws by Franchisee, Franchisee's owners, principals or employees shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered into with Franchisor or one of Franchisor's affiliates in accordance with the terms of Section 15.2.19 of this Agreement. As used herein, "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), 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 (including without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts or acts of war.

**22.8 Attorneys' Fees.** If Franchisee is in breach or default of any monetary or nonmonetary material obligation under this Agreement or any related agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and Franchisor engages an attorney to enforce Franchisor's rights (whether or not formal judicial proceedings are initiated), Franchisee must pay all reasonable attorneys' fees, court costs and litigation expenses Franchisor incurs, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of Franchisee's personal property, furnishings, equipment, signs, fixtures and inventory related to the operation of the ARCHIVE® Business. If Franchisee institutes any legal action to interpret or enforce the terms of this Agreement, and Franchisee's claim in such action is denied or the action is dismissed, Franchisor is entitled to recover Franchisor's reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

## **23. ACKNOWLEDGMENTS**

**23.1 Independent Investigation.** Franchisee acknowledges that Franchisee has conducted an independent investigation of the ARCHIVE® Business contemplated by this Agreement and recognizes that it involves business risks which make the success of the venture largely dependent upon Franchisee's business abilities and efforts. Franchisee acknowledges that Franchisee has been given the opportunity to clarify any provision of this Agreement that Franchisee may not have initially understood and that Franchisor has advised Franchisee to have this Agreement reviewed by an attorney.

**23.2 No Guarantees or Representations of Earnings.** Franchisee understands that Franchisor and any of Franchisor's representatives and/or agents with whom Franchisee has met have not made and are not making any guarantees or representations as to the extent of Franchisee's success in operating an ARCHIVE® Business, and have not and are not in any way representing or promising any specific amounts of earnings or profits associated with Franchisee's operation of the ARCHIVE® Business.

**23.3 Receipt of Disclosure Document.** Franchisee acknowledges that this Agreement and Franchisor's Franchise Disclosure Document, or "FDD", have been in Franchisee's possession for at least fourteen (14) days before Franchisee signed this Agreement and before Franchisee's payment of any monies to Franchisor, refundable or otherwise, and that any material changes to this Agreement were memorialized in writing in this Agreement for at least seven (7) days before Franchisee signed this Agreement.

**23.4 No Personal Liability.** Franchisee agrees that fulfillment of any and all of Franchisor's obligations written in this Agreement or based on any oral communications which may be ruled to be binding in a court of law shall be Franchisor's sole responsibility and none of Franchisor's agents, representatives, nor any individuals associated with Franchisor's franchise company shall be personally liable to Franchisee for any reason. Franchisee agrees that nothing that Franchisee believes Franchisee has been told by Franchisor or Franchisor's representatives shall be binding unless it is written in this Agreement. This is an important part of this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

**IN WITNESS WHEREOF, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED EFFECTIVE THE DATE FIRST SET FORTH ABOVE.**

**FRANCHISEE:**

**ARCHIVE FRANCHISE NETWORK, LLC**

\_\_\_\_\_  
(Individual, Partnership or Corporation Name)

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

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

Title: \_\_\_\_\_

Title: \_\_\_\_\_

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

Title: \_\_\_\_\_

**PERSONAL GUARANTORS**

\_\_\_\_\_

\_\_\_\_\_

**EXHIBIT A**  
**to**  
**ARCHIVE FRANCHISE NETOWRK, LLC**  
**FRANCHISE AGREEMENT**  
**PERSONAL GUARANTY**



## **PERSONAL GUARANTY**

NOTE: IF FRANCHISEE IS A CORPORATION, EACH OF FRANCHISEE'S SHAREHOLDERS AND THEIR SPOUSES MUST EXECUTE THE FOLLOWING UNDERTAKING. IF FRANCHISEE IS A PARTNERSHIP, EACH OF FRANCHISEE'S PARTNERS AND THEIR SPOUSES MUST EXECUTE THE FOLLOWING UNDERTAKING. IF FRANCHISEE IS A LIMITED LIABILITY COMPANY, EACH OF FRANCHISEE'S MEMBERS AND MANAGERS AND THEIR SPOUSES MUST EXECUTE THE FOLLOWING UNDERTAKING. IF THE FRANCHISEE IS AN INDIVIDUAL, FRANCHISEE'S SPOUSE MUST EXECUTE THE FOLLOWING UNDERTAKING.

## **ARTICLE I PERSONAL GUARANTY**

The undersigned persons (individually and collectively "you") hereby represent to Archive Franchise Network, LLC ("Franchisor") that you are all of the shareholders of \_\_\_\_\_ ("Franchisee"), or all of the partners of Franchisee, or all of the members and managers, or the spouse of any individual Franchisee, or the spouse of any such shareholder, general partner, or member or manager of Franchisee, as the case may be. In consideration of the grant by Franchisor to the Franchisee as herein provided, each you hereby agree, in consideration of benefits received and to be received by each of you, jointly and severally, and for yourselves, your heirs, legal representatives and assigns, to be firmly bound by all of the terms, provisions and conditions of the foregoing Archive Franchise Network, LLC franchise agreement (the "Franchise Agreement"), and any other agreement between Franchisee and Franchisor and/or its affiliates, and do hereby unconditionally guarantee the full and timely performance by Franchisee of each and every obligation of Franchisee under the aforesaid Franchise Agreement or other agreement between Franchisor and Franchisee, including, without limitation, any indebtedness of Franchisee arising under or by virtue of the aforesaid Franchise Agreement and that you (jointly and severally) will not permit or cause any change in the percentage of Franchisee owned, directly or indirectly, by any person, without first obtaining the written consent of Franchisor prior to said proposed transfer, which consent must not be unreasonably withheld, and without first paying or causing to be paid to Franchisor the transfer fee provided for in said Franchise Agreement, if applicable, and without otherwise complying with the transfer provisions of the foregoing Franchise Agreement. You agree to be bound by the dispute resolution procedures set forth in the Franchise Agreement. You further agree to be bound by the in-term and post-term covenants against competition of the aforesaid Franchise Agreement.

## **ARTICLE II CONFIDENTIALITY**

During the initial and any renewal terms of the Franchise Agreement and this personal guaranty (the "Guaranty"), you will receive information, which Franchisor considers its trade secrets and confidential information. You shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any "Confidential Information", as such term is defined in the Franchise Agreement. Any and all information, knowledge, know-how, techniques, and other data, which Franchisor designates as confidential, will be deemed Confidential Information for purposes of this Guaranty.

### **ARTICLE III NON-COMPETITION**

You acknowledge that as a participant in the Franchisor's franchise System, you will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which Franchisor has developed. Therefore to protect Franchisor and all Franchisor's franchisees, you agree as follows:

**1) During the Term of the Franchise Agreement and this Guaranty.** During the term of the Franchise Agreement and this Guaranty, neither you, nor your principals, officers, or directors, nor any members of your immediate family or the immediate family of your principals, officers, or directors may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

a) Own, maintain, engage in, be employed by, lend money to, extend credit to or have any interest in in any business providing restoration services, or any other business offering products and services offered or authorized for sale by System franchisees (a "Competing Business"); provided, however, that this Section does not apply to your operation of any other ARCHIVE® Business under the ARCHIVE® Proprietary Marks and System;

b) Divert or attempt to divert any business or customer or prospect of the ARCHIVE® Business to any Competing Business, 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 Proprietary Marks or the System.

**2) After the Term of This Agreement.**

a) For a period of 2 years after the expiration and nonrenewal, transfer or termination of the Franchise Agreement, regardless of the cause, neither you, your officers, directors, or principals, nor any member of your immediate family or the immediate family of your officers, directors, or principals may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation enter into any business competing in whole or in part with Franchisor in granting franchises or licenses to operate a Competing Business at the time the Franchise Agreement is terminated or otherwise expires and is not renewed.

b) For a period of 2 years after the expiration, transfer or termination of the Franchise Agreement, regardless of the cause, neither you, your officers, directors, or principals, nor any member of your immediate family or the immediate family of your officers, directors, or principals may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

(i) Own, maintain, engage in, be employed by, or have any interest in any Competing Business at the time of termination or expiration and nonrenewal (i) at the ARCHIVE® Business; (ii) within the territory (the "Territory"); or (iii) within a radius of 20 miles of the perimeter of (a) the Territory being granted hereunder or (b) any other territory licensed by Franchisor as of the date of expiration or termination of this Agreement; or

(ii) Interfere with our business relationships or with anyone or any entity with which we have a business relationship.

3) **Intent and Enforcement.** It is the parties' intent that the provisions of this Article III be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Article III by you, any of your principals, or any members of their immediate family, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. You agree that in the event of the actual or threatened breach of this Article III, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. You acknowledge and agree that you have previously worked or been gainfully employed in other careers and that the provisions of this Article III in no way prevents you from earning a living. You further acknowledge and agree that the time limitation of this Article III shall be tolled during any default under the Franchise Agreement and this Guaranty.

#### **ARTICLE IV MISCELLANEOUS**

1) **Acknowledgment.** You acknowledge that this Guaranty is not a franchise agreement and does not confer upon you any rights to use the Franchisor's Proprietary Marks or its System.

2) **Governing Law.** This Guaranty shall be deemed to have been made in and governed by the laws of the State of Nevada.

3) **Internal Dispute Resolution.** You must first bring any claim or dispute arising out of or relating to the Franchise Agreement or this Guaranty to Franchisor's Chief Executive Officer and/or President. You agree to exhaust this internal dispute resolution procedure before bringing any dispute before a third party. This agreement to engage in internal dispute resolution first shall survive the termination or expiration of this Guaranty.

4) **Mediation.** At Franchisor's option, all claims or disputes between you and Franchisor arising out of, or in any way relating to, this Guaranty or the Franchise Agreement or any other agreement by and between you and the Franchisor, or any of the parties' respective rights and obligations arising from such agreements, must be submitted first to non-binding mediation, in Las Vegas, Nevada, under the auspices of the American Arbitration Association ("AAA"), in accordance with the AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, you must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of 30 days following receipt of such notice within which to notify you as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. You may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor's rights to mediation, as set forth herein, may be specifically enforced by Franchisor. Each party shall bear its own cost of mediation and the parties shall share the cost of mediator. This agreement to mediate at our option shall survive the termination or expiration of the Franchise Agreement.

a) The parties shall not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 4 if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating):

(i) Any federally protected intellectual property rights in the Proprietary Marks, the System, or in any Confidential Information;

(ii) Any claims arising out of or pertaining to any warranty issued; or

(iii) Any of the restrictive covenants contained in this agreement.

5) **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of the Franchise Agreement and this Guaranty, and the mediation provisions contained herein, each having authority to specifically enforce the right to mediate and arbitrate claims asserted against such person(s) by you.

6) **Injunctive Relief.** Nothing contained in this Guaranty shall prevent Franchisor from applying to or obtaining from any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interests prior to the filing of any mediation proceeding or pending the trial or handing down of a decision or award pursuant to any mediation or judicial proceeding conducted hereunder.

7) **Jurisdiction and Venue.** With respect to any proceeding not subject to mediation, the parties expressly agree submit to the jurisdiction and venue of any court of general jurisdiction in Las Vegas, Nevada, and the jurisdiction and venue of the United States District Court for the District of Nevada.

8) **Jury Trial Waiver.** THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS PERSONAL GUARANTY OR THE FRANCHISE AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.

9) **Waiver of Punitive Damages.** You waive, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which you may have against us arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, your recovery shall be limited to actual damages. If any other term of this Personal Guaranty is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

10) **Limitation on Action.** You agree that no cause of action arising out of or under this Guaranty or the Franchise Agreement may be maintained by you unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim against the Franchisor, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.

11) **Attorneys' Fees.** If either party institutes any mediation action or judicial proceeding to enforce any monetary or nonmonetary obligation or interpret the terms of this Guaranty and the Franchise Agreement, and Franchisor prevails in such action, you shall be liable to Franchisor for all costs, including reasonable attorneys' fees, incurred in connection with such proceeding.

12) **Nonwaiver.** Franchisor’s failure to insist upon strict compliance with any provision of this Guaranty and the Franchise Agreement shall not be a waiver of Franchisor’s right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by Franchisor respecting any breach or default shall not affect Franchisor’s rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Guaranty shall be cumulative. Franchisor’s election to exercise any remedy available by law or contract shall not be deemed a waiver or preclude exercise of any other remedy.

13) **Severability.** The parties agree that if any provisions of this Guaranty may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision shall have the meaning which renders it valid and enforceable. The provisions of this Guaranty are severable, and this Guaranty shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable. If any material provision of this Guaranty shall be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Guaranty.

14) **Construction of Language.** Any term defined in the Franchise Agreement which is not defined in this Guaranty will be ascribed the meaning given to it in the Franchise Agreement. The language of this Guaranty will be construed according to its fair meaning, and not strictly for or against either party. All words in this Guaranty refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

15) **Successors.** References to “Franchisor”, “the undersigned,” or “you” include the respective parties’ successors, assigns or transferees.

16) **No Personal Liability.** You agree that fulfillment of any and all of Franchisor’s obligations written in this Guaranty or in the Franchise Agreement or based on any oral communications which may be ruled to be binding in a Court of Law shall be Franchisor’s sole responsibility and none of Franchisor’s agents, representatives, nor any individuals associated with Franchisor’s franchise company shall be personally liable to Franchisee or you for any reason.

*[signatures on following page]*

**PERSONAL GUARANTORS**

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**SPOUSES**

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**EXHIBIT B**  
**to**  
**ARCHIVE FRANCHISE NETWORK, LLC**  
**FRANCHISE AGREEMENT**

**CONDITIONAL ASSIGNMENT OF FRANCHISEE'S TELEPHONE NUMBERS,  
FACSIMILE NUMBERS AND DOMAIN NAMES**

**CONDITIONAL ASSIGNMENT OF FRANCHISEE'S TELEPHONE NUMBERS,  
FACSIMILE NUMBERS AND DOMAIN NAMES**

1. \_\_\_\_\_ (“Assignor”), in exchange for valuable consideration provided by Archive Franchise Network, LLC (“Assignee”), receipt of which is hereby acknowledged, hereby conditionally assigns to Assignee all telephone numbers, facsimile numbers, domain names, as well as any listings associated therewith, utilized by Assignor in the operation of its ARCHIVE® Business (the “Assigned Property”). The Assigned Property includes the following:

Telephone Number(s): \_\_\_\_\_

Facsimile Number(s): \_\_\_\_\_

Domain Name(s) (as permitted by Franchisor under the Franchise Agreement): \_\_\_\_\_

2. The conditional agreement will become effective automatically upon termination or expiration of Assignor’s franchise agreement. Upon the occurrence of that condition, Assignor must do all things required by the telephone company, domain name registrar, or other applicable entity to assure the effectiveness of the assignment of Assigned Property as if the Assignee had been originally issued such Assigned Property and the usage thereof.

3. Assignor agrees to pay the telephone company, domain name registrar, and/or other applicable entity, on or before the effective date of assignment, all amounts owed for the use of the Assigned Property up to the date this Assignment becomes effective. Assignor further agrees to indemnify Assignee for any sums Assignee must pay to effectuate this Assignment, and agrees to fully cooperate with the telephone company, domain name registrar, and/or any other applicable entity, as well as the Assignee, in effectuating this assignment.

**ASSIGNOR:**

BY: \_\_\_\_\_ Date: \_\_\_\_\_

TITLE: \_\_\_\_\_

**ASSIGNEE:**

**ARCHIVE FRANCHISE NETWORK, LLC**

BY: \_\_\_\_\_ Date: \_\_\_\_\_

TITLE: \_\_\_\_\_

**EXHIBIT C**  
**to**  
**ARCHIVE FRANCHISE NETWORK, LLC**  
**FRANCHISE AGREEMENT**

**CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT**



## CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT

*(for trained employees, shareholders, officers, directors,  
general partners, members and managers and Designated Manager of Franchisee)*

In consideration of my being a \_\_\_\_\_ of \_\_\_\_\_ (the “Franchisee”), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that Franchisee has acquired the right from Archive Franchise Network, LLC (the “Company”) to establish and operate a franchised business (the “ARCHIVE® Business”) and the right to use in the operation of the ARCHIVE® Business the Company’s trade names, trademarks and service marks (the “Proprietary Marks”) and the Company’s unique and distinctive format and system relating to the establishment and operation of ARCHIVE® Businesses (the “System”), as they may be changed, improved and further developed from time to time in the Company’s sole discretion.

1. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes but is not limited to information regarding the set-up of an ARCHIVE® Business; information about proprietary merchandise and services; any proprietary software we may now or in the future create; our Operations Manual; trade secrets; price marketing mixes related to the sale of goods or services offered or authorized for sale by System franchisees; recruitment strategy; standards and specifications for customer service; systems and training manuals; compensation systems; marketing strategies; online social marketing systems; merchandise sales systems; sales training; location identification and acquisition; ongoing training; general operations; our copyrighted materials; and methods and other techniques and know-how concerning the of operation of the ARCHIVE® Business which may be communicated to you or of which you may be apprised by virtue of your operation of an ARCHIVE® Business (collectively, the “Confidential Information”).

2. Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

3. The Company and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, the Archive Franchise Network, LLC Operations Manual and other general assistance during the term of this Agreement.

4. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the ARCHIVE® Business during the term hereof, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

5. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties with the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

6. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company, own, maintain, engage in, be employed by, or have any interest in any other business which operates or licenses any other Competing Business, as that term is defined in Section 17.1.1 of the Archive Franchise Network, LLC Franchise Agreement, except an ARCHIVE® Business operating under the System and Proprietary Marks.

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

8. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

9. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

10. This Agreement shall be construed under the laws of Nevada. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**ACKNOWLEDGED BY FRANCHISEE**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT D**  
**to**  
**ARCHIVE FRANCHISE NETWORK, LLC**  
**FRANCHISE AGREEMENT**

**ELECTRONIC FUNDS WITHDRAWAL AUTHORIZATION**

## ELECTRONIC FUNDS WITHDRAWAL AUTHORIZATION

Bank Name : \_\_\_\_\_

ABA# : \_\_\_\_\_

Acct. No. : \_\_\_\_\_

Acct. Name : \_\_\_\_\_

Effective as of the date of the signature below, \_\_\_\_\_ (“Franchisee”) hereby authorizes Archive Network Franchise, LLC (“Company”) or its designee to withdraw funds from the above-referenced bank account, electronically or otherwise, to make the following payments to Company under the Franchise Agreement for the franchise located at \_\_\_\_\_: (1) all Royalty fees; (2) all contributions to the National Brand Fund; and (3) any fees that the Company may impose under the terms of Franchisee’s Franchise Agreement from time to time. Such withdrawals shall occur on a monthly basis, or on such other schedule as Company shall specify in writing. Company is also authorized to deposit funds into the above-referenced account, electronically or otherwise. This authorization shall remain in full force and effect until terminated in writing by Company. Franchisee shall provide Company, in conjunction with this authorization, a voided check from the above-referenced account.

AGREED:

ATTEST:

FRANCHISEE

\_\_\_\_\_

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

Print name: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT E**  
**to**  
**ARCHIVE FRANCHISE NETWORK, LLC**  
**FRANCHISE AGREEMENT**

**SAMPLE LEASE ADDENDUM FORM AND**  
**COLLATERAL ASSIGNMENT OF LEASE FORM**

**LEASE ADDENDUM FORM**

The undersigned Landlord hereby:

- A. Agrees that the leased Premises will only be used in connection with the operation of Franchisee's franchised business utilizing Franchisor's proprietary marks (the "Proprietary Marks");
- B. Agrees that Franchisor has the right to enter the Premises to (a) make any modifications necessary to protect the Proprietary Marks, or (b) otherwise exercise or enforce Franchisor's rights under the Franchise Agreement;
- C. Agrees to allow Franchisee, upon written request from Franchisor, to provide Franchisor with a current copy of the lease;
- D. Agrees to notify Franchisor in writing of and upon the failure of Franchisee to cure any default by Franchisee under the Lease, and also provide Franchisor with the right to cure said default under the Lease within thirty (30) days of being notified (but Franchisor is under no obligation to do so);
- E. Agrees that Franchisor will have the option, but not the obligation, to assume or renew the lease and the occupancy of the business Premises, including the right to sublease to another Franchisee, for all or any part of the remaining term of the lease, upon Franchisee's default or termination hereunder or upon Franchisee's default or termination or expiration of the Franchise Agreement, and in connection with said assumption Franchisor will not be obligated to pay to the landlord past due rent, common area maintenance, and other charges attributable to more than one (1) month. The landlord shall give Franchisor thirty (30) days, upon termination of Franchisee's rights under the lease, to exercise this option; and
- F. Agrees that the lease may not be materially amended, assigned, or sublet without Franchisor's prior written approval.

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

LANDLORD  
CORPORATE SIGNATURE:

a/an \_\_\_\_\_ corporation

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

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

Its: \_\_\_\_\_

Its: \_\_\_\_\_

SIGNED and SEALED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
Notary Public

## COLLATERAL ASSIGNMENT OF LEASE

**FOR VALUE RECEIVED**, the undersigned (“Assignor”) hereby assigns and transfers to Archive Franchise Network, LLC (“Assignee”), all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which is attached hereto as Schedule 1 (the “Lease”) respecting premises commonly known as \_\_\_\_\_ (the “Premises”).

This Assignment is for collateral purposes only and except as specified herein, Assignee has no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless: (i) Assignee provides express, written notice to both Assignor and the landlord of the Premises under the Lease that Assignee is assuming all of Assignor’s rights, title and interest under the Lease pursuant to this assignment; and (ii) Assignee takes possession of the Premises demised by the Lease pursuant to the terms hereof, and assumes the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein and that Assignor has not previously assigned or transferred, and is not obligated to assign or transfer, any of its interest in the Lease or the premises demised thereby.

Upon a default and failure to cure (within the appropriate time period) by Assignor under the Lease or under the franchise agreement for a Franchised Business between Assignee and Assignor (the “Franchise Agreement”), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, or upon expiration or termination of the Franchise Agreement, Assignee has the right and is hereby empowered to take possession of the premises demised by the Lease, expel Assignor therefrom, and, in such event, Assignor will have no further right, title or interest in the Lease. Assignor hereby authorizes the Lessor to disclose to Assignee, upon its request, sales and other information furnished to the Lessor by Assignor.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it must elect and exercise all options to extend the term of or renew the Lease not less than 120 days prior to the last day that the option must be exercised, unless Assignee otherwise agrees in writing. If Assignee does not otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as aforesaid, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the purpose of effecting such extension or renewal.

**ASSIGNOR:**

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

\_\_\_\_\_  
\_\_\_\_\_

SIGNED AND SEALED this \_\_\_\_  
day of \_\_\_\_\_, 20\_\_\_\_

**EXHIBIT E**  
**TO ARCHIVE FRANCHISE NETWORK, LLC'S**  
**FRANCHISE DISCLOSURE DOCUMENT**  
  
**AREA DEVELOPMENT AGREEMENT**

Exhibit E



## DEVELOPMENT AGREEMENT

This Development Agreement (“Agreement”) entered into this \_\_\_\_ day of \_\_\_\_, 20\_\_\_\_, between: (i) Archive Franchise Network, LLC, a Nevada limited liability company, with its principal business address at 1960 East McFadden Avenue, Santa Ana, California 92705 (hereafter “Franchisor”); and (ii) \_\_\_\_\_, a/an \_\_\_\_\_ with an address at \_\_\_\_\_ (hereinafter “Developer”).

### Background

A. Franchisor and its affiliate/principals, as a result of the expenditure of time, skill, effort, and money, have developed and own a unique system (the “System”) related to the development and operation of a restoration service business (each, an “ARCHIVE® Business”) offering full service restoration services for all types of textiles, furniture, electronics, artwork and soft goods that include, but are not limited to: digital documentation and cataloging of all items, packing and transporting of all items, short and/or long term storage facility services; repair, cleaning and deodorizing services using specialized equipment; pack-back and reset services (returning all items to the property owner and putting everything in its place) and loss evaluation services in addition to other disaster recovery related services and products approved by us (collectively, the “Approved Products and Services”) utilizing the System and the Proprietary Marks (as hereinafter defined).

B. Franchisor’s System is comprised of various proprietary and, in some cases, distinguishing elements, including without limitation: customized services and service standards, specific cleaning and documentation methods, techniques and procedures; proprietary marketing programs, proprietary software, relationships with insurance companies, adjustors and third party administrators; use of specialized equipment, products and third party software; ongoing training programs; unique recognizable signage and vehicle appearance standards with specific design and color schemes; a regional franchise website housed within a national website; purchasing strategies, relationships with vendors and suppliers, operational procedures, guidelines for hiring, training and retaining staff; procedures for safety and quality control; marketing, advertising and promotional programs; our confidential operations manual and other manuals which are made available either in hard copy or electronically (collectively, the “Manuals”); all of which may be changed, improved and further developed by Franchisor periodically.

C. The System and ARCHIVE® Businesses are identified by the mark ARCHIVE®, as well as certain other trade names, trademarks, service marks and trade dress that Franchisor designates for use in connection with each ARCHIVE® Business (collectively, the “Proprietary Marks”), all of which Franchisor may modify, update, supplement or substitute in the future as Franchisor deems appropriate. The parties agree and acknowledge that Franchisor has established substantial goodwill and business value in its Proprietary Marks, expertise, and System.

D. Franchisor grants qualified third parties the right to develop multiple ARCHIVE® Business within a defined geographical area (the “Development Area”) in accordance with a development schedule to which Developer must strictly adhere (the “Development Schedule”), with each ARCHIVE® Business within the Development Area being opened and operating utilizing the Proprietary Marks and System pursuant to the terms and conditions set forth in a separate form of Franchisor’s then-current franchise agreement (each, a “Franchise Agreement”).

E. Developer recognizes the benefits from receiving the right to operate a ARCHIVE® Business and desires to: (i) become a multi-unit ARCHIVE® Business operator subject to the terms of this Agreement; and (ii) receive the benefits provided by Franchisor under this Agreement.

F. Developer has applied for the right to open and operate multiple ARCHIVE® Business within the Development Area as set forth in this Agreement, and Franchisor has approved such application in reliance on Developer's representations made therein.

G. Developer hereby acknowledges that adherence to the terms of this Agreement, including Franchisor's operations manual and other System standards and specifications, are essential to the operation of all ARCHIVE® Businesses and the System as a whole.

**NOW, THEREFORE**, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

### **Agreement**

1. **Development Area.** Franchisor grants Developer the right, and Developer undertakes the obligation, to develop and establish \_\_\_\_\_ ARCHIVE® Businesses within the Development Area defined in Exhibit "A" hereto, provided Developer opens and commences operations of such ARCHIVE® Business in strict accordance with the mandatory Development Schedule also set forth in Exhibit "A" and otherwise subject to the terms and conditions set forth herein. During the term of this Agreement and except as provided herein, Franchisor will not open or operate, or license any third party the right to open or operate, any ARCHIVE® Businesses within the Development Area.

#### **2. Development Fee.**

2.1 In consideration of the rights granted under this Agreement, Area Developer agrees to pay to Franchisor a development fee in the amount specified in the Data Sheet attached to this Agreement, the terms of which are hereby incorporated (the "Development Fee"). The Development Fee is calculated as follows: (i) \$50,000 for the right to open the first ARCHIVE® Business; and (ii) \$40,000 for the right to open the second ARCHIVE® Business and each subsequent ARCHIVE® Business thereafter.

2.2 The Development Fee is due according to the following schedule: Upon signing this Agreement, Developer shall pay Franchisor \$50,000 to cover the entire portion of the Development Fee applicable to Developer's first ARCHIVE® Business plus \$20,000 for each additional ARCHIVE® Business that Developer is required to open under this Agreement to cover a portion of the Development Fee applicable to each respective ARCHIVE® Business. Developer shall pay Franchisor the remaining \$20,000 due for each additional ARCHIVE® Business concurrently with the execution of the Franchise Agreement for that particular ARCHIVE® Business. Notwithstanding the terms of Area Developer's individual Franchise Agreements, Area Developer shall not be required to pay any additional "initial franchise fee" for ARCHIVE® Businesses opened pursuant to this Agreement. Each payment of the Development Fee is deemed fully earned and non-refundable upon payment.

3. **Initial Franchise Agreement.** Contemporaneous with the execution of this Agreement, Developer must enter into Franchisor's current form of Franchise Agreement for the first ARCHIVE® Business that Developer is required to open within the Development Area. In the event Developer is a business entity of any kind, then Developer's principals/owners must each execute the form of personal guaranty attached to the foregoing Franchise Agreement, as well as any additional Franchise Agreements described in Section 4 of this Agreement.

4. **Additional Franchise Agreements.** Developer agrees and acknowledges that it must: (i) enter into Franchisor's then-current form of Franchise Agreement for each additional ARCHIVE® Business that Developer is required to open under this Agreement; and (ii) enter into such Franchise Agreements at such times that are required for Developer to timely meet, and strictly adhere to, its obligations under the agreed upon Development Schedule.

5. **Development Obligations.** Developer must ensure that, at a minimum, Developer: (i) opens and commences operations of the required number of new ARCHIVE® Businesses during each development period set forth in the Development Schedule (each, a "Development Period"); and (ii) has the minimum cumulative number of ARCHIVE® Businesses open and operating at the expiration of each Development Period. The parties agree and acknowledge that time is of the essence with respect to the foregoing development obligations, and that Developer's failure to comply with the Development Schedule is grounds for immediate termination of this Agreement (and any future development rights granted hereunder).

6. **Term and Termination.**

6.1 This Agreement will commence as of the date it is fully executed and, unless earlier terminated by Franchisor, will end on the earlier of (a) the last day of the calendar month that the final ARCHIVE® Business is required to be opened and operating under the Development Schedule or (b) the day the final ARCHIVE® Business is open. Upon expiration or termination of this Agreement for any reason, Developer will not have any rights within the Development Area other than the territorial rights granted in connection with any ARCHIVE® Business that Developer has opened and commenced operating as of the date this Agreement is terminated or expires (under the respective Franchise Agreement(s) that Developer entered into for such ARCHIVE® Business(es)).

6.2 Franchisor will have the right, at its option, to terminate this Agreement and all rights granted to Developer hereunder, without affording Developer any opportunity to cure such default, effective upon written notice to Developer, upon the occurrence of any of the following events: (i) if Developer ceases to actively engage in development activities in the Development Area or otherwise abandons its development business for three (3) consecutive months, or any shorter period that indicates an intent by Developer to discontinue development of the ARCHIVE® Businesses within the Development Area; (ii) if Developer becomes insolvent or is adjudicated bankrupt, or if any action is taken by Developer, or by others against the Developer, under any insolvency, bankruptcy or reorganization act, or if Developer makes an assignment for the benefit of creditors or a receiver is appointed by the Developer; (iii) if Developer fails to meet its development obligations under the Development Schedule for any single Development Period, including any failure to pay any portion of the Development Fee and fails to cure such default within 30 days of receiving notice thereof; and (iv) if any Franchise Agreement that is entered into in order to fulfill Developer's development obligations under this Agreement is terminated or subject to termination by Franchisor, pursuant to the terms of that Franchise Agreement.

6.3 In the event this Agreement is terminated prior to its natural expiration, then the geographic scope of the non-compete set forth in Section 17.2 of the initial Franchise Agreement shall be revised to also include the (a) Development Area, and (b) a 20-mile radius around that Development Area.

7. **Reservation of Rights.** Except as provided in Section 1 of this Agreement, the parties agree and acknowledge that the rights granted in this Agreement are non-exclusive and that Franchisor and its affiliates reserve all other rights not expressly granted to Developer herein.

8. **Sale or Assignment.** Developer's rights under this Agreement are personal and Developer may not sell, transfer, or assign any right granted herein without Franchisor's prior written consent, which may be withheld in its sole discretion. Notwithstanding, if Developer is an individual or a partnership, Developer has the right to assign its rights under this Agreement to a corporation or limited liability company that is wholly owned by Developer according to the same terms and conditions as provided in Developer's initial Franchise Agreement. Franchisor has the right to assign this Agreement in whole or in part in its sole discretion.

9. **Acknowledgment.** Developer acknowledges that this Agreement is not a Franchise Agreement and does not confer upon Developer any rights to use the Franchisor's Proprietary Marks or System.

10. **Notices.** All notices, requests and reports to be given under this Agreement are to be in writing, and delivered by either hand, overnight mail, or certified mail, return receipt requested, prepaid, to the addresses set forth above (which may be changed by written notice).

11. **Choice of Law.** This Agreement will be governed by the laws of the State of Nevada (without reference to its conflict of laws principals).

12. **Internal Dispute Resolution.** Developer must first bring any claim or dispute between Developer and Franchisor to Franchisor's President, after providing Franchisor with notice of and a reasonable opportunity to cure an alleged breach hereunder. Developer must exhaust this internal dispute resolution procedure before bringing a dispute before a third party. This agreement to first attempt resolution of disputes internally will survive termination or expiration of this Agreement.

13. **Mediation.** At Franchisor's option, all claims or disputes between Franchisor and Developer or its affiliates arising out of, or in any way relating to, this Agreement or any other agreement by and between Franchisor and Developer or its affiliates, or any of the parties' respective rights and obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure set forth in Section 12 above, must be submitted first to mediation at Franchisor's then-current headquarters under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Developer must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify Developer as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. Developer may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor's rights to mediation, as set forth herein, may be specifically enforced by Franchisor. This agreement to mediate will survive any termination or expiration of this Agreement. The parties agree there will be no class action mediation.

14. **Injunctive Relief.** Nothing contained in this Agreement herein will prevent Franchisor from applying to or obtaining from any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interests prior to the filing of any mediation proceeding or pending the trial or handing down of a decision or award pursuant to any mediation proceeding conducted hereunder.

15. **Jurisdiction and Venue.** Subject to Sections 13 and 14 above, the parties expressly agree to the jurisdiction and venue of any state court of general jurisdiction or, if applicable, federal court closest to (a) Las Vegas, Nevada or (b) Franchisor's then-current corporate headquarters. Developer acknowledges that this Agreement has been entered into in the State of Nevada, and that Developer will receive valuable and continuing services emanating from Franchisor's headquarters in Nevada, including but not limited to training, assistance, support and the development of the System. In recognition of such services and their origin, Developer hereby irrevocably consents to the personal jurisdiction of the state and federal courts of Nevada set forth above.

16. **Third-Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third-party beneficiaries of this Agreement and the dispute resolution procedures contained herein, each having authority to specifically enforce the right to mediate claims asserted against such person(s) by Developer.

17. **Jury Trial Waiver.** With respect to any proceeding not subject to mediation, the parties hereby agree to waive trial by jury in any action, proceeding or counterclaim, whether at law or equity, regardless of which party brings suit. This waiver will apply to any matter whatsoever between the parties hereto which arises out of or is related in any way to this Agreement, the performance of either party, and/or Developer's purchase from Franchisor of the development rights described herein.

18. **Waiver of Punitive Damages.** Developer waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which Developer may have against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, Developer's recovery will be limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions will continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

19. **Attorneys' Fees.** If either party institutes any judicial or mediation proceeding to enforce any monetary or nonmonetary obligation or interpret the terms of this Agreement and Franchisor prevails in the action or proceeding, Developer will be liable to Franchisor for all costs, including reasonable attorneys' fees, incurred in connection with such proceeding.

20. **Nonwaiver.** Franchisor's failure to insist upon strict compliance with any provision of this Agreement will not be a waiver of Franchisor's right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by Franchisor respecting any breach or default will not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Agreement will be cumulative. Franchisor's election to exercise any remedy available by law or contract will not be deemed a waiver or preclude exercise of any other remedy.

21. **Severability.** The parties agree if any provisions of this Agreement may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision will have the meaning, which renders it valid and enforceable. The provisions of this Agreement are severable, and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions will be enforced to the extent that they are valid and enforceable. If any material provision of this Agreement will be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Agreement.

22. **Construction of Language.** The language of this Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as Developer, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

23. **Successors.** References to “Franchisor” or “Developer” include the respective parties’ successors, assigns or transferees, subject to the limitations of Section 8 of this Agreement.

24. **Additional Documentation.** Developer must from time to time, subsequent to the date first set forth above, at Franchisor’s request and without further consideration, execute and deliver such other documentation or agreements and take such other action as Franchisor may reasonably require in order to effectuate the transactions contemplated in this Agreement. In the event that Developer fails to comply with the provisions of this Section, Developer hereby appoints Franchisor as Developer’s attorney-in-fact to execute any and all documents on Developer’s behalf, as reasonably necessary to effectuate the transactions contemplated herein.

25. **No Right to Offset.** Developer may not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of the alleged nonperformance of Franchisor or any of its affiliates or as an offset against any amount Franchisor or any of its affiliates may owe or allegedly owe Developer under this Agreement or any related agreements.

26. **Entire Agreement.** This Agreement contains the entire agreement between the parties concerning Developers’ development rights within the Development Area; no promises, inducements or representations (other than those in the Franchise Disclosure Document) not contained in this Agreement have been made, nor will any be of any force or effect, or binding on the parties. Modifications of this Agreement must be in writing and signed by both parties. Franchisor reserves the right to change Franchisor’s policies, procedures, standards, specifications or manuals at Franchisor’s discretion. In the event of a conflict between this Agreement and any Franchise Agreement(s), the terms, conditions and intent of this Agreement will control. Nothing in this Agreement, or any related agreement, is intended to disclaim any of the representations Franchisor made to Developer in the Franchise Disclosure Document that Franchisor provided to Developer.

*[signatures on following page]*

**IN WITNESS WHEREOF, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED EFFECTIVE THE DATE FIRST SET FORTH ABOVE.**

**FRANCHISOR:**

**ARCHIVE FRANCHISE NETWORK, LLC**

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

Print Name:

Title:

Date: \_\_\_\_\_

**DEVELOPER:**

\_\_\_\_\_

**IF AN INDIVIDUAL:**

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

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_

Spouse Name: \_\_\_\_\_

Date: \_\_\_\_\_

**IF A PARTNERSHIP, CORPORATION, OR  
OTHER ENTITY:**

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

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT A to DEVELOPMENT AGREEMENT

### DEVELOPMENT AREA AND DEVELOPMENT SCHEDULE

1. **Development Area.** The Development Area, as referred to in Section 1 of the Development Agreement, is described below (or an attached map) by geographic boundaries and will consist of the following area or areas:

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2. **Development Schedule.** The Development Schedule referred to in Section 1 of the Development Agreement is as follows:

Development Period	Expiration Date	Number of New ARCHIVE® Businesses Developer Must Open in Development Area	Cumulative Number of ARCHIVE® Businesses Developer Must Have Open Within Development Area
First	___ Months from Effective Date		
Second	___ Months from Effective Date		
Third	___ Months from Effective Date		

#### APPROVED BY:

##### FRANCHISOR

ARCHIVE FRANCHISE NETWORK, LLC

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

Name:

Title:

##### DEVELOPER

[INSERT NAME]

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

[Name], [Title]



**EXHIBIT F**  
**TO ARCHIVE FRANCHISE NETWORK, LLC'S**  
**FRANCHISE DISCLOSURE DOCUMENT**  
**SAMPLE TERMINATION AND RELEASE AGREEMENT**

Exhibit F

**SAMPLE TERMINATION OF FRANCHISE AGREEMENT AND RELEASE**  
**UPON TRANSFER TO AN AUTHORIZED FRANCHISEE**

This Termination of Franchise Agreement and Release (the “Agreement”) is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between Archive Franchise Network, LLC, a Nevada limited liability company, with its principal business address at 1960 East McFadden Avenue, Santa Ana, California 92705 (“Franchisor”) and \_\_\_\_\_, a \_\_\_\_\_ with an address at \_\_\_\_\_ (“Transferor”).

**BACKGROUND**

A. On \_\_\_\_\_, Transferor entered into a franchise agreement (the “Franchise Agreement”) with Franchisor for the right to operate a franchised business at \_\_\_\_\_ (“Franchised Business”).

B. Transferor has satisfied all conditions of transfer as specified in the Franchise Agreement and now desires to sell the Franchised Business to \_\_\_\_\_, who has been approved by Franchisor as an authorized transferee.

C. In order to complete Transferor’s sale of the business, Transferor now desires to terminate the Franchise Agreement and all rights and obligations between the parties relating to the Franchise Agreement, and Franchisor desires to accept such termination, pursuant to the terms of this Agreement.

**AGREEMENT**

In consideration of the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

1. Subject to the terms and conditions contained in this Agreement, the Franchise Agreement and all rights and obligations between Franchisor and Transferor arising from or related to the Franchise Agreement are terminated, effective as of the date of this Agreement.

2. Notwithstanding anything in this Agreement to the contrary, the parties agree that Transferor will remain bound by all of the post-term covenants and obligations contained in the Franchise Agreement including, without limitation, those relating to Confidential Information and non-competition.

3. Transferor represents and warrants that all of Transferor’s monetary obligations to Franchisor and its subsidiaries and affiliates have been satisfied in full as of the date of this Agreement.

4. Transferor, for itself and all persons and entities claiming by, through or under it, releases, acquits and forever discharges Franchisor and its present and former officers, employees, shareholders, directors, agents, servants, representatives, affiliates, successors and assigns (the “Franchisor Releasees”) from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorneys’ fees, actions or causes of action whatsoever, whether known or unknown, which it, by itself, on behalf of, or in conjunction with any other person, persons, partnership or corporation, have, had or claim to have against the Franchisor Releasees arising out of or related to the offer, sale and operation of the Franchised Business, and the parties’ rights or obligations under the Franchise Agreement.

Exhibit F

5. Excluding the indemnification obligations set forth in the Franchise Agreement, and Transferor's obligations as set forth in paragraph 2 of this Agreement, Franchisor, for itself and all persons and entities claiming by, through or under it, releases, acquits and forever discharges Transferor and Transferor's employees, agents, servants, representatives, affiliates, successors and assigns (the "Transferor Releasees") from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorneys' fees, actions or causes of action whatsoever, whether known or unknown, which it, by itself, on behalf of, or in conjunction with any other person, persons, partnership or corporation, have, had or claim to have against the Transferor Releasees arising out of or related to the offer, sale and operation of the business, and the parties' rights or obligations under the Franchise Agreement.

6. This Agreement constitutes the entire integrated agreement of the parties with respect to the subject matter contained in this Agreement, and may not be subject to any modification without the written consent of the parties.

7. This Agreement will be construed under the laws of the State of Nevada, which laws will control in the event of any conflict of law.

8. This Agreement will be for the benefit of and binding upon the parties and their respective representatives, successors and assigns.

9. Each party acknowledges that the terms of this Agreement have been completely read and are fully understood and voluntarily accepted by each party, after having a reasonable opportunity to retain and confer with counsel. This Agreement is entered into after a full investigation by the parties, and the parties are not relying upon any statements or representations not embodied in this Agreement.

10. In the event that Franchisor retains the services of legal counsel to enforce the terms of this Agreement, it will be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred in enforcing the terms of this Agreement.

11. Transferor agrees that Transferor has and had a relationship with Franchisor at its offices in Las Vegas, Nevada and that, with the exception of Franchisor's right to seek injunctive relief in any appropriate jurisdiction, any action by or against Franchisor arising out of or relating to this Agreement will be commenced and concluded in Clark County, Nevada pursuant to the dispute resolution provisions of the Franchise Agreement.

12. This Agreement may be executed in multiple counterparts by the various parties and the failure to have the signatures of all parties on a single Agreement will not affect the validity or enforceability of any part of this Agreement against any party who executes any counterpart of the Agreement. Executed facsimile copies of this Agreement will be deemed to be effective as original signatures.

*[signatures on following page]*

Exhibit F

**I HAVE READ THE ABOVE AGREEMENT AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS AGREEMENT IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.**

**ARCHIVE FRANCHISE NETWORK, LLC**

**TRANSFEROR**

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

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

**EXHIBIT G**  
**TO ARCHIVE FRANCHISE NETWORK, LLC'S**  
**FRANCHISE DISCLOSURE DOCUMENT**

**LIST OF FRANCHISEES**

Exhibit G

## **LIST OF FRANCHISEES**

Personal Property Packout LLC  
15362 Texaco Ave.  
Paramount, CA 90723  
855-888-3772

Archive Contents of Riverside, LLC  
575 W Maple Street  
Colton, CA 92324  
844-556-7700

Exhibit G

**EXHIBIT H**  
**TO ARCHIVE FRANCHISE NETWORK, LLC'S**  
**FRANCHISE DISCLOSURE DOCUMENT**  
**LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM**

Exhibit G

**LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM**

*None.*

Exhibit G



**EXHIBIT I**  
**TO ARCHIVE FRANCHISE NETWORK, LLC'S**  
**FRANCHISE DISCLOSURE DOCUMENT**

**STATE SPECIFIC ADDENDA**

**ARCHIVE FRANCHISE NETWORK, LLC**  
**CALIFORNIA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT**

In recognition of the requirements of the California Franchise Investment Law, Cal. Corporations Code Sections 31000 *et seq.* the Franchise Disclosure Document for Archive Franchise Network, LLC for use in the State of California shall be amended as follows:

Item 3 of the FDD is supplemented to include the following:

Neither the franchisor nor any person or franchise broker in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq.*, suspending or expelling such person from membership in such association or exchange.

Item 5 of the FDD is supplemented to include the following:

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

Item 6 of the FDD is supplemented to include the following:

The highest interest rate allowed by law in California is 10% annually.

Item 17 of the FDD shall be supplemented to include the following:

California Business & Professions Code Sections 20000 through 20043 provides rights to the franchisee concerning termination or nonrenewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will California Business & Professions Code Sections 20000 through 20043 provide rights 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.

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

Section 31125 of the California Corporation Code requires the franchisor to give the franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, prior to a solicitation of a proposed material modification of an existing franchise.

You must sign a release if you transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business Professions Code 2000 through 20043).

As per California Rule  
310.156.3(a)(3):

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the 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 FRANCHISE DISCLOSURE DOCUMENT.**

**ARCHIVE FRANCHISE NETWORK, LLC  
CALIFORNIA ADDENDUM TO THE FRANCHISE AGREEMENT AND AREA  
DEVELOPMENT AGREEMENT**

**ALL FRANCHISE AND AREA DEVELOPMENT AGREEMENTS EXECUTED IN AND  
OPERATIVE WITHIN THE STATE OF CALIFORNIA ARE HEREBY AMENDED AS  
FOLLOWS:**

1. The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.
2. Section 31125 of the California Corporation Code requires the Franchisor to give you a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, prior to solicitation of a proposed material modification of an existing franchise.
3. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.
4. 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.).
5. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This may not be enforceable under California law.
6. The Franchise Agreement requires non-binding mediation followed by litigation. This provision may not be enforceable under California law.
7. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The undersigned hereby acknowledge and agree that this addendum is hereby made part of and incorporated into the foregoing Franchise Agreement.

**ARCHIVE FRANCHISE NETWORK, LLC**

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

Name:\_\_\_\_\_

Title:\_\_\_\_\_

Date Signed:\_\_\_\_\_

**FRANCHISEE**

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

Name:\_\_\_\_\_

Title:\_\_\_\_\_

Date Signed:\_\_\_\_\_

**EXHIBIT J**  
**TO ARCHIVE FRANCHISE NETWORK, LLC'S**  
**FRANCHISE DISCLOSURE DOCUMENT**

**COMPLIANCE CERTIFICATION**

### Franchisee Compliance Certification

**NOTICE FOR PROSPECTIVE FRANCHISEES WHO RESIDE IN, OR WHO INTEND TO OPERATE THE FRANCHISED BUSINESS IN THE STATE OF CALIFORNIA: DO NOT COMPLETE THIS QUESTIONNAIRE OR RESPOND TO ANY OF THE QUESTIONS CONTAINED IN THIS QUESTIONNAIRE.**

As you know, Archive Franchise Network, LLC (“we”, “us”), and you are preparing to enter into a Franchise Agreement and/or Development Agreement for the right to open and operate a franchised business (a “Franchised Business”). The purpose of this Questionnaire is to: (i) determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading; (ii) be certain that you have been properly represented in this transaction; and (iii) be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document but you must sign and date it the same day you sign the Franchise Agreement, and pay us the appropriate franchise fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, please explain your answer on the back of this sheet.

- Yes\_\_\_\_ No \_\_\_\_ 1. Have you received and personally reviewed the Franchise Agreement and/or Development Agreement, as well as each exhibit or schedule attached to this agreement, which you intend to enter into with us?
- Yes\_\_\_\_ No \_\_\_\_ 2. Have you received and personally reviewed the Franchise Disclosure Document we provided?
- Yes\_\_\_\_ No \_\_\_\_ 3. Did you sign a receipt for the Disclosure Document indicating the date you received it?
- Yes\_\_\_\_ No \_\_\_\_ 4. Do you understand all the information contained in the Disclosure Document and the Franchise Agreement you intend to enter into with us?
- Yes\_\_\_\_ No \_\_\_\_ 5. Have you reviewed the Disclosure Document and Franchise Agreement (and/or Development Agreement) with a lawyer, accountant or other professional advisor and discussed the benefits and risks of operating the Franchised Business with these professional advisor(s)?
- Yes\_\_\_\_ No \_\_\_\_ 6. Do you understand the success or failure of your Franchised Business will depend in large part upon your skills, abilities and efforts and those of the persons you employ, as well as many factors beyond your control such as demographics of your Territory, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?
- Yes\_\_\_\_ No \_\_\_\_ 7. Do you understand we have only granted you certain, limited territorial rights under the Franchise Agreement, and that we have reserved certain rights under the Franchise Agreement?
- Yes\_\_\_\_ No \_\_\_\_ 8. Do you understand we and our affiliates retain the exclusive unrestricted

right to engage, directly or through others, in the providing of services under the Proprietary Marks or any other mark at any location outside your Territory under the Franchise Agreement without regard to the proximity of these activities to the Franchised Business(es)?

- Yes\_\_\_\_ No \_\_\_\_ 9. Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be mediated, at our option, in Las Vegas, Nevada?
- Yes\_\_\_\_ No \_\_\_\_ 10. Do you understand the Franchise Agreement and Development Agreement provides that you can only collect compensatory damages on any claim under or relating to the Franchise Agreement and are not entitled to any punitive, consequential or other special damages?
- Yes\_\_\_\_ No \_\_\_\_ 11. Do you understand the sole entity or person against whom you may bring a claim under the Franchise Agreement or Development Agreement is us?
- Yes\_\_\_\_ No \_\_\_\_ 12. Do you understand that the Franchisee (or one of its principals if Franchisee is an organization), as well as any Designated Managers (as defined in the Franchise Agreement), must successfully complete the appropriate initial training program(s) before we will allow the Franchised Business to open or consent to a transfer of that Franchised Business?
- Yes\_\_\_\_ No \_\_\_\_ 13. Do you understand that we require you to successfully complete certain initial training program(s) and if you do not successfully complete the applicable training program(s) to our satisfaction, we may terminate your Franchise Agreement?
- Yes\_\_\_\_ No \_\_\_\_ 14. Do you understand that we do not have to sell you a franchise or additional franchises or consent to your purchase of existing franchises, (other than those that you timely open to fulfill your development obligations and have contracted to open under the Development Agreement, provided you have not materially breached that agreement and failed to timely cure that breach)?
- Yes\_\_\_\_ No \_\_\_\_ 15. Do you understand that we will send written notices, as required by your Franchise Agreement and/or Development Agreement, to either your Franchised Business or home address until you designate a different address by sending written notice to us?
- Yes\_\_\_\_ No \_\_\_\_ 16. Do you understand that we will not approve your purchase of a franchise from us, or we may immediately terminate your Franchise Agreement, if we are prohibited from doing business with you under any anti-terrorism law enacted by the United States Government?
- Yes\_\_\_\_ No \_\_\_\_ 17. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Franchised Business that is not contained in the Disclosure Document or



that is contrary to, or different from, the information contained in the Disclosure Document?

Yes\_\_\_\_ No \_\_\_\_ 18. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Franchised Business will generate, that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Yes\_\_\_\_ No \_\_\_\_ 19. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and/or Development Agreement concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Disclosure Document?

Yes\_\_\_\_ No \_\_\_\_ 20. Is it true that no broker, employee or other person providing services to you on our behalf has solicited or accepted any loan, gratuity, bribe, gift or any other payment in money, property or services from you in connection with a Franchised Business purchase with exception of those payments or loans provided in the Disclosure Document?

**YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.**

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

<div>Signature of Franchise Applicant</div> <div>Name (please print)</div> <div>Dated: _____, 20____</div>	<div>Signature of Franchise Applicant</div> <div>Name (please print)</div> <div>Dated: _____, 20____</div>
--	--

**GIVE A COMPLETE EXPLANATION OF ANY NEGATIVE RESPONSES ON BACK OF THIS PAGE (REFER TO QUESTION NUMBER).**

## STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or otherwise be exempt from registration: California, Florida, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington and Wisconsin. This disclosure document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

STATE	EFFECTIVE DATE
CALIFORNIA	Pending
FLORIDA	Not Registered
HAWAII	Not Registered
ILLINOIS	Not Registered
INDIANA	Not Registered
KENTUCKY	Not Registered
MARYLAND	Not Registered
MICHIGAN	Not Registered
MINNESOTA	Not Registered
NEBRASKA	Not Registered
NEW YORK	Not Registered
NORTH DAKOTA	Not Registered
RHODE ISLAND	Not Registered
SOUTH DAKOTA	Not Registered
TEXAS	Effective
UTAH	Not Registered
VIRGINIA	Not Registered
WASHINGTON	Not Registered
WISCONSIN	Not Registered

In all other states, the effective date of this Franchise Disclosure Document is: April 19, 2024.

**EXHIBIT K**  
**TO ARCHIVE FRANCHISE NETWORK, LLC'S**  
**FRANCHISE DISCLOSURE DOCUMENT**  
**RECEIPTS**

## RECEIPTS

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Archive Franchise Network, LLC offers you a franchise it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

**New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or payment of any consideration that relates the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.**

If Archive Franchise Network, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state administrator identified in Exhibit A of this Franchise Disclosure Document. A list of franchisor's agents registered to receive service of process is also included in Exhibit A to this Franchise Disclosure Document.

I have received a Franchise Disclosure Document with an Issue Date of April 19, 2024, which included the following Exhibits:

Exhibit A -- List of State Administrators/Agents for Service of Process	Exhibit F -- List of Franchisees
Exhibit B -- Table of Contents of Operations Manuals	Exhibit G -- List of Franchisees Who Have Left the System
Exhibit C -- Financial Statements	Exhibit H -- State Specific Addenda
Exhibit D -- Franchise Agreement	Exhibit I -- Compliance Certification
Exhibit E -- Sample Termination and Release Agreement	Exhibit J -- Receipts

A list of the names, principal business addresses, and telephone numbers of each franchise seller offering this franchise is as follows:

Eric Ten Eyck, President/CEO, Archive Franchise Network, LLC, 1960 East McFadden Avenue, Santa Ana, California 92705 or 855-955-5677.

If an individual:

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

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

If a Partnership, Corporation or Limited Liability Corporation:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Name of Entity: \_\_\_\_\_

Address: \_\_\_\_\_

## RECEIPTS

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Archive Franchise Network, LLC offers you a franchise it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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If an individual:

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

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

If a Partnership, Corporation or Limited Liability Corporation:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Name of Entity: \_\_\_\_\_

Address: \_\_\_\_\_