

FRANCHISE DISCLOSURE DOCUMENT



PERFECT SKATING™

Perfect Skating Franchising U.S. Inc.
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www.perfectskating.ca
613-470-0707

Perfect Skating franchised businesses offer elite skating, hockey, and performance training and development to youth hockey players ranging in ages from 6-18. The total investment necessary to begin operation of a Perfect Skating Franchised Business ranges from ~~\$53,940~~54,240 to ~~\$197,740~~198,040. This includes \$26,~~475~~0 to \$126,~~475~~0 that must be paid 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 14 calendar-days before you sign a binding agreement with, or make any payment to, Franchisor or its affiliates 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 the Franchise Development Department at Perfect Skating Franchising U.S. Inc. 1565 Maple Grove Rd, Kanata, ON K2V 1A3, Canada or email info@perfectskating.ca.

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

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

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

Issuance date of this Franchise Disclosure Document: **JANUARY 6, 2025**

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 us by mediation, arbitration and/or litigation only in Canada. Out- of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate, arbitrate or litigate with us in Canada than in your home state.
2. ~~**Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.~~ **Short 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.
3. **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.
4. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payment may result in termination of your franchise and loss of your investment.
5. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
6. **Going Concern.** The auditor's report on the franchisor's financial statements expresses substantial doubt about the franchisor's ability to remain in business. This means that the franchisor may not have the financial resources to provide services or support to you.

Certain states may require other risks to be highlighted. If so, check the "State Specific Addenda" pages for your state.

TABLE OF CONTENTS

ITEM 1: THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES16
ITEM 2: BUSINESS EXPERIENCE27
ITEM 3: LITIGATION.....38
ITEM 4: BANKRUPTCY.....38
ITEM 5: INITIAL FEES.....38
ITEM 6: OTHER FEES49
ITEM 7: ESTIMATED INITIAL INVESTMENT.....813
ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES1116
ITEM 9: FRANCHISEE'S OBLIGATIONS1318
ITEM 10: FINANCING.....1319
ITEM 11: FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING1419
ITEM 12: TERRITORY2531
ITEM 13: TRADEMARKS2633
ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION3037
ITEM 15: OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....3239
ITEM 16: RESTRICTIONS ON WHAT FRANCHISEE MAY SELL3239
ITEM 17: RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP.....3239
ITEM 18: PUBLIC FIGURES.....4245
ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS, EARNING CLAIMS AND OPERATING COSTS.....4245
ITEM 20: OUTLETS AND FRANCHISE INFORMATION*4346
ITEM 21: FINANCIAL STATEMENTS4649
ITEM 22: CONTRACTS4649
ITEM 23: RECEIPTS4649

EXHIBITS

- EXHIBIT A-STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
- EXHIBIT B-FRANCHISE AGREEMENT
- EXHIBIT C-COMPANY AND FRANCHISED OUTLETS
- EXHIBIT D-FINANCIAL STATEMENTS
- EXHIBIT E-CONFIDENTIALITY AGREEMENT
- EXHIBIT F- FRANCHISE DISCLOSURE QUESTIONNAIRE
- EXHIBIT G-OPERATIONS MANUAL-TABLE OF CONTENTS
- EXHIBIT H-STATE SPECIFIC DISCLOSURES AND ADDENDA
- EXHIBIT I-STATE EFFECTIVE DATES PAGE
- EXHIBIT J-RECEIPTS

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

Franchisor, and any Parents, Predecessor and Affiliates

The complete legal name of the Franchisor is Perfect Skating Franchising U.S. Inc. (“**Franchisor**”, “**we**”, “**our**” or “**us**”). Franchisor was incorporated on under the terms of the Business Corporations Act (Ontario) on May 18, 2022. Franchisor’s registered office and principal business address is 1565 Maple Grove Rd, Kanata, ON K2V 1A3, Canada. Franchisor’s phone number is 613-470-0707 and e-mail is info@perfectskating.ca. The website for the franchisor is www.perfectskating.ca. We have offered Perfect Skating franchises in the United States since August 2022.

~~Our agents for service of process are disclosed in Exhibit A to this Disclosure Document.~~ Our agent for service of process in Ontario is Clark Harrop, Dale & Lessmann LLP, 181 University Avenue, Suite 2100, Toronto, Ontario, M5H 3M7. Our agents for service of process in registration states are disclosed in Exhibit A to this Disclosure Document. Franchisor does not have any parents.

Franchisor has two (2) affiliates.

Our affiliate PERFECT SKATING FRANCHISING INC., a Canadian corporation formed on December 22, 2017, has offered Perfect Skating franchises in Canada since 2018.

Our affiliate Perfect Skating Inc., a Canadian corporation was formed on March 10, 2010. It owns the trademarks being licensed by Franchisor and operates all Perfect Skating corporate units.

The main contact person at Franchisor is Andrea Allard, whose e-mail address is info@perfectskating.ca.

We have not offered or granted a franchise in another line of business or any other type of franchise.

Agreements

Franchisee will be required to execute a franchise agreement (“Franchise Agreement”) and other agreements relating to the Franchised Business, substantially in the forms attached to this disclosure document as part of Exhibit B. ~~Prospective franchisees should carefully review these with their legal, financial, and other professional advisors prior to the purchase of a Franchised Business.~~

Our Business

We grant franchises the right to operate hockey specific skating instruction under the name “Perfect Skating” and other marks designated by Franchisor from time to time (collectively referred to as the “Marks”). We refer to our proprietary and confidential system for the operation of Perfect Skating Franchised Businesses, together with the Marks, as “the System.” You must offer all products and services that we may specify and may not offer any products or services we have not authorized. We are not currently engaged in any other business. We have not conducted business in any other lines of business and do not offer franchises under any other names.

Perfect Skating Franchised Businesses offer specialized programs to children and adults that include unique methodology, technology, and know-how to evaluate and improve an individual’s on-ice movement and on-ice movement asymmetries (the "Perfect Skating Methodology") and related products. You must operate your Perfect Skating Franchised Business in accordance with the standards and procedures designated by

Franchisor, and according to Franchisor's Operations Manual, or other notices we send you from time to time ("the Operations Manual").

You will be provided a copy of our applicable Operations Manuals at the time you sign your Franchise Agreement. A copy of the Table of Contents for each of our Operations Manuals is attached as Exhibit G.

Franchisor owns unique marketing plans and systems for the development, opening and operation of distinctive hockey development programs, each of which may be competitive with one another. Franchisor licenses the Marks including but not limited to, as of the date of this disclosure document, the trademark "Perfect Skating".

Market and Competition

The market for hockey specific training is relatively new in the United States and is not well developed although there are a number of sports training businesses. The market for Perfect Skating Franchised Businesses includes individuals and/or entities who need or desire hockey specific training, products, and services. The competition for Perfect Skating Franchised Businesses includes other businesses offering similar products and services to individuals and/or entities. The market for the sports training industry is well established and competitive. These competitors may include other sports training facilities, athletic programs, athletic clubs, and/or franchises.

Laws and Regulations

Many states and local jurisdictions have enacted laws, rules, regulations, and ordinances that may apply to the operation of a Perfect Skating Franchised Business. For example, state licensing and certification requirements may apply to persons who perform fitness, teaching, or services involving children and adults. In all cases, you must also comply with laws that apply generally to all businesses. You should investigate these laws and consult with a legal advisor about whether these and/or other requirements apply to your franchise. In addition to laws and regulations that apply to businesses generally, your Perfect Skating Franchised Business may be subject to federal, state, and local occupational safety and health regulations, the Equal Employment Opportunity Act, the Americans with Disabilities Act, and similar local and state rules and regulations. There may be other laws and regulations in your city, state, or county that may apply to the operations of your Perfect Skating Franchised Business. We require all franchisees to conduct criminal background checks on any persons, including but not limiting to, trainers and other staff that will be working with minors.

ITEM 2: BUSINESS EXPERIENCE

The following list summarizes the business background of our directors and officers, and such other members of our team who may have day-to-day management responsibilities relating to the franchise:

Shawn Allard ~~Shawn Allard is an entrepreneur in the city of Ottawa. Shawn~~ ~~Shawn has been teaching the game of hockey through various hockey programs since 1991. He~~ created the Perfect Skating brand in 2010 and has been engaged in the line of business associated with the franchise since that time. ~~Shawn is a very sought-after~~ ~~Since July 2014, Mr. Allard has been an NHL On-Ice~~ Movement and Performance Coach ~~for NHL Athletes~~ based in Ottawa, Canada. He is a former professional hockey player, former coach, and former full-time skating and skills coach with the NHL's Nashville Predators. ~~and He has been a full-time assistant coach with the Colorado Avalanche since the 2018/19 season and is,~~ responsible for on-ice performance. Shawn is the founder and creator of the Perfect Skating concept and is a director and officer of Franchisor.

Kyle Nishizaki-Kyle is the manager of the Ottawa West corporate locations (see Exhibit C). ~~and Kyle has been engaged in the line of business associated with the franchise since our inception.~~ the Kyle is also our Manager of Franchising and Head On-Ice Performance Coach. ~~Prior to Franchisor's incorporation, Kyle was a for Perfect Skating Inc., since January 2019 and the Research and Development Consultant and Skating and Skills Instruction with our affiliate, Perfect Skating Inc., starting in April 2014.~~ since April 2014. ~~A former Captain of the University of Windsor Hockey Team, Kyle holds a master's degree in human kinetics from the University of Windsor and reaches his athletes through a connective and detailed approach to performance. Kyle is not an officer or director of Franchisor.~~

Deric Boudreau-Deric is the manager of the Ottawa East corporate locations (see Exhibit C) in Ottawa, Ontario, Canada and has been engaged in the line of business associated with the franchise since February 2021. Deric is a graduate of Royal Military College in Kingston, Ontario and four-year varsity hockey player and Major Jr player in the QMJHL with the Gatineau Olympiques. ~~With a lifelong experience in hockey, Deric's passion lies in coaching and giving back to help and challenge his athletes to compete, focus on the little things and work outside their comfort zone.~~ In addition to his role with Franchisor Perfect Skating, Deric has been a Communication Research Operator with the Canadian Armed Forces since January 2014. Deric is not an officer or director of Franchisor.

Sutton Allard-Sutton ~~is the~~ has been our Franchise Support Coordinator and Manager of Research and Development ~~and has been engaged in the line of business associated with the franchise since retiring from~~ since September 2021. ~~Prior to that, Mr. Allard was a professional hockey player in Europe in September 2021. Sutton has been an on-ice movement specialist for the past 4 years in his off-season and has a passion to continue improving the Perfect Skating methodology.~~ Sutton is not an officer or director of Franchisor.

Andrea Allard-Andrea ~~is the~~ has been our Director of Operations and Franchisee Liaison ~~and has been engaged in the line of business associated with the franchise~~ since our inception. Andrea is also an officer of the franchisor. ~~She holds a Certificate of Dental Hygiene from Algonquin College.~~ Since February 2013, Ms. Allard has also been the Office Manager ~~She is predominantly tasked with the creation and management of efficient operating systems for Perfect Skating headquarters and the onboarding and teaching of admin/operational systems for new franchisees.~~ Inc. in Ottawa, Ontario, Canada ~~Andrea is married to Shawn Allard.~~

Alderic Denis-Alderic has been our Franchise Support Coordinator since November 2022. Between 2017 and November 2022, Alderic was a junior hockey player with several Canadian junior hockey clubs and a on-ice movement and performance coach with us and our affiliates.

ITEM 3: LITIGATION

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

ITEM 4: BANKRUPTCY

There are no bankruptcies required to be disclosed in this Item.

ITEM 5: INITIAL FEES

Initial Franchise Fee

The initial franchise fee (the "Initial Franchised Fee") for a Perfect Skating Franchised Business will depend on the size of the Protected Territory awarded pursuant to a Franchise Agreement. The minimum Initial Franchise Fee is twenty thousand dollars (\$20,000). The Initial Franchise Fee ~~will be negotiated between you and us based upon the geographic area, population, number of youth~~ is calculated by multiplying the population of the Territory by the per capita number of hockey players in the applicable state (per capita number of hockey players; ~~and is other business-related criteria but will never be less than \$20,000 (a "Protected Territory")~~); total number of hockey players registered with USA Hockey in the state divided by the total population of the state) and dividing the resulting number by 100. The following formula is used to calculate the Initial Franchise Fee:

(1) Number of Hockey Players Registered with USA Hockey in the State in which the Territory is located; (2) divided by the total population of the state in which the Territory is located; (3) multiplied by 100; (4) multiplied by the total population of the Territory.

The Initial Franchise Fee is due and payable upon signing the franchise agreement. The Initial Franchise Fee is non-recurring, is deemed to be fully earned by Franchisor, and is not refundable under any circumstances. Initial Franchise Fees must be paid by wire transfer, cash, or certified funds when you sign Franchise Agreement.

We may discount or charge different Initial Franchise Fees based on other subjective factors we deem important to the System. We reserve the right to modify the Initial Franchise Fees in the future to reflect the changing costs of doing business and changes in the value of a Perfect Skating Franchised Business.

Note to Renewing Franchisees: In the event of a renewal, there is no Initial Franchise Fee payable; however, you will be required to pay the renewal fee of the greater of: (i) Ten Thousand Dollars (\$10,000); or (ii) fifty percent (50%) of our then current initial franchise fee for the Protected Territory (or a comparable territory) as described herein.

Note to Resale Franchisees: You are not required to pay the Initial Franchise Fee; however, unless we provide otherwise, a Transfer Fee of the greater of: (i) Ten Thousand Dollars (\$10,000); or (ii) fifty percent (50%) of our then current initial franchise fee for the Protected Territory (or a comparable territory) shall be paid by you to us.

Franchisee Video and Photo Start Up Package

You will pay us to prepare and deliver a video and start up package for your Perfect Skating Franchised Business. This fee is due and payable when we take the video and photos associated with the package. The Franchisee Video and Photo Startup Package currently costs \$750.

Marketing Kit

You are required to purchase a marketing kit from us before you open your Perfect Skating Franchised Business. The cost of the marketing kit is currently \$3,250.

Initial Connection Fee for Perfect Skating Application

You are required to utilize our proprietary mobile application in connection with the operation of your Perfect Skating Business. We charge you an initial connection fee of \$850 to set up the application for your use. This fee is payable to us upon invoice.

Website (Microsite) Fee

We charge you a fee to set up a location specific microsite within our website. The Website Fee is currently \$850 and is payable to us upon invoice.

Marketing Materials Fee

You are obligated to purchase banners flyers business cards, folding tables, table skirts, stickers for helmets, and sales kit folders from us. The estimated cost of these products ins \$3,250. These amounts must be paid to us when we invoice you for them.

Technology Fee (3 mos.)

You will pay us a Technology Fee of \$350 per month. The Technology Fee for the continuing use, development, and upgrades of certain software that we prescribe, plus any costs/fees relating to the merchant services provided by our approved vendor.

All fees are payable in United States Dollars (USD).

ITEM 6: OTHER FEES

The following chart is an estimate of the direct and indirect costs to be incurred by Franchisee and paid to Franchisor in the operation of a Franchised Business. ~~Actual costs may vary substantially depending on many factors.~~ See explanatory notes below for additional assumptions.

<u>Name of Fee¹</u>	<u>Amount of Payment²</u>	<u>Due Date</u>	<u>Comments</u>
<u>Royalty Fee³</u>	<u>6% of Gross Revenue</u>	<u>Payable Monthly</u>	<u>First royalty payment due on 1st month after opening.</u>
<u>Advertising Fund⁴</u>	<u>Currently \$100 per month</u>	<u>Payable Monthly</u>	<u>This is the current amount. Due on the 1st month after opening.</u>
<u>Local Store Marketing</u>	<u>Currently \$100 per month</u>	<u>As incurred</u>	<u>Payable to third parties to market your Franchised Business.</u>
<u>Technology Fee⁵</u>	<u>Currently \$350 per month</u>	<u>Payable Monthly</u>	<u>This is the current amount. Due on the 1st month after opening. May be increased upon 30 days written notice to you.</u>
<u>Payment Plan Administrative Fee</u>	<u>5% of amount subject to payment plan</u>	<u>5% of each payment</u>	<u>If a client wishes to pay fees on a monthly basis, it will incur a 5% additional administrative fee of the amount they wish to pay overtime, which amount will be paid to Franchisor as consideration for setting up this payment plan.</u>

<u>Name of Fee¹</u>	<u>Amount of Payment²</u>	<u>Due Date</u>	<u>Comments</u>
<u>Ongoing Training (phone)</u>	<u>\$100 per hour</u>	<u>As incurred</u>	<u>This is the current amount.</u>
<u>Ongoing Training (site visit)</u>	<u>\$500 per day plus expenses (or \$200 plus ice costs)</u> <u>\$1,000 per day plus expenses for Shawn Allard personally attending</u>	<u>As incurred</u>	<u>This is the current amount.</u>
<u>Renewal fee</u>	<u>Greater of \$10,000 or 50% of then current initial franchise fee for the Protected Territory (or a comparable territory)</u>	<u>At time of renewal</u>	
<u>Transfer fee</u>	<u>Greater of \$10,000 or 50% of then current initial franchise fee for the Protected Territory (or a comparable territory)</u>	<u>At time of transfer</u>	
<u>Interest on Late Payments</u>	<u>2% interest per month, compounded (26.82% per annum) or the highest rate allowed by law</u>	<u>Upon billing</u>	<u>Payable on all overdue amounts. Interest accrues from the original due date until payment is received in full.</u>
<u>Late Payment Fee</u>	<u>\$100 per occurrence per day</u>	<u>On demand</u>	<u>If any amounts due to us are not made by the due date, you will be required to pay us \$100 per occurrence, per day, in addition to interest on overdue amounts.</u>
<u>Audit</u>	<u>Currently \$500 per hour per audit representative</u>	<u>As incurred</u>	<u>Payable only if Franchisee fails to furnish reports or records or if the audit reveals Franchisee has understated Franchisee's Gross Revenue by more than 2%. The hourly rate is subject to change based upon prevailing hourly rates for audit professionals</u>
<u>Indemnification</u>	<u>Will vary under circumstances</u>	<u>As incurred</u>	<u>Franchisee and/or Principal has to reimburse Franchisor if Franchisor is held liable for claims arising from Franchisee's operations.</u>
<u>Purchase of Products</u>	<u>A price not to exceed our supplier cost plus 40%</u>	<u>Ongoing Basis</u>	<u>Franchisee shall purchase Products exclusively from Franchisor or an affiliate of Franchisor for</u>

<u>Name of Fee¹</u>	<u>Amount of Payment²</u>	<u>Due Date</u>	<u>Comments</u>
<u>Costs and Legal Fees</u>	<u>Will vary under circumstances</u>	<u>Upon demand</u>	<u>You must reimburse us for the expenses we incur (including reasonable legal fees) as a result of your default of the Franchise Agreement and to enforce and terminate the Franchise Agreement.</u>
<u>Additional Cure Expenses, Collection Costs, and Post Termination/Expiration Expenses</u>	<u>Our cost and expense if we take action to cure any default by you under the Franchise Agreement, including costs of collection for unpaid amounts</u>	<u>Upon demand</u>	<u>Due only if you are in default under your Franchise Agreement, in which case you must reimburse us for the additional expenses we incur (including reasonable legal fees) as a result of your default and to enforce and terminate your Franchise Agreement if necessary. This also applies if your Franchise Agreement terminates or expires, and we incur expenses in ensuring your compliance with the post-termination and post-expiration provisions.</u>
<u>Uniforms</u>	<u>Estimated to be \$1,000</u>	<u>As required</u>	<u>All staff must wear standard related uniforms and attire during business hours. Uniforms and attire must be in strict accordance with our design and other specifications. The purchase amount may vary depending upon the number of uniforms you purchase.</u>

Notes to Table:

“Gross Revenue” means the total amount of all sales of products and services made from business conducted by Franchisee and all licensees, concessionaires, subtenants, or other persons conducting business for the benefit of the Franchised Business wherever such services are performed and whether or not such sales or other receipts and revenues are evidenced by cash, credit, cheque, charge account, debit, exchange or otherwise.

1. All fees are payable in United States Dollars (USD). All fees are non-refundable. Fees payable to approved suppliers or other vendors (other than us) are subject to change at any time. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us. Except as specifically stated above, the amounts given may be due to changes in market conditions, our cost of providing services and future policy changes. At the present time we have no plans to increase payments over which we have control.

All dollar figures in this Disclosure Document are in United States Dollars and do not include any applicable taxes, which taxes are your responsibility, unless otherwise indicated. If any amounts payable by you to us are subject to withholding or other taxes that you are required to deduct from such payments, you shall deduct such taxes and remit such taxes to the appropriate taxing or governmental authority. Below is a brief description of other recurring or isolated fees or payments that you must pay to us or that we impose or collect for a third party under the terms of the Franchise Agreement.

Name of Fee¹	Amount of Payment²	Due Date	Comments
Royalty Fee³	6% of Gross Revenue	Payable Monthly	First royalty payment due on 1st month after opening.
Advertising Fund⁴	Currently \$100 per month	Payable Monthly	This is the current amount. Due on the 1st month after opening.
Local Store Marketing	Currently \$100 per month	As incurred	Payable to third parties to market your Franchised Business.
Technology Fee⁵	Currently \$350 per month	Payable Monthly	This is the current amount. Due on the 1st month after opening. May be increased upon 30 days written notice to you.
Invoice and Payment services	All costs incurred by us to process your customers' payments	As incurred	You agree to direct your customers to sign up for all programs and pay all fees through our centralized website. All costs associated with us processing payments, including interest or NSF charges for unprocessed payments, will be deducted from the amount we collect on your behalf.
Payment Plan Administrative Fee	5% of amount subject to payment plan	5% of each payment	If a client wishes to pay fees on a monthly basis, it will incur a 5% additional administrative fee of the amount they wish to pay overtime, which amount will be paid to Franchisor as consideration for setting up this payment plan.
Ongoing Training (phone)	\$100 per hour	As incurred	This is the current amount.
Ongoing Training (site visit)	\$500 per day plus expenses (or \$200 plus ice costs) \$1,000 per day plus expenses for Shawn Allard personally attending	As incurred	This is the current amount.
Renewal fee	Greater of \$10,000 or 50% of then current initial franchise fee for the Protected Territory (or a comparable territory)	At time of renewal	
Transfer fee	Greater of \$10,000 or 50% of then current initial franchise fee for the Protected Territory (or a comparable territory)	At time of transfer	

Name of Fee ¹	Amount of Payment ²	Due Date	Comments
Changes to Franchise System / Marks	Cost of implementing any alterations, modifications or changes to the Franchise System or the Marks	At time of change to Franchise System	
Interest on Late Payments	2% interest per month, compounded (26.82% per annum) or the highest rate allowed by law	Upon billing	Payable on all overdue amounts. Interest accrues from the original due date until payment is received in full.
Late Payment Fee	\$100 per occurrence per day	On demand	If any amounts due to us are not made by the due date, you will be required to pay us \$100 per occurrence, per day, in addition to interest on overdue amounts.
Audit	Cost of inspection or audit	As incurred	Payable only if Franchisee fails to furnish reports or records or if the audit reveals Franchisee has understated Franchisee's Gross Revenue by more than 2%.
Indemnification	Will vary under circumstances	As incurred	Franchisee and/or Principal has to reimburse Franchisor if Franchisor is held liable for claims arising from Franchisee's operations.
Purchase of Products	Franchisee shall purchase Products exclusively from Franchisor or an affiliate of Franchisor for a price not to exceed our supplier cost plus 40%	Ongoing Basis	
Costs and Legal Fees	Will vary under circumstances	Upon demand	You must reimburse us for the expenses we incur (including reasonable legal fees) as a result of your default of the Franchise Agreement and to enforce and terminate the Franchise Agreement.
Additional Cure Expenses, Collection Costs, and Post Termination / Expiration Expenses	Our cost and expense if we take action to cure any default by you under the Franchise Agreement, including costs of collection for unpaid amounts	Upon demand	Due only if you are in default under your Franchise Agreement, in which case you must reimburse us for the additional expenses we incur (including reasonable legal fees) as a result of your default and to enforce and terminate your Franchise Agreement if necessary. This also applies if your Franchise Agreement terminates or expires, and we incur expenses in ensuring your compliance

Name of Fee ¹	Amount of Payment ²	Due Date	Comments
			with the post-termination and post-expiration provisions.
Financial Records and Reports	Costs of preparing financial statements and tax returns, accountants' fees	As incurred	You must also provide us with financial reports upon request as well as annual financial statements.
Staffing	Variable	Periodically	Depends on the number of employees and wages payable.
Uniforms	Variable	As required	All staff must wear standard related uniforms and attire during business hours. Uniforms and attire must be in strict accordance with our design and other specifications.

Notes to Table:

~~1. All fees are payable in United States Dollars (USD). All fees are non-refundable. Fees payable to approved suppliers or other vendors (other than us) are subject to change at any time. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us. Except as specifically stated above, the amounts given may be due to changes in market conditions, our cost of providing services and future policy changes. At the present time we have no plans to increase payments over which we have control.~~

~~2. These figures are estimates, and Franchisor cannot guarantee that Franchisee will not have additional expenses starting the business. Franchisee's costs will depend on factors such as: how thoroughly Franchisee follows Franchisor's methods and procedures; Franchisee's personal discipline, dedication, and commitment; Franchisee's management skill, experience, and business acumen; local economic conditions; the local market for Franchisee's Products and services; the prevailing wage rate; advertising expenditures; competition; and the sales level reached during the initial period. Franchisee should review these figures carefully with a business advisor before making any decision to purchase the franchise. Franchisor does not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing will depend on factors such as the availability of financing generally, Franchisee's creditworthiness, collateral Franchisee may have, and lending policies of financing institutions.~~

3. The royalty fee is due monthly as agreed in the Franchise Agreement. "Gross Revenue" means the total amount of all sales of products and services made from business conducted by Franchisee and all licensees, concessionaires, subtenants, or other persons conducting business for the benefit of the Franchised Business wherever such services are performed and whether or not such sales or other receipts and revenues are evidenced by cash, credit, cheque, charge account, debit, exchange or otherwise.

4. Franchisor intends to establish an advertising fund and Franchisee's monthly contribution may vary over time. Franchisee's current monthly contribution to the Advertising Fund is \$100 per month.

5. A technology fee in an amount determined by Franchisor from time to time (and initially set at Three Hundred Fifty Dollars (\$350), plus all applicable taxes) shall be paid by Franchisee to Franchisor on a monthly basis for each month of the Initial Term and any renewal term. The Technology Fee is payable at the same time and in the same manner as the Royalty Fee set forth above. Currently, the Technology Fee

includes Training Hub, CRM, Shopify, Perfect Skating proprietary app, and virtual office software and/or online services. We reserve the right to modify the technology services included with the Technology Fee. We may increase the Technology Fee upon written notice to you. if we decide to deliver additional technology services to you or if the costs and expenses associated with delivering the included technology services to you increase. Any increase in the Technology Fee will be based upon an increase in our costs and expenses in delivering the included technology services to you.

6. At Franchisee’s request, Franchisor will provide additional assistance beyond Franchisor’s standard support, at a cost to Franchisee based on Franchisor’s then current daily fee for the respective personnel performing such assistance plus other reasonable expenses including all transportation, lodging and other expenses.

**ITEM 7:
ESTIMATED INITIAL INVESTMENT**

YOUR ESTIMATED INITIAL INVESTMENT

Item ^{(1) (2)}	Estimated Amount		Method of Payment	When Payment is Due	To Whom Payment is Made
	Low	High			
Initial Franchise Fee ⁽³⁾	\$20,000	\$120,000	Lump Sum	Payment due on execution of Franchise Agreement	Us
Start-up Equipment Package (tracksuit, helmet, gloves, coaches’ bags)	\$500	\$500	Lump Sum	As incurred	Third parties
Laptop and cell phone	\$1,500	\$1,500	As arranged	As incurred	Third parties
Franchisee Video and Photo Start Up Package	\$750	\$750	Lump Sum	As incurred	Us
Marketing Materials which include banners, flyers, business cards, folding tables, table skirts, stickers for helmets, sales kit folders, etc.	\$3,250	\$3,250	Lump Sum	As incurred	Us
Initial Connection Fee for Perfect Skating App	\$850	\$850	Lump Sum	As incurred	Us
Setup for microsite within Perfect Skating website	\$850	\$850	Lump Sum	As incurred	Us
Travel & Living Expenses While Training ⁴	\$2,500	\$5,000	As arranged	As incurred	Third parties
Business Licenses and Registrations ⁵	\$500	\$1,200	Lump Sum	Pre-opening	Third parties

Item ^{(1) (2)}	Estimated Amount		Method of Payment	When Payment is Due	To Whom Payment is Made
	Low	High			
Accounting and Legal Professional Fees including cost of Incorporation ⁶	\$3,000	\$5,000	As arranged	As incurred	Third parties
Insurance ⁷	\$1,000	\$1,000	As arranged	Pre-opening	Third parties
Technology Fee (3 months)	\$750 1,050	\$750 1,050	One (1) month after opening date and monthly thereafter	Monthly	Us
QuickBooks (3 months)	\$90	\$90	Upon establishment of QuickBooks account and monthly thereafter	Monthly	Third parties
Uniforms	\$1,000	\$1,000	As arranged	As incurred	Approved suppliers
Ice-time Rental ⁸	\$2,400	\$36,000	As arranged	As incurred	Third parties
Pre-Opening Advertising ⁹	\$5,000	\$5,000	As arranged	As incurred	Approved suppliers and Third parties
Additional Funds (3 months) ⁽¹⁰⁾	\$10,000	\$15,000	As arranged	As incurred	Third Parties
TOTAL	\$53,940 <u>54,240</u>	\$197,740 <u>198,040</u>			

Notes to Table:

1. ~~These figures are estimates, and Franchisor cannot guarantee that Franchisee will not have additional expenses starting the business. Franchisee's costs will depend on factors such as: how thoroughly Franchisee follows Franchisor's methods and procedures; Franchisee's personal discipline, dedication, and commitment; Franchisee's management skill, experience, and business acumen; local economic conditions; the local market for Franchisee's Products and services; the prevailing wage rate; advertising expenditures; competition; and the sales level reached during the initial period. Franchisee should review these figures carefully with a business advisor before making any decision to purchase the franchise.~~ Franchisor does not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing will depend on factors such as the availability of financing generally, Franchisee's creditworthiness, collateral Franchisee may have, and lending policies of financing institutions. All amounts specified in this Item 7 are in United States Dollars.

2. These above amounts are estimates of Franchisee's initial start-up expenses. These expenses do not include any draw or salary for Franchisee or Principal.

3. The range of Initial Franchise Fees is based upon our experience in establishing Territories in Canada and our estimated territories in the United States. The minimum Initial Franchise Fee is \$20,000. The range reflects an estimate of the range of Initial Franchise Fees that we anticipate charging in 2025. [We will evaluate the size of the proposed Territory, population in the proposed Territory, number of youth hockey players in the Territory, and other business related criteria](#) If you desire to acquire a larger Territory

then contemplated in our current estimated territories, the Initial Franchise Fee may be higher than the estimated range above.

4. The cost of the Initial Training Program for Franchisee, Principal and/or proposed manager of the Franchised Business (in accordance with Section 10.1 of the Franchise Agreement) is included in the Franchise Fee, but you are responsible for transportation and expenses for meals and lodging while attending training. The total per diem costs will vary depending on the number of people attending, how far you travel and the type of accommodations you choose. The lower end of our estimate assumes that the trainees live within driving distance of our training facility. These expenses are typically non-refundable. Before making airline ticket, hotel, rental car, or other reservations, you should inquire about the refund policy in the event you have to cancel any reservation. See Item 11 of this Disclosure Document for details regarding training.

5. This item covers miscellaneous opening costs and set-up expenses, including but not limited to business licenses, etc. The cost and difficulty of obtaining business and other licenses, and related permits will vary greatly in each jurisdiction.

6. ~~We strongly recommend that you have a lawyer, an accountant and possibly other professionals assist you in your evaluation of this franchise offering.~~ Your actual costs will depend on the hourly rates charged by your advisors and how much you use their services.

7. You are required to obtain insurance in such minimum amounts and for such coverages as we may require.

8. You will not lease real property or maintain a separate building to operate your Perfect Skating business. You will lease ice time from existing ice rinks, ice sheets, or similar locations. Market prices for renting ice will vary depending on local market conditions and Franchisee should verify these numbers in the area where it intends to do business, prior to making any commitment.

9. You are required to spend a minimum of \$5,000 on a pre-opening and opening promotional campaign for the Franchised Business during the period from at least 45 days immediately preceding the opening of the Franchised Business and until 6 weeks after the opening of the Franchised Business. These funds are paid to third party suppliers from whom you will purchase branding and promotion products and services and are typically not refundable. We must approve of the pre-opening advertising campaign, including the marketing materials used and their placement before you conduct it.

10. Additional funds will be required to finance operations until a positive cash flow is achieved. This is our estimate of the additional funds that you will need at the outset of our Perfect Skating Franchised Business. This estimate is based upon our experience and the experience of our Affiliates and franchisees in opening and operating Perfect Skating businesses. Franchisor strongly recommends that Franchisee consult its accountant or other financial experts to determine the initial working capital requirements.

11. Note to Renewing Franchisees: As you are already operating a franchise, assuming you are in compliance with the Franchise Agreement, some of the costs listed in the sections above do not apply to you. We may require you to bring the Franchised Business into compliance with our then-current standards. Such requirements, if any, will be identified in the Manual.

12. Note to Resale Franchisees: If you are purchasing an existing franchise, some of the costs listed in the chart above may not apply to you. Some or all of the items listed above may be included in the purchase price to be paid by you to the selling franchisee. It is up to you and the selling franchisee to negotiate and determine the purchase price for the Franchised Business, which may include some or all of the items listed

in the chart above. We will not necessarily review or comment on the sufficiency or appropriateness of the purchase price to be paid by you. To the extent that any of the items listed above are not included in the purchase price, you may need to incur these costs in addition to the purchase price. We may require the proposed transferee to bring the Franchised Business into compliance with our then-current standards.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases of Goods and Services

You must purchase certain products, supplies, insurance, inventory, signage, fixtures, furniture, equipment, décor and other specified items under specifications and standards that we periodically establish in our Manual or other notices we send to you from time to time. These specifications are established to provide standards for performance, durability, design, and appearance. You must purchase such products, supplies, insurance, etc. required for the operation of your Perfect Skating Business solely from us or our suppliers (including distributors, manufacturers, and other sources) who have been approved in writing by Franchisor, as set forth in the Operations Manual. You are not allowed to purchase any item from an unapproved supplier. When selecting suppliers, we consider all relevant factors, including the quality of goods and services, service history, years in business, capacity of supplier, financial condition, terms, and other requirements consistent with other supplier relationships. We maintain written lists of approved items of equipment, fixtures, inventory, and supplies (by brand name and/or by standards and specifications) and lists of approved suppliers for those items. All such suppliers and approved vendors will be listed in the Manual, which must always be followed, even as modified, and updated by Franchisor. We will notify you whenever we establish or revise any of our standards or specifications, or if we designate approved suppliers for products, equipment, or services.

We are currently an approved vendor or the only approved vendor of hockey equipment, jerseys, closing, coaching bags, embroidery, banners, and posters that you will use in connection with the operation of your Perfect Skating Franchised Business. We estimate that the purchase of required products and services from us or required suppliers represents between 5% and 10% of your total purchases and leases in establishing the franchise business and approximately 5%-10% of your total purchases and leases, on an annual basis, in operating your franchise business. [Because Shawn Allard and Andrea Allard own us, they own an interest in a supplier as we are the only approved vendor of things that you are obligated to purchase.](#)

You must comply with our requirements to purchase or lease real estate, goods, and services according to our specifications and/or from approved suppliers to be eligible to renew your franchise.

[You are obligated to purchase those products and services that we specify exclusively from us, our Affiliates, and/or other designated or approved vendors. Your failure to comply with these requirements will render you ineligible for renewal—and, may be a default allowing us to terminate your franchise agreement, and may result in our refusal to enter into additional franchise agreements with you.](#)

Approval of Alternative Suppliers

Franchisor does not have any specific written criteria for supplier selection and does not intend at this time to prepare one. Therefore, Franchisor will not furnish its criteria for supplier approval to Franchise Owners. If you would like to purchase items from any unapproved supplier, you must submit to us a written request for approval of the proposed supplier. We will notify you of our approval or disapproval within thirty (30) days of your written request for approval of the proposed supplier. We have the right to inspect the proposed supplier's facilities and require that product samples from the proposed supplier be delivered, at our option, either directly to us, or to any independent, certified laboratory that we may designate, for testing. We may

microsite, file storage, and all information technology associated costs. You will also be required to have access to a broadband Internet connection at all times.

Insurance

You are required to maintain the following types of insurance and coverage amounts at all times during the operation of your Perfect Skating business.

- (a) Commercial General Liability Insurance in the minimum amount of Three Million Dollars (\$3,000,000) per occurrence insuring bodily injury, personal injury, and property damage with respect to product liability, premises liability, non-owned automobile liability, and employers' liability. Such policy shall include a cross liability/severability of interests clause and shall name the Franchisor as an additional insured with respect to the actions and operations of the Franchisee. Defence costs under such policy shall apply in addition to the limits of liability. Such insurance shall apply on a primary basis.
- (b) All Risks Property Insurance including flood, earthquake, windstorm, and sewer back up, insuring the full replacement value of all property owned or leased or the responsibility of the Franchisee to insure including buildings (if applicable), leasehold improvements, equipment, plate glass, signs, and stock. The policy shall add landlords and the Franchisor as additional insureds and loss payees as their respective interests may appear.
- (c) Automobile insurance in the minimum amount of One Million Dollars (\$1,000,000) per occurrence on any vehicles owned or leased by the Franchisee;
- (d) Crime Insurance in the minimum amount of Fifty Thousand Dollars (\$50,000) insuring robbery, burglary, and employee dishonesty; and
- (e) Workers' Compensation Insurance as required by law.

All policies of insurance shall:

- (a) be placed only with insurers designated or reasonably acceptable to the Franchisor;
- (b) be in such form and amounts as is acceptable to the Franchisor;
- (c) contain a clause that the insurer will not cancel, materially change, or refuse to renew the insurance without first giving to the Franchisor thirty (30) days' prior written notice;
- (d) be renewable at times specified by Franchisor; and
- (e) name Franchisor as an additional named insured.

ITEM 9: FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under Franchise Agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.

Obligations	Section in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	6.1	Item 11
b. Pre-opening purchases/leases	6.2	Items 7 and 8
c. Site development and other pre-opening requirements	12.9	Items 6, 7 and 11
d. Initial and ongoing training	10.1, 11.2	Item 11
e. Opening	10.1, 12.9	Item 11
f. Fees	Article 5	Items 5 and 6
g. Compliance with standards and policies/operating manual	Article 12	Items 8 and 11
h. Trademarks and proprietary information	Article 8	Items 13 and 14
i. Restrictions on products/services offered	12.2	Item 16
j. Warranty and customer service requirements	Not applicable	Not Applicable
k. Territorial development and sales quotas	3.3	Item 12
l. On-going product/service purchases	6.2, 9.5, 12.8	Item 8
m. Maintenance, appearance, and remodeling requirements	8.3, 12.1	Item 11
n. Insurance	Article 13	Items 6, 7 and 8
o. Advertising	5.4-5.6, 12.9	Item 11
p. Indemnification	13.4	Item 6
q. Owner's participation/management and staffing	12.1(d), 12.7	Item 15
r. Records/reports	Article 7	Item 6
s. Inspections/audits	7.1, 7.6, 8.2(c)	Item 6
t. Transfer	Article 16	Item 17
u. Renewal	4.2, 4.3	Item 17
v. Post-termination obligations	Article 15	Item 17
w. Non-competition covenants	Article 19	Item 17
x. Dispute resolution	1.56	Item 17
y. Owners/ Shareholders/ Spousal Guarantee	17.1	Item 22
z. Other		

**ITEM 10:
FINANCING**

We do not offer, directly or indirectly, any financing. ~~for the initial establishment of the business by Franchisee or any other franchisee, nor~~ We do ~~we~~not guarantee ~~any~~your note, lease or obligations on Franchisee's behalf. ~~However, we reserve the right to offer financing to franchisees in the future.~~

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

EXCEPT AS LISTED BELOW, FRANCHISOR IS NOT REQUIRED TO PROVIDE YOU WITH ANY ASSISTANCE.

Obligations-Perfect Skating Franchised Businesses:

Before you open your Perfect Skating Franchised Business for business, we or our designee will:

1. Review and approve or disapprove the proposed location for your Perfect Skating Franchised Business within the geographic area specified in your Franchise Agreement or an addendum to your Franchise Agreement ("Protected Territory"). We require that you have selected, and we have approved your proposed location before we will sign the Franchise Agreement. It usually takes us no more than thirty (30) days to review and approved your proposed location. The location must meet our criteria for demographics; traffic count; parking; ingress and egress; character of neighborhood; competition from, proximity to, and nature of other businesses; size; appearance; and other physical and commercial characteristics. Perfect Skating Franchised Businesses are typically located in privately and publicly owned indoor ice rinks, home office/hockey arenas, or similar locations with dressing rooms, locker rooms, suitable ice, and related services where you are able to secure ice time on an hourly basis. We do not typically own or lease locations to our franchisees. For each proposed Perfect Skating Franchised Business site, you must submit to us, in the form we specify, a description of the location and any other information or materials that we may require. ~~We will not unreasonably withhold approval of a location that meets our standards for~~The criteria that we utilize to evaluate your proposed location ~~and~~are neighborhood demographics, traffic patterns, parking size, layout, and other physical characteristics for a Perfect Skating Franchised Business. If you fail to identify a mutually agreeable location by the established deadline, then we may terminate your Franchise Agreement. (Franchise Agreement –Section 6.1)

2. Identify the products, materials, supplies, and services you must use to develop and operate your Perfect Skating Franchised Business, the minimum standards, and specifications that you must satisfy in developing and operating the franchise, and the designated and approved suppliers from whom you must or may buy or lease these items (which might be limited to or include us and/or our affiliates). While we do not provide direct assistance in obtaining, delivering, or installing equipment, signs, fixtures, inventory and supplies, we do provide you with the information about these items in our Operations Manual, including a list of approved suppliers (Franchise Agreement – Section 8.3).

3. Provide you with specifications for the Computer System for your Perfect Skating Franchised Business. (Franchise Agreement – Section 12.1(h))

4. After signing your Franchise Agreement, but no later than thirty (30) days before your Perfect Skating Franchised Business opens for business, we will provide the Initial Training program for your Perfect Skating Franchised Business to you, other members of your management team, and any agents you employ. (Franchise Agreement –Section 10.1) You (if you are an individual) or at least one of your Principals as defined in your Franchise Agreement (if you are a legal entity), your general manager ("General Manager") (if we agree for you to have a general manager; see Item 15), and other members of your management team that we designate must complete this Initial Training program to our satisfaction. The Initial Training Program includes classroom instruction, operation training, and on-the-job franchise operation training at either a performance center or other location we designate. There will be no tuition charge for these training programs for any persons who attend, but you must pay any wages or compensation owed to, and all travel, lodging, meal, and transportation expenses incurred by, all of your personnel who attend the training programs. All persons who attend the Initial Training program must complete it to our satisfaction.

the Ad Fund on the date of termination will be distributed to us, our affiliates, and you and our other franchisees in proportion to each party's respective contributions to the Ad Fund during the preceding twelve (12) month period. We may reinstate a terminated Ad Fund upon the same terms and conditions set forth in Franchise Agreement upon thirty (30) days' advance written notice to you.

During fiscal year ended August 31, 2024, we did not collect any Ad Fund contributions.

The Advertising Programs are intended to maximize general public recognition and acceptance of all franchise and corporate units, including Franchisee. All decisions from time to time regarding the mix of advertising, the use of contributions, the selection of media and of advertising and promotional content shall be within the sole discretion of Franchisor. This advertising contribution shall be in addition to local advertising requirements. (See [sSection 5.5](#) of the Franchise Agreement)

Franchisor may maintain and administer a general advertising fund (the "Fund") for such national, regional, and other advertising and promotional programs (including gift certificates, gift cards and coupons) as it may deem necessary or appropriate. All costs including, without limitation, media costs, market research costs, production costs, commissions, system-wide or regional conferences and conventions, brand management costs, internal marketing department costs (including salaries and other compensation), media costs, product and services research, printing costs, administrative costs and overhead incurred by Franchisor in connection with the Advertising Programs shall be paid from the Fund. (See [sSection 5.4](#) of the Franchise Agreement)

Franchisor shall, on a written request from Franchisee within one hundred twenty (120) days after its fiscal year end, provide Franchisee with a summary report as to receipts and disbursements in respect of the Fund in such period. (See [sSection 5.5](#) of the Franchise Agreement)

Any internet website, e-mail addresses, or other means of electronic communication (including any form of social media) created and/or operated by or on behalf of Franchisor related directly or indirectly to advertising or promotion of the Franchise System, Products and/or Franchised Business is a form of "advertising" under the Franchise Agreement and may be paid for by the Fund. (See [sSection 5.5](#) of the Franchise Agreement)

In the current fiscal year, we project that the monthly amount of the advertising contribution for the Fund from Franchisee will be One Hundred Dollars (\$100) per month, of which one hundred percent (100%) will be spent on advertising campaigns in the fiscal year of the contribution. If, however, a portion of the Fund is not spent in any given fiscal year, such surplus will remain in the Fund and be carried over to the next fiscal year. Our corporate locations will also contribute to the Fund (See [sSection 5.5](#) of the Franchise Agreement)

The Fund will be administered by Franchisor.

Advisory Council:

We may establish and receive input and feedback from an advisory council comprised of franchisee representatives. The advisory council, if established, may be elected by our franchisees, or appointed by us. If established, the advisory council will serve in an advisory capacity only and will not have operational or decision-making power. We may alter the function and/or composition of any advisory councils at any time, and may otherwise form, change, or dissolve advisory councils. As of the date of this Disclosure Document we have no advisory councils.

Computer System:

~~You must use the computer hardware and software (collectively the “Computer System”) that we periodically designate to operate your franchise (Franchise Agreement Sections 12.1(h)). You must obtain the Computer System, software licenses, maintenance and support services, and other related services from the suppliers we specify (which may include or be limited to us and/or our affiliates) (See Item 7 for more information regarding the cost of the Computer System). We may periodically modify the specifications for, and components of, the Computer System. These modifications and/or other technological developments or events may require you to purchase, lease, and/or obtain by license new or modified computer hardware and/or software and obtain service and support for the Computer System. The Franchise Agreement does not limit the frequency or cost of these changes, upgrades, or updates. We have no obligation to reimburse you for any Computer System costs. Within sixty (60) days after you receive notice from us, you must obtain the components of the Computer System that we designate and ensure that your Computer System, as modified, is functioning properly.~~

~~We may charge you a reasonable fee for: (i) installing, providing, supporting, modifying, and enhancing any proprietary software or hardware that we develop and license to you; and (ii) other Computer System related maintenance and support services that we or our affiliates provide to you. If we or our affiliates license any proprietary software to you or otherwise allow you to use similar technology that we develop or maintain, then you must sign any software license agreement or similar instrument that we or our affiliates may require.~~

~~You will have sole responsibility for: (1) the acquisition, operation, maintenance, and upgrading of your Computer System; (2) the manner in which your Computer System interfaces with our computer system and those of other third parties; and (3) any and all consequences that may arise if your Computer System is not properly operated, maintained and upgraded.~~

~~Your Computer System must have internet capability and be capable of supporting our required software. You will also be required to purchase certain software, and to pay monthly charges associated with your Computer System. Currently, you will need a computer that is capable of providing high level email, document, and video capability. We recommend that you purchase an Apple MacBook Pro although we may approve other computers with similar capabilities. The Computer System is used to track and store all data relating to the operation of your franchise and the franchises in our system. We have the right to access all information stored on your Computer System which relate to your franchise. The specification regarding the required hardware and software for your Computer System is contained in the Operations Manual.~~

~~We estimate the cost of purchasing the Computer System and related software and associated equipment will be approximately \$1500. In addition, you will be required to pay a recurring monthly charge (“Technology Fee”) for the use of our proprietary management software (“Redline Software”). Currently the Technology Fee is \$350 per month. The Technology Fee provides you access, maintenance and support for required software, and other technology services that we determine, in our sole discretion, to provide to you. We reserve the right to increase this fee upon thirty (30) days prior written notice. You will also be required to pay the monthly cost of maintaining high speed Internet access at your site.~~

~~We will have independent access to the information that will be generated and stored on your Computer System. There are no limitations on when or how we may access such information.~~

Websites:

You may not have or utilize a website other than ours, without our prior written approval. You may host or utilize social media relating to your franchise, or other types of advertising websites, such as Facebook, LinkedIn, Groupon, Living Social, or any other similar sites. However, if you offer coupons or discounts

using or on any social media or other similar sites, you must get our prior written approval. (Franchise Agreement –Section 8.9)

Table of Contents of the Operations Manual:

Our Operation Manual presently contains _____ pages. The Table of Contents of our Operations Manual is attached to this Disclosure Document as Exhibit G.

Initial Training Program (Franchise Agreement – Section 10.1):

The Franchise System and the Perfect Skating Methodology is an elite performance skating program. Franchisee, its Principal and/or its proposed manager must have the ability to perform and train others on elite-level technical skating skills. Prior to be admitted into the Initial Training Program your skating ability will be assessed through a series of video-recorded on-ice movements that will be used to determine whether you possess the technical skating skills (or are likely to be able to acquire the technical skating skills) required of a Perfect Skating franchisee. You will not be admitted into the Initial Training Program if you do not possess technical skating skills necessary to perform and operate the Perfect Skating Methodology.

Franchisee, its Principal and/or the proposed General mManager of the Franchised Business must attend and complete ~~to Franchisor’s satisfaction~~ an initial training program (the “Initial Training Program”) and demonstrate during the Initial Training Program that they are capable of delivering the Perfect Skating Methodology to Franchisee’s students and operating a Perfect Skating business in a manner consistent with the manual and other materials that we provide. The Initial Training Program shall last approximately seven (7) days, or for such longer period of time as Franchisor may require. The Initial Training Program includes instruction relating to the operation and management of the Franchise System and the Franchised Business, operations and management, sales and marketing, administration and finance, client service delivery, employee recruitment, hiring, training, and scheduling, insurance, computer software systems and on-the-job training. The Initial Training Program shall be held at such place in Ottawa, Canada designated by Franchisor and Franchisee shall be responsible for all costs relating to the Initial Training Program including without limitation all out-of-pocket costs, travel, transportation, lodging, and other expenses incurred during such training with the exception of Franchisor’s own labour costs relating to administering such Initial Training Program.

The Initial Training Program for Perfect Skating Franchised Businesses currently includes the following:

TRAINING PROGRAM			
Subject	Hours of Classroom Training	Hours of On the Job Training	Location
Movement Theory/Platform Theory/Program Shadowing	4.0	4.0	Head Office, Bell Sensplex, Ottawa ON
Movement Theory Cont’d/Intro to Movement Patterns/Intro to PS Program Framework/Program Shadowing	2.0	6.0	Head Office, Bell Sensplex, Ottawa ON
Intro to Skills/Adding Complexity/SAM Programming/Team Sessions/Specialty Programming/Program Shadowing	2.0	6.0	Head Office, Bell Sensplex, Ottawa ON
PS Development Model/Performance Development/Elite Player Development Programming/Program Shadowing	2.0	6.0	Head Office, Bell Sensplex, Ottawa ON

Agreement, the negotiation and execution of this Agreement and any other agreement between the parties, license fees and other costs incurred in relation to the technology start-up, and the cost of the Initial Training Program.

We may terminate this Agreement if Franchisee fails to: (i) commence its initial training program within sixty (60) days following the date of this Agreement, or at such other date that the parties may agree in writing, and (ii) open its Franchised Business within sixty (60) days of the completion of its initial training program to Franchisor's satisfaction. In the event that we elect to exercise its option to terminate this Agreement, we will not refund any portion of the Franchise Fee. (See [Section 10.1](#) of the Franchise Agreement)

We may require you and/or newly hired, previously trained, and experienced employees of your Perfect Skating Franchised Business to attend up to seven (7) days of additional or refresher training courses each year and a national business meeting or convention up to three (3) days per year at the times and locations we designate. We may charge a fee for these courses, conventions, and programs. You are responsible for all travel and living expenses. If you fail to attend any required training courses, conventions, or programs, we may charge a non-attendance fee of \$350 per day.

Additional Training and Conventions

Additional training, retraining, refresher courses, seminars, or management/franchisee meetings may be provided by Franchisor and Franchisee shall ensure that its designated employees attend any such training or educational events (if deemed mandatory by Franchisor) and successfully complete such programs as required by Franchisor from time to time. The fees payable by Franchisee related to such training, retraining, refresher courses, seminars, or management/franchisee meetings shall be at Franchisor's then current daily fee. In addition to Franchisor's fees all travel and living expenses and all wages or other amounts payable to any trainees or attendees are the responsibility of Franchisee and no wages or other amounts shall be payable by Franchisor to any such trainee or attendee for any service rendered during the course of such events or training. Franchisee shall ensure that its designated employees attend any mandatory training or educational events and successfully complete such programs as required by Franchisor from time to time. The current fee related to the above is Five Hundred Dollars (\$500) per day or One Thousand Dollars (\$1,000) per day if such training is conducted by Shawn Allard. The hourly fee for any consultations by phone related to above is Seventy-Five Dollars (\$75) per hour. (See Section 11.2 of the Franchise Agreement)

Ongoing Assistance

Franchisor shall furnish to Franchisee such advice, guidance, and services as from time to time may be required, as determined by Franchisor in its discretion, with respect to the following:

- (a) hiring and training of employees;
- (b) formulation and implementation of promotional programs;
- (c) purchasing of Products, supplies, and equipment;
- (d) administrative, bookkeeping, merchandising and general operating procedures; and
- (e) periodic bulletins and information concerning various aspects of and improvements to Franchise System.

others to operate and that refers to the Franchised Business, Marks, us, or the Franchise System. The term Website includes websites and Internet-based social media networking platforms, including, without limitation, Facebook, Instagram, Twitter, and LinkedIn.

All domain names that contain, are comprised of, or are confusing with, the Marks shall be registered in the name of, and managed by, Franchisor, or its licensor. Under no circumstances shall Franchisee register any Internet domain names that contain, are comprised of, or confusing with, the Marks. Franchisor, in its sole discretion, shall decide which domain names may be used by Franchisee. Franchisor shall incur the registration costs associated with the domain name registrations, while Franchisee shall incur the expenses associated with the design and maintenance of its website.

We have a central website that we will manage for all Perfect Skating businesses in the Franchise System. Our website will list each Perfect Skating business and information regarding the Franchise System. We may create a micro-website for Franchisee, consistent with those created for other franchisees in the Franchise System.

You shall be permitted to promote the Goods and Services on the Internet and social media only in a manner and form designated or reasonably approved in writing in advance by us. Any content or posting not approved by us and requested to be removed shall be immediately removed by you.

You acknowledge and agree that we have the right to approve or disapprove of the design and contents of any Website or social media account associated with Franchise System or the Marks or the Franchised Business from time to time, and you agree that upon receipt of written notice from us disapproving of any designs or contents of any Website or social media account associated with Franchise System or the Marks or the Franchised Business, you shall forthwith remove or cause the removal of all such disapproved designs or contents from further display thereon or access therefrom immediately

Any such activity which we approve will have to be conducted in accordance with our then-current Social Media policy.

Intranet

We will have the right to establish a website or other electronic system providing private and secure communications (*e.g.*, an intranet) between us, our franchisees, and other persons and entities that we decide are appropriate. If we require, you must establish and maintain access to the intranet in the manner we designate. Additionally, we may periodically prepare agreements and policies concerning the use of the intranet that you must acknowledge and/or sign. We may conduct mandatory meetings which may take place through this intranet or another web-based program. We expect that the intranet will also provide forums for franchisees to help support each other, to have online meetings, and to access our Manual.

Table of Contents of Operations Manual

The Table of Contents for our Manual is attached to this Disclosure Document as Exhibit G. [The Operations Manual currently has 189 pages.](#)

Computer System and Technology Fee

~~You must install and maintain a computer system and payment processing terminal that meets the functional requirements for utilizing the software and cloud-based services we require. If you use software that has not been approved by us, we will have no obligation to support you in the implementation, use, or compatibility of such alternate software, and you will bear all costs associated with the implementation, use~~

~~or customization of the alternate software to ensure compatibility with our existing systems. We regularly evaluate the functionality of our software and cloud-based services and may upgrade these and other technology to support efficiency within the system.~~ You must use the computer hardware and software (collectively the “Computer System”) that we periodically designate to operate your franchise (Franchise Agreement – Sections 12.1(h)). You must obtain the Computer System, software licenses, maintenance and support services, and other related services from the suppliers we specify (which may include or be limited to us and/or our affiliates) (See Item 7 for more information regarding the cost of the Computer System). We may periodically modify the specifications for, and components of, the Computer System. These modifications and/or other technological developments or events may require you to purchase, lease, and/or obtain by license new or modified computer hardware and/or software and obtain service and support for the Computer System. The Franchise Agreement does not limit the frequency or cost of these changes, upgrades, or updates. We have no obligation to reimburse you for any Computer System costs. Within sixty (60) days after you receive notice from us, you must obtain the components of the Computer System that we designate and ensure that your Computer System, as modified, is functioning properly.

We may charge you a reasonable fee for: (i) installing, providing, supporting, modifying, and enhancing any proprietary software or hardware that we develop and license to you; and (ii) other Computer System related maintenance and support services that we or our affiliates provide to you. If we or our affiliates license any proprietary software to you or otherwise allow you to use similar technology that we develop or maintain, then you must sign any software license agreement or similar instrument that we or our affiliates may require.

You will have sole responsibility for: (1) the acquisition, operation, maintenance, and upgrading of your Computer System; (2) the manner in which your Computer System interfaces with our computer system and those of other third parties; and (3) any and all consequences that may arise if your Computer System is not properly operated, maintained and upgraded.

Your Computer System must have internet capability and be capable of supporting our required software. You will also be required to purchase certain software, and to pay monthly charges associated with your Computer System. Currently, you will need a computer that is capable of providing high level email, document, and video capability. We recommend that you purchase an Apple MacBook Pro although we may approve other computers with similar capabilities. The Computer System is used to track and store all data relating to the operation of your franchise and the franchises in our system. We have the right to access all information stored on your Computer System which relate to your franchise. The specification regarding the required hardware and software for your Computer System is contained in the Operations Manual.

We estimate the cost of purchasing the Computer System and related software and associated equipment will be approximately \$1500. We recommend you purchase a laptop or desktop, printer, printer/scanner, iPad or tablet and a smart phone (iOS or Android) as well as any other computer supplies you may need. You must at all times have a high-speed internet connection for your computer system. The computer system, payment processing terminal and required software will provide you with the following functions: accounting, reporting, e-mail, internet access, client management, and payment processing. We also require that you have a designated business phone line. In addition, you will be required to pay a recurring monthly charge (“Technology Fee”) for the use of our proprietary management software (“Redline Software”). Currently the Technology Fee is \$350 per month, The Technology Fee provides you access, maintenance and support for required software, and other technology services that we determine, in our sole discretion, to provide to you. We may increase the Technology Fee upon written notice to you if we decide to deliver additional technology services to you or if the costs and expenses associated with delivering the included technology services to you increase. Any increase in the Technology Fee will be based upon an increase in our costs and expenses in delivering the included technology services to you. You will also be required to pay the monthly cost of maintaining high-speed Internet access at your site. We

We will have independent access to the information that will be generated and stored on your Computer System. There are no limitations on when or how we may access such information.

Our specific requirements for computer systems, payment processing terminals, software and cloud-based services are included in the Manual. We currently utilize Shopify, a proprietary application, and email marketing services. Our Technology Fee includes payment of the subscription fees for those services. We reserve the right to designate the specific hardware and software components, and cloud-based services, you must purchase, license, or subscribe to, as well as the suppliers from whom you must purchase the computer system and/or its components. ~~We recommend you purchase a laptop or desktop, printer, printer/scanner, iPad or tablet and a smart phone (iOS or Android) as well as any other computer supplies you may need. You must at all times have a high-speed internet connection for your computer system. The computer system, payment processing terminal and required software will provide you with the following functions: accounting, reporting, e-mail, internet access, client management, and payment processing. We also require that you have a designated business phone line.~~

We may, during the term of your Franchise Agreement, and any renewal thereof, require you to update and/or upgrade the Computer System. Some of these upgrades are included in the Technology Fee but there may be additional expenses incurred to update or upgrade your eComputer sSystem. We estimate that the cost of these upgrades (not including the Technology Fee) will not exceed \$1,400 per year. There are no contractual limitations on our right to request that you obtain these updates and/or upgrades, nor are there any limitations on the cost of these updates and/or upgrades. You are wholly responsible for all hardware and computer network maintenance and maintenance and upgrades of other software, ~~other than Jane,~~all of which must be done in a timely manner. The cost for such periodic computer maintenance and upgrades will depend on the type of systems and software you purchase, ~~other than Jane,~~ as well as any maintenance contracts you choose to enter into. We reserve the right to specify different hardware and software systems in the future, including proprietary software that we develop exclusively for the Franchised Business. Except for annual maintenance to the ~~Jane~~Computer System and Mailchimp software, we are not responsible for any maintenance or upgrades to your computer hardware, network connectivity, or software.

We require independent access to the information and data that you enter into any software or computer system that we implement in the future. At this time, we have no other independent access to the information and data that you store or collect electronically but reserve the right of access in the future.

ITEM 12: TERRITORY

Protected Territory

Under the Franchise Agreement Franchisor grants to franchisee a non-exclusive right to operate a Franchised Business within a geographic area identified in the Franchise Agreement (the "Protected Territory"), and a non-exclusive license to use the Franchise System and Marks solely and exclusively in the operation of such Franchised Business within the Protected Territory, which is specified Schedule "A" to the Franchise Agreement. Preservation of the Protected Territory depends upon the Franchise Agreement remaining in force and Franchisee's compliance with all terms and conditions of the Franchise Agreement.

There are no minimum or maximum territorial rights granted in connection with a franchise agreement. The size of your Protected Territory will be negotiated between you and us prior to the execution of a franchise agreement. Generally, the Protected Territory will be determined based upon the following factors: geographic area, population, number of youth hockey players, and other business related criteria that you and we agree are relevant to the establishment of the Protected Territory.

Notwithstanding the foregoing, Franchisor expressly reserves the following rights:

(a) the right to establish or operate or grant a Franchised Business outside the Protected Territory.

(b) the right to develop and license the use of, including within the Protected Territory, proprietary marks, other than the Marks, in connection with the operation of a program or system which offers or distributes Products or services which are the same as or similar to those offered under the Franchise System on any terms and conditions which Franchisor deems advisable.

(c) the right to distribute any and all Products, including Products under or bearing the Marks sold by Franchisee, through any distribution channels, including but not limited to the Internet, outside of the Protected Territory or within the Protected Territory provided the distribution channel within the Protected Territory does not operate as a Franchised Business.

(d) the right to train or service high end prospects, pros or NHL hockey players in the Protected Territory who would like to pay extra fees to train with Shawn Allard or one of Franchisor's training specialists.

We will not pay you any compensation for soliciting or accepting orders from high end products, pros, or NHL hockey players in the Protected Territory.

-(See Section 3.4 of the Franchise Agreement)

Territory Policy

~~Franchisee may provide goods and services to customers residing~~ There are no restrictions on you soliciting or accepting students from outside ~~the~~of your Protected Territory. Other Perfect Skating units may provide goods and services to customers residing within your Protected Territory. You are permitted to use other channels of distribution including the Internet or other direct marketing to make sales outside the Protected Territory only in a manner and form designated in writing in advance by us. Any content or posting not approved by us and requested to be removed shall be immediately removed by you.

The territories of two franchisees may adjoin one another, but Franchisor will not grant overlapping territories.

Except as described herein, we have no policy on the proximity between an existing Franchised Business and: (a) another franchise of ours or our affiliate of the same type as the existing franchise; (b) a franchisor outlet or corporate store; (c) a franchise or other business owned or operated by us, our associate, our parent, or our affiliate that distributes similar products or services under a different trademark, trade name or logo or that distributes different products or services under a similar trademark; (d) a franchise granted by us that distributes similar products or services under a different trademark, trade name or logo; and/or (e) any distributor or licensee using our trademark, trade name, logo or advertising or other commercial symbol.

~~We do not grant you a right of first refusal or other rights to acquire additional franchises in or outside the Protected Territory.~~

In addition, you must meet a minimum sales requirement to maintain your rights to your Protected Territory (i.e., the Performance Criteria, as defined in the Franchise Agreement), which will be set out in Schedule A to your Franchise Agreement. If you do not meet the Performance Criteria at any time, we have the right to reduce or eliminate your Protected Territory. Except as described above, the continuation of your rights

within the Protected Territory under the Franchise Agreement is not subject to any condition that the business achieves a certain level of market penetration or any other condition.

We do not grant you a right of first refusal or other rights to acquire additional franchises in or outside the Protected Territory.

You may not relocate your Perfect Skating business without our prior written consent. Our consent may be conditioned upon, among other things: (i) the new location for the Perfect Skating business being in your Protected Territory; (ii) other Perfect Skating businesses in the general vicinity of the location to which you want to relocate your Perfect Skating businesses; (iii) whether the proposed location for relocation meets our then current standards for a new Perfect Skating business; and/or (iv) your payment of our reasonable charges actually incurred in connection with consideration of the relocation request; your payment of agreed minimum Royalty Fees during the period when the Perfect Skating business is not in operation; and your relocation of the Perfect Skating business within 6 months after we approve your relocation request.

We do not currently intend to operate or franchised businesses to sell goods or services that are the same or similar to those that you will sell although we reserve the right to do so in the future. We reserve all rights to use and license the System other than those we expressly grant you under the Franchise Agreement.

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.

ITEM 13: TRADEMARKS

We will grant you the right to operate a Franchise under the trade name “Perfect Skating” and the corresponding trademarks displayed in the table below. The Marks are owned by our affiliate, Perfect Skating Inc. If, in the future, we develop other Marks for use in the franchise system, we will notify you, and you must implement those Marks in the operation of your Franchised Business at your own cost. You must use or display the Marks on all signs, forms, quotes, invoices, receipts, business cards, advertising, and any other materials we prescribe.

The following principal trademarks have been registered with the United States Patent and Trademark Office ("USPTO"):

<u>Mark</u>	<u>Serial No.</u>	<u>Register</u>	<u>Goods and Services</u>
	<u>7227526</u>	<u>Principal</u>	<p><u>Clothing, namely, shirts, t-shirts, long sleeve t-shirts, shorts, sweatshirts, sweatpants, jackets, gloves, sports jerseys, scarves, hats, and caps</u></p> <p><u>Hockey instruction services; educational and instructional services in the field of hockey and ice skating; educational and instructional services in the field of hockey skill development; hockey coaching services; providing group hockey lessons, hockey clinics, hockey mentoring, hockey consultation services; consulting services in the field of personal fitness; fitness evaluation and consultation services; operation of hockey camps; providing strength training and physical conditioning programs</u></p>
<u>PERFECT SKATING</u>	<u>7152294</u>	<u>Principal</u>	<p><u>Clothing, namely, shirts, t-shirts, long sleeve t-shirts, shorts, sweatshirts, sweatpants, jackets, gloves, sports jerseys, scarves, hats, and caps</u></p> <p><u>Hockey instruction services; educational and instructional services in the field of hockey and ice skating; educational and instructional services in the field of hockey skill development; hockey coaching services; providing group hockey lessons, hockey clinics, hockey mentoring, hockey consultation services; consulting services in the field of personal fitness; fitness evaluation and consultation services; operation of hockey camps; providing strength training and physical conditioning programs</u></p>

None.

The following trademarks have been applied for and are pending with the USPTO:

Trademark	Serial No.	Status	Goods/Services	Current Owner
PERFECT SKATING	97290041	Pending	<p>Clothing, namely, shirts, t-shirts, long sleeve t-shirts, shorts, sweatshirts, sweatpants, jackets, gloves, sports jerseys, scarves, hats, and caps</p> <p>Hockey instruction services; educational and instructional services in the field of hockey and ice skating; educational and instructional services in the field of hockey skill development; hockey coaching services; providing group hockey lessons, hockey clinics, hockey mentoring, hockey consultation services; consulting services in the field of personal fitness; fitness evaluation and consultation services; operation of hockey camps; providing strength training and physical conditioning programs</p>	Perfect Skating, Inc.
 PERFECT SKATING	97290034	Pending	<p>Clothing, namely, shirts, t-shirts, long sleeve t-shirts, shorts, sweatshirts, sweatpants, jackets, gloves, sports jerseys, scarves, hats, and caps</p> <p>Hockey instruction services; educational and instructional services in the field of hockey and ice skating; educational and instructional services in the field of hockey skill development; hockey coaching services; providing group hockey lessons, hockey clinics, hockey mentoring, hockey consultation services; consulting services in the field of personal fitness; fitness evaluation and consultation services; operation of hockey camps; providing strength training and physical conditioning programs</p>	Perfect Skating, Inc.

None.

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

reproduce these materials, in whole or in part, or otherwise make them available to any unauthorized person. We may periodically revise the contents of the Manual, and you must comply with each new or changed standard. You must ensure that the Manual is kept current at all times. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by us at our home office shall be controlling.

You must notify us immediately if you learn about an infringement on our or your use of any item that may be copyrighted by us. However, we are not obligated by the Franchise Agreement, nor otherwise, to protect any rights that may be granted to you or to protect you against claims of infringement or unfair competition with respect to them.

In the event that litigation involving any items that may be copyrighted is instituted or threatened against you, you must promptly notify us. We will conduct the defense and bear the expense of such litigation and will be entitled to settle or otherwise dispose of the litigation on terms which, in our sole discretion, we may decide. You must cooperate fully with us in defending or settling such litigation.

If we decide to add, modify, or discontinue the use of a proprietary item, whether or not we claim a copyright in such item, you must also do so, and we will have no obligation or liability to you as a result of any addition, modification or discontinuance of the use of a proprietary item.

Confidential Information

You must not, during the term of the Franchise Agreement, or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, or corporation, any confidential information, knowledge, or know how concerning the methods of operation of franchised sushi bars, or Asian food bars which may be communicated to you, including techniques, recipes, formulas, processes, procedures, designs, financial information and information contained in the Franchise Manual, or of which you may be apprised by virtue of your Franchise under the terms of such Agreements (including information, knowledge or know how concerning any recipes or formulas). We will disclose proprietary recipes and preparation methods to you necessary to operate a Franchised Business, but we are not required to disclose contents of proprietary seasonings, ingredients and mixes that are purchased from approved suppliers. You may divulge confidential information only to those of your employees who must have access to it in order to operate the Franchised Businesses, and you must take such precautions as we deem necessary to ensure that your employees keep such information in confidence. Any and all information, knowledge, know how, and techniques which we designate as confidential will be deemed confidential, except information which you can demonstrate came to your attention before our disclosure of it, or which, at the time of our disclosure to you, had become a part of the public domain, through publication or communication by others, or which, after our disclosure to you, becomes a part of the public domain, through publication or communication by others. Your **Operating** Principal, manager and other employees may be required to enter into an agreement not to compete with Franchised Businesses under the System and an agreement not to reveal confidential information obtained in the course of their employment with you. You must not use any proprietary or confidential information or Proprietary Marks, including any processes, procedures, recipes, and formulas, for any purpose other than the operation of your Franchised Business and must take all steps necessary to prevent any other use of them.

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

The Principal is responsible for the day-to-day operations of a franchise or licensed business and is expected to provide the primary “hands on” management. The Principal is responsible for the complete compliance with, and full performance of, the Franchise Agreement. (See [Section 12.7](#) of the Franchise Agreement)

Each individual who owns an interest in your corporation or limited liability company ([each a “Principal” and collectively the “Principals”](#)) must sign a guaranty agreeing to be bound by all the terms and conditions of the Franchise Agreement including any amendments and to unconditionally guarantee the payment of all liabilities incurred by Franchisee, at any time. [We do not currently require your spouse to guarantee the payment of liabilities of Franchisee unless your spouse is also a Principal.](#)

[Your General Manager and other employees may be required to enter into an agreement not to reveal confidential information obtained in the course of their employment with you. Our form of Confidentiality Agreement is attached as Exhibit E.](#)

[Franchisee, its Principal and/or the proposed General Manager of the Franchised Business must be capable of delivering the Perfect Skating Methodology to Franchisee’s students and operating a Perfect Skating business in a manner consistent with the manual and other materials that we provide. This means that your General Manager, if you hire one, must have adequate skating and coaching experience and skills.](#)

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

Franchisee agrees to use only those products associated with the Franchise System as Franchisor may designate from time to time and to acquire same from only those suppliers designated by Franchisor. Franchisee shall not substitute any other products to these specific products without prior written approval from Franchisor which may be refused at its entire discretion. (See [Section 9.5](#) of the Franchise Agreement).

[If you sell unapproved goods or services or fail to report them, Franchisor may terminate the Franchise Agreement.](#)

[You must offer all goods and services that Franchisor designates as required for all franchises. In addition, Franchisor may require you to comply with other requirements \(such as state or local licenses, training, marketing, insurance\) before Franchisor will allow you to offer certain services.](#)

[We reserve the right to designate additional required or optional goods and services in the future and to withdraw any of our previous approvals. In that case, you must comply with the new requirements. There are no express limitations on our right to designate additional or operational goods and services; however, such goods and services will be reasonably related to our franchise system or model.](#)

Franchisee agrees to participate in all promotional campaigns instituted by Franchisor and to honour all coupons and other such devices distributed by Franchisor. (See [Section 12.5](#) of the Franchise Agreement)

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

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

Provision	Section in Franchise Agreement or other agreement	Summary
a. Length of the franchise term	4.1	The term of the Franchise Agreement is ten (10) years.
b. Renewal or extension of the term	4.2	Provided that Franchisee and Principal have not been in default of any of the terms and conditions of this Agreement, or any other agreements between Franchisee, on the one hand, and Franchisor or its Affiliates, on the other hand, and further provided that Franchisee strictly complies with the conditions set forth in Section 4.3, Franchisee shall have the right to renew this Agreement for one further term of five (5) years upon the then standard terms and conditions of franchises being offered by Franchisor, save and except for any further right of renewal.
c. Requirements for franchisee to renew or extend	4.3	To renew the Franchise Agreement Franchisee must: <ul style="list-style-type: none"> (a) have notified Franchisor of its election to renew not less than six (6) months and not more than nine (9) months prior to end of Initial Term; (b) complete, <u>ion no later than thirty (30) days prior to the expiration of the Initial Term, at its own expense and to Franchisor's satisfaction of</u> all maintenance and upgrade of equipment as Franchisor shall reasonably require so that the unit shall reflect the then current image for new Franchised Businesses in the Franchise System; (c) as at the date of giving its notice of renewal and as the expiration of the Initial Term, Franchisee <u>shall</u>is not be in default of any provision of the Franchise Agreement, any amendment or any other agreement between Franchisee or Principal and Franchisor or its Affiliates and shall have substantially complied with all of the terms and conditions of such agreements throughout the Initial Term of the Franchise Agreement; (d) have satisfied all monetary obligations owed by it to Franchisor and its Affiliates at the end of the Initial Term and shall have paid its monetary obligations owed throughout the Initial Term to Franchisor, its Affiliates, and the creditors of the Franchised Business;

		<p>(e) along with the Principal, have executed at the time of renewal Franchisor's then current form of Franchise Agreement, which, when executed, shall supersede in all respects the Franchise Agreement but without affecting or releasing the obligations of Franchisee or the Principal to Franchisor or its Affiliates thereunder. SuchThe new <u>Franchise Agreement</u> may stipulate for higher payments than are required hereunder, may otherwise contain terms which individually or collectively may be more onerous than those required hereunder and shall contain no right or option to further renew this<u>include materially different terms than those included in the original Franchise Agreement.</u></p> <p>(f) reimburse Franchisor for all reasonable costs and expenses incurred by it in connection with the renewal of the Franchise including all administrative and legal costs incurred in connection with preparation and review of documentation;</p> <p>(g) Franchisee shall have executed a release running in favour of Franchisor, its affiliates and franchisees, and our respective officers, directors, shareholders and employees of any and all claims, except in respect of those claims and causes of action which cannot be released at law;</p> <p>(h) Franchisor and Franchisee shall have executed a mutual specific release, in the form acceptable to both parties, of any and all claims against the one another and their respective officers, directors, agents and employees with respect to any breach of contract, misrepresentation or any action that does not involve a statutory remedy that is available pursuant to franchise legislation (if any), as applicable, of the jurisdiction to which the Franchise Agreement applies;</p> <p><u>h(i)</u> have at his own cost satisfied Franchisor's training requirements for new Franchisees as of the date of renewal;</p> <p><u>h(j)</u> Franchisee shall have paid a renewal fee to Franchisor of the greater of: (i) Ten Thousand Dollars (\$10,000); or (ii) fifty percent (50%) of Franchisor's then current initial franchise fee for the Protected Territory (or a comparable territory).</p>
d. Termination by franchisee	Not applicable	Not applicable except to the extent permitted by applicable law
e. Termination by franchisor without cause	Not applicable	<u>Not applicable</u>
f. Termination by franchisor with cause	14.1	Franchisor shall have the right to terminate the Franchise Agreement upon the happening of any one or more of the events specified in Section 14.1: <u>for cause.</u>

<p>g. “Cause” defined – curable defaults</p>	<p>14.1</p>	<p>(a) if default is made in the due and punctual payment of any amount payable under the Franchise Agreement;</p> <p>(b) if Franchisee breaches any other term or condition of the Franchise Agreement and such breach shall continue for a period of five (5) days after written notice provided;</p> <p>(c) if Franchisee fails to observe or perform any of the rules set forth in the Manual and any such failure to observe or perform same shall continue for a period of five (5) days after written notice provided;</p>
<p>h. “Cause” defined – non-curable defaults</p>	<p>14.1</p>	<p>(da) if Franchisee operates the Franchised Business in a dishonest, illegal, unsafe, unsanitary or unethical manner, or engages in any conduct related to the Franchised Business that in Franchisor’s reasonable opinion materially and adversely affects or may affect the reputation, identification or image of Franchise System or the Marks;</p> <p>(eb) if Franchisee ceases or threatens to cease to carry on the Franchised Business or takes or threatens to take any action to liquidate its assets or stops making payments in the usual course of the Franchised Business;</p> <p>(fc) if Franchisee or Principal make or purport to make a general assignment for the benefit of creditors;</p> <p>(gd) if Franchisee or Principal make or purport to make a bulk sale of assets without the consent of Franchisor;</p> <p>(he) if Franchisee or Principal institute any proceeding under any statute or otherwise relating to insolvency or bankruptcy or any proceeding under any such statute or otherwise is instituted against Franchisee;</p> <p>(if) if a custodian, receiver, manager, or other person with like powers shall be appointed to take charge of all or any part of Franchisee’s or Principal’s undertaking, business, property, or assets; <u>the business;</u></p> <p>(jg) if any lessor, encumbrancer, or any other person lawfully entitled shall take possession of any of the undertaking, business, property or assets of Franchisee or Principal;</p> <p>(kh) if Franchisee or Principal commit or suffer any default under any contract of conditional sale, mortgage, or other security instrument;</p> <p>(l) if any corporate step or proceeding is taken to enable Franchisee or Principal to wind up or liquidate or dissolve or amalgamate, or if Franchisee or Principal shall lose its charter by expiration, forfeiture or otherwise, or if any proceedings are undertaken with</p>

	<p>respect to Franchisee or Principal under the Companies' Creditors Arrangement Act (Canada);</p> <p><u>i)</u> if any Franchisee or Principal attempt to liquidate or dissolve Franchisee,</p> <p>(m)j) if a distress or execution <u>if a lien</u> against any of the undertaking, business, property or assets of Franchisee or Principal is not discharged, varied or stayed to the satisfaction of Franchisor within ten (10) days after entry thereof, or within such time period as action must be taken in order to discharge, vary or stay the distress or execution to the satisfaction of Franchisor, whichever is earlier;</p> <p>(nk) if a final judgment for the payment of money in any amount in excess of Franchisor shall be rendered by any Court of competent jurisdiction against Franchisee or Principal and such judgment is not discharged, varied or executed or stayed to the satisfaction of Franchisor within ten (10) days after entry thereof or within such other time period as action must be taken in order to discharge, vary or stay execution of the judgment to the satisfaction of Franchisor, whichever is earlier;</p> <p>(el) if Franchisee or any representative falsifies any report required to be furnished to Franchisor;</p> <p>(pm) if Franchisee, or any partner, shareholder, director or officer is convicted of any indictable criminal offence, or any crime involving moral turpitude, or shall be found liable for or guilty of fraud, fraudulent conversion, embezzlement, or any comparable action in any civil or criminal action or proceeding pertaining or relevant in Franchisor's opinion to the Franchised Business;</p> <p>(en) if Franchisee is convicted of misleading advertising or any other sales-related statutory offence pertaining to the Franchised Business, or is enjoined from or ordered to cease operating the Franchised Business or any material part thereof by reason of dishonest, illegal, unsafe, unsanitary or unethical conduct;</p> <p>(fo) if Franchisee has its business licence or any other licence, permit or registration pertaining to the Franchised Business suspended for just cause or cancelled and not reinstated or re-issued within ten (10) business days;</p> <p>(sp) if Franchisee or Principal dies or otherwise becomes permanently disabled; or</p> <p>(tq) if any agreement between Franchisor and Franchisee, the Principal, or any person not dealing at arm's length with Franchisee is terminated.</p>
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i. Franchisee's obligations on termination/non-renewal	8.4, Article 15	<p>Upon termination or expiration of the Franchise Agreement, for any reason whatsoever, Franchisee shall:</p> <p>(a) pay within ten (10) days of the effective date of termination or expiration of this Agreement all amounts owed to Franchisor, its affiliates and Franchisee's trade and other creditors which are then unpaid. All periodic payments to Franchisor or its affiliates shall be deemed to accrue daily and shall be adjusted accordingly and shall include interest.</p> <p>(b) (a) immediately cease any and all use of the Marks and discontinue the provision of all Services in association with the Marks and any word or design confusing with any of the Marks, either as a trade mark or as a corporate, business, or trade name, or as an element in a trade mark or a name;</p> <p>(c) (b) remove all signs, labels, and other indicia of right to use the Marks and shall not thereafter use any trade name, trademark, or other words confusingly similar thereto;</p> <p>(d) (e) not do anything inconsistent with the validity of the Marks or inconsistent with Franchisor's ownership of the Marks; and</p> <p>(e) (d) destroy or deliver up to Franchisor all labels, signs, promotional, advertising, and other printed materials; and all non-printed materials and objects, bearing the Marks under the power or control or in the possession of Franchisee.</p>
j. Assignment of contract by franchisor	16.1	No restriction of Franchisor's right to assign so long as Assignee agrees in writing to assume all obligations undertaken by Franchisor and Principal herein.
k. "Transfer" by franchisee-defined	16.2	A transfer by Franchisee includes any type of transfer of the Franchise Agreement or assets or any ownership change. Any assignment by Franchisee shall be considered a material default of the Franchise Agreement permitting Franchisor to immediately terminate the Franchise Agreement unless Franchisor consents in writing to such transfers.
l. Franchisor approval of transfer by franchisee	16.2	If Franchisee is an individual, Franchisee may assign and transfer this Agreement to a corporation without requiring the prior written consent of Franchisor, provided that Franchisee will beneficially own and <u>such transfer does not affect the</u> control the voting and equity interests in such corporation, and that Franchisee shall notify Franchisor in writing of the details of such assignment and transfer immediately upon its occurrence, including delivering to Franchisor a completed Schedule "D" to the Franchise Agreement. Franchisee shall not be released of any claims or from the ongoing covenants and obligations of Franchisee

		<p>under and pursuant to this Agreement as a result of any such assignment and transfer. The consent of Franchisor shall not be unreasonably withheld.</p>
<p>m. Conditions for franchisor approval of transfer</p>	<p>16.2</p>	<p>Conditions for Franchisor’s approval of transfer:</p> <p>(a) there shall be no existing default in the performance or observation of any of Franchisee’s obligations under this Agreement or any other agreement with Franchisor or any Affiliate or supplier thereof;</p> <p>(b) Franchisee shall have settled all outstanding accounts with Franchisor, its Affiliates, and all creditors of the Franchised Business;</p> <p>(c) Franchisor and Franchisee shall have executed a release, in a form acceptable to both parties, of any and all claims against the one another and their respective officers, directors, agents and employees, except in respect of those claims and causes of action which cannot be released at law;²</p> <p>(d) Franchisor and Franchisee shall have executed a mutual specific release, in the form acceptable to both parties, of any and all claims against the one another and their respective officers, directors, agents and employees with respect to any breach of contract, misrepresentation or any action that does not involve a statutory remedy that is available pursuant to franchise legislation (if any), as applicable, of the jurisdiction to which this Agreement applies;</p> <p>(e) the proposed transferee shall enter into a written assignment in form and terms prescribed by Franchisor assuming and agreeing to discharge all of Franchisee’s obligations under this Agreement or, at the option of Franchisor, shall execute a new franchise agreement for the unexpired portion of the Initial Term or any renewal term hereunder in the form then being used by Franchisor, which shall not, however, during the remainder of such term, provide for payment of an initial franchise fee nor for a higher royalty than is provided during such term, and shall have executed such other documents and other agreements as are then customarily used by Franchisor in the granting of franchises;</p> <p>(f) if required by Franchisor, the proposed transferee shall have satisfactorily completed Franchisor’s training program then in effect;</p> <p>(g) a transfer fee of the greater of: (i) Ten Thousand Dollars (\$10,000); or (ii) fifty percent (50%) of Franchisor's then current initial franchise fee for the Protected Territory (or a comparable territory) shall be paid by Franchisee to Franchisor;</p> <p><u>f) payment of a transfer fee;</u></p> <p>(h) unless expressly approved by Franchisor in writing, the transfer of the Franchised Business shall be</p>

		<p>effected in d) compliance with the requirement of all applicable bulk sales legislation;</p> <p>(ie) Franchisee shall assign to the assignee the assignment of all rights to all telephone numbers, directory listings, Internet domain names, uniform resource locators, electronic mail addresses and search engine metatags associated with Franchisor and the Marks and the Franchised Business;</p> <p>(jf) Franchisee shall delivery to the assignee the Manual, all custom computer software disks, and all other materials of a confidential or proprietary nature relating to Franchise System or bearing the Marks;</p> <p>(k) The assignee shall not use in its corporate or firm name or Internet domain name the Marks or any derivative thereof or any words confusingly similar thereto or colorably imitative thereof or any other words comprising any of the distinctive elements of any of the Marks; and</p> <p>(l) Franchisor reserves the right to require that Franchisee or the assignee carry out such reasonable changes and improvements to the equipment and assets used in the Franchised Business as Franchisor shall specify in order to bring the Franchised Business into compliance with Franchisor's then current image, standards and specifications for ongoing franchises and to comply with Franchisee's continuing obligations hereunder, and Franchisor reserves the right to charge its reasonable costs and expenses incurred in connection therewith.</p>
<p>n. Franchisor's right of first refusal to acquire franchisee's business</p>	<p>16.8</p>	<p>If, at any time or times during the term of the Franchise Agreement, Franchisee obtains a bona fide offer (the "Offer") to acquire the whole or any part of his interest in the Franchised Business which Franchisee wishes to accept, Franchisee shall promptly give notice to Franchisor together with a true copy of the Offer. Upon receipt of such offer and notice, Franchisor shall have the option of purchasing the property forming the subject matter thereof upon the same terms and conditions except:</p> <p>matching the Offer. (a) there shall be deducted from the purchase price the amount of any commission or fee that would otherwise have been payable to any broker, agent, or other intermediary in connection with the sale of such property; and</p> <p>(b) Franchisor shall have the right to substitute cash for any other form of consideration specified in the Offer and shall have the further right to pay in full the entire purchase price at the time of closing. Franchisor may exercise its option at any time within thirty (30) days after receipt of such notice and Offer</p>

		<p>by giving notice to that effect to Franchisee. If Franchisor declines to exercise such option and if such transfer is otherwise approved by Franchisor, Franchisee shall be at liberty to complete the transfer to such third party in accordance with the Offer, provided that notwithstanding the terms of the Offer such transaction must be completed within thirty (30) days of the date on which Franchisor notifies Franchisee of its approval. If the transaction is not completed within such period, the foregoing provisions of this Section shall apply again in respect to the proposed transfer and so on from time to time.</p>
<p>o. Franchisor's option to purchase franchisee's business</p>	<p>16.8</p>	<p>On termination, Franchisor shall have the right (but not the obligation), to be exercised by notice in writing given within five (5) days of the date of termination, to purchase from Franchisee all or any portion of the Goods and Services and all or any part of the equipment, furniture or other assets used in the Franchised Business. The purchase price shall be determined as follows:</p> <p>with respect to the Goods and Services, Franchisor shall pay an amount equal to original cost thereof to Franchisee. Nothing herein contained shall require Franchisor to purchase Goods and Services and which, in its opinion, it deems to be obsolete, shopworn, damaged or otherwise not saleable;</p> <p>in respect of items of equipment, furniture and other like assets, Franchisor shall pay an amount equal to the book value of each such item. In no event shall any amount be payable hereunder for goodwill and Franchisor shall not be under any obligation to purchase accounts receivable.</p> <p>The effective date of any purchase and sale shall be deemed to be the date upon which Franchisor delivers notice exercising its right to purchase. The determination of purchase monies payable by Franchisor shall be completed within thirty (30) days thereafter (the "Settlement Date") at which date Franchisor shall deliver to Franchisee a statement setting forth the basis on which the purchase price has been calculated in reasonable detail, which statement shall be binding upon all parties. Franchisor shall be entitled to take possession of the Goods and assets described above forthwith upon delivery of the notice of exercise of its purchase option aforesaid. Without in any way limiting any rights or remedies to which Franchisor or Franchisee may otherwise be entitled, Franchisor shall also deliver to Franchisee a statement setting forth an accounting between Franchisor and Franchisee of any monies due and owing each to the</p>

		<p>other after the date of termination of this Agreement, either under this Agreement or pursuant to any other agreement or instrument entered into in consequence of this Agreement. The parties shall forthwith settle their accounts as indicated in such statement. Franchisee shall, upon request by Franchisor, execute and deliver promptly to Franchisor such bills of sale, conveyances, assignments, assurances, and other instruments as Franchisor may reasonably request in order to vest in it good and marketable title to such products, Goods, fixtures, equipment, furniture and assets, free and clear of all liens, encumbrances, demands or claims whatsoever. For the purposes of this Agreement, "book value" means the value of an asset as it appears on the balance sheet of Franchisee equal to cost minus depreciation</p>
p. Death or disability of franchisee	16.6	<p>In the event of the death or permanent incapacity or disability of the Principal, Franchisee, the Principal, and/or the Principal's estate shall have the right to transfer the Franchise Agreement within ninety (90) days subject to provisions of Section 16.5 of the Franchise Agreement. If this Agreement is not transferred within such ninety (90) days, Franchisor shall appoint a full-time manager for the Franchised Business. Franchisee, the Principal, and/or the Principal's estate hereby consent to Franchisor's right to make such appointment and hereby agree to pay all expenses related to such appointment including without limitation the full-time manager's salary and reasonable expenses. For the purposes of the Franchise Agreement, "permanent incapacity or disability" shall mean the inability to attend to the day-to-day business operations of the Franchised Business for a material part of the normal working day for a period of three (3) months or more as determined by Franchisor, acting reasonably. In the event of any such death or permanent incapacity or disability, Franchisor shall provide whatever assistance it reasonably can to Principal or the Principal's estate or heirs to find a suitable buyer for the Franchised Business.</p>
q. Non-competition covenants during the term of the franchise	19.2	<p>During the Term of the Franchise Agreement and for a period of two (2) years thereafter Franchisee and the Principal shall not:</p> <p>(a) attempt to obtain any unfair advantage over any other Franchisee, Franchisor or any Affiliate thereof by soliciting for employment any person who is, at the time of such solicitation, employed by such other franchise, Franchisor or such Affiliate, nor shall they directly or indirectly induce any such person to leave his employment as aforesaid; or</p>

		(b) divert or attempt to divert any business of, or any clients of the Franchised Business to any other competitive establishment, by direct or indirect inducement or otherwise.
r. Non-competition covenants after the franchise is terminated or expires	19.3	During the Term of the Franchise Agreement and f For a period of two (2) years thereafter Franchisee and the Principal shall not: (a) attempt to obtain any unfair advantage over any other Franchisee, Franchisor or any Affiliate thereof by soliciting for employment any person who is, at the time of such solicitation, employed by such other franchise, Franchisor or such Affiliate, nor shall they directly or indirectly induce any such person to leave his employment as aforesaid; or (b) divert or attempt to divert any business of, or any clients of the Franchised Business to any other competitive establishment, by direct or indirect inducement or otherwise.
s. Modification of the agreement	20.2	Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby.
t. Integration/ merger clause	1.67	The Franchise Agreement constitutes the entire agreement among the parties and supersedes all previous agreements and understandings between the parties. <u>Any representations or promises outside of the Franchise disclosure Document and other agreements may not be enforceable.</u>
u. Dispute resolution by arbitration or mediation	1.56	Except for claims arising from Franchisee's nonpayment or underpayment, claims arising under Section 20.6, or claims related to Franchisee's unauthorized use of the Marks, all disputes are subject to mandatory mediation before a claim or demand for arbitration may be made. All claims are subject to mandatory binding arbitration.
v. Choice of forum	1.56(c)	Ontario, Canada
w. Choice of law	1.45	The Franchise Agreement will be interpreted, governed, and enforced solely in accordance with the laws of the state in which the Franchised Business is operated

ITEM 18:PUBLIC FIGURES

No public figures promote, manage, or have invested in Franchisor.

Table No. 3
Status of Franchised Outlets*
For Years 2022 to 2024

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
Alberta, Canada	2022	0	8	0	0	0	0	8
	2023	8	1	0	0	0	0	9
	2024	9	0	0	0	0	0	9
British Columbia, Canada	2022	1	0	0	0	0	0	1
	2023	1	0	1	0	0	0	0
	2024	0	0	0	0	0	0	0
Ontario, Canada	2022	4	2	0	0	0	0	6
	2023	6	3	0	0	0	0	9
	2024	9	1	0	0	0	0	10
Quebec, Canada	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Colorado, USA	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Total	2022	7	11	0	0	0	0	18
	2023	18	4	1	0	0	0	21
	2024	21	1	0	0	0	0	22

***This table includes franchised and company owned outlets that are open and operating in Canada. Contact information for Canadian franchisees are included in Exhibit C.**

terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the Issuance Date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave System.

There are no trademark-specific franchisee organizations associated with the franchise system being offered that have requested to be included in this Disclosure Document.

No franchisees have signed confidentiality agreements restricting their ability to speak about their experience with Franchisor.

If you buy this franchise, your contact information will be disclosed in accordance with the disclosure requirements under the Acts.

ITEM 21: FINANCIAL STATEMENTS

We have not been in business long enough to provide the financial statements generally required by this Item. Attached to this Disclosure Document as Exhibit D are audited financial statements for the period ending August 31, 2024 [and unaudited financial statements for the period beginning on September 1, 2024 and ending March 2025](#). Our fiscal year ends on August 31 of each year.

ITEM 22: CONTRACTS

The only agreements to which Franchisee and the Principal will be a party are:

- the Franchise Agreement, and documents contemplated therein and attached thereto including:
- Personal Guarantee
- Pre-Authorized Debit (PAD) Agreement
- Confidentiality Agreement.

ITEM 23: RECEIPTS

~~Our copy and your copy of the Franchise Disclosure Document Receipts are located on the last two pages of this Disclosure Document.~~

[Exhibit J to this Disclosure Document](#) are detachable receipts. Please retain one copy and return the other copy to us.

[Andrea Allard](#)
[Perfect Skating Franchising, U.S. Inc.](#)
[1565 Maple Grove Road](#)
[Kanata, ON K2V 1A3, Canada](#)
[Telephone Number 613-470-0707](#)

TABLE OF CONTENTS

Article 1 DEFINITIONS 1

1.1 Definitions 1

1.2 Headings 3

1.3 Number and Gender 3

1.4 Applicable Law 4

1.5 Dispute Resolution 4

1.6 Entire Agreement 5

1.7 Severability 6

1.8 Successors and Assigns 6

Article 2 SCHEDULES 6

2.1 Schedules 6

Article 3 GRANT OF FRANCHISE 6

3.1 Grant 6

3.2 Conduct of Business 6

3.3 Protected Territory 7

3.4 Rights Retained 7

3.5 System Modification 7

Article 4 TERM 8

4.1 Initial Term 8

4.2 Right to Renew 8

4.3 Conditions of Renewal 8

Article 5 ROYALTY AND ADVERTISING PROGRAMS 9

5.1 Initial Franchise Fee 9

5.2 Royalty ~~9~~10

5.3 Payment of Monthly Royalty Fee 10

5.4 Advertising Programs 10

5.5 Use of Advertising Payments 10

5.6 Local Advertising Expenditures 11

5.7 Technology Fee 11

5.8 Currency and Setoff ~~11~~12

5.9 Overdue Payment ~~11~~12

Article 6 INITIAL SET-UP 12

6.1 Location 12

6.2 Start Up Equipment and Marketing Material Purchases 13

6.3 Time to Open Franchised Business 13

Article 7 BUSINESS RECORDS AND FINANCIAL REPORTING 13

7.1 Bookkeeping, Accounting and Records 13

7.2 Sales Recording 13

7.3 Reports and Financial Information ~~13~~14

7.4 Disclaimer 14

7.5 Authorization 14

7.6 Audit 14

Article 8 MARKS 15

8.1 License 15

8.2 Use of Marks 15

8.3 Quality Control ~~15~~16

8.4 Termination 16

8.5 No Contest 17

8.6 Notice of Claim 17

8.7	Inspection.....	17
8.8	Ownership of Marks	17
8.9	Internet and Social Media.....	17 18
Article 9 MANUALS.....		18
9.1	Compliance	18
9.2	Non-Disclosure	18
9.3	Property Rights	19
9.4	Updates	19
9.5	Sources of Supply	19
9.6	Payments to Suppliers.....	19
Article 10 INITIAL OBLIGATIONS OF FRANCHISOR		19 20
10.1	Initial Training and Opening Assistance	19 20
10.2	Manual	20 21
Article 11 ONGOING OBLIGATIONS OF FRANCHISOR		21
11.1	Continuing Service	21
11.2	Additional Training	21
11.3	Cost	21 22
11.4	Invoice and Payment Services	21 22
Article 12 OBLIGATIONS OF THE FRANCHISEE AND PRINCIPAL.....		22
12.1	Obligations.....	22
12.2	Sale/ Promotion of Approved Items and Goods and Services.....	24
12.3	Pricing.....	24
12.4	Discounts and Rebates	24
12.5	Coupons	24
12.6	Substandard Supplies.....	24
12.7	Operation of the Franchised Business	24 25
12.8	Local Advertising	24 25
12.9	Advertising and Promotion.....	25 26
12.10	Data Protection	26
12.11	Privacy Compliance.....	26
Article 13 INSURANCE		27 28
13.1	Types of Insurance.....	27 28
13.2	Policies of Insurance.....	28
13.3	Copies	28 29
13.4	Indemnity.....	28 29
Article 14 TERMINATION.....		29
14.1	Events of Termination	29
14.2	Franchisor’s Right to Cure Breaches.....	30 31
14.3	Failure to Act	31
Article 15 EFFECT OF TERMINATION.....		31
15.1	Payment of Amounts Due.....	31
15.2	Telephone Numbers and Listings; Discontinue Use of Marks	31
15.3	Right of Entry	32
15.4	Termination of Business or Trade Name.....	32
15.5	Right to Purchase.....	32
15.6	Franchisor’s Remedies	33
15.7	Additional Remedies	33
15.8	Costs	33
15.9	Survival.....	33 34
Article 16 ASSIGNMENT.....		33 34
16.1	Assignment by Franchisor	33 34

16.2	Assignment by Franchisee.....	34
16.3	Transfer to a Corporation.....	35
16.4	Shareholders, Directors, Officers	35 <u>36</u>
16.5	Transfer of Shares of Corporate Franchisee	36
16.6	Death or Incapacity of Franchisee	36
16.7	Effect of Seizure or Insolvency	36
16.8	Option to Purchase.....	36
Article 17	SECURITY	37
17.1	Security to Franchisor.....	37
17.2	Security to Others	37
Article 18	ACKNOWLEDGMENTS	37
18.1	Independent Investigation.....	37
18.2	Independent Advice.....	37 <u>38</u>
18.3	Legal Relationship	37 <u>38</u>
Article 19	RESTRICTIVE COVENANTS.....	38
19.1	Secrecy.....	38
19.2	Not to Compete during the Terms of this Agreement	38
19.3	Not to Compete following Termination of the Agreement	38
19.4	Interference with Employment Relations of Others	38 <u>39</u>
19.5	Waiver of Defences	39
Article 20	GENERAL.....	39
20.1	Notices	39
20.2	Waiver, Amendment.....	39 <u>40</u>
20.3	Time.....	39 <u>40</u>
20.4	Lawful Attorney.....	40
20.5	Cumulative Default.....	40
20.6	Injunctive Relief	40
20.7	Set-Off by Franchisor	40
20.8	Further Assurances	40 <u>41</u>
20.9	Rights of The Franchisor Are Cumulative.....	40 <u>41</u>
20.10	Force Majeure.....	41
20.11	Taxes.....	41
20.12	No Liability.....	41
20.13	Joint and Several.....	41
20.14	Franchisee May Not Withhold Payments Due To The Franchisor.....	42
20.15	Customer Survey; Customer List.....	42
20.16	Cross Default	42
20.17	Language.....	42
20.18	Currency	42
20.19	Disclosure	43
20.20	Legal Fees.....	43

~~NO TABLE OF CONTENTS ENTRIES FOUND.~~

FRANCHISE AGREEMENT

This Agreement is made as of [●] (the “**Effective Date**”) among **PERFECT SKATING FRANCHISING US INC.**, a corporation incorporated under the laws of the State of Ontario (herein called the “**Franchisor**”) and _____ [●] (herein called the “**Franchisee**”), individually and on behalf of his marital community.

RECITALS

WHEREAS Franchisor and affiliates of the Franchisor have developed the Franchise System (as defined hereunder) for the operation of units specializing in the development of hockey players and identified to the public under the trademarks licensed to the Franchisor;

AND WHEREAS Franchise System is operated with a uniform business format, methods, specifications, standards, and procedures all of which may be improved, further developed, or otherwise modified from time to time by Franchisor;

AND WHEREAS the Franchisor has been licensed to use and sublicenses the trade names and trademarks used in conjunction with the Franchise System;

AND WHEREAS Franchisor grants franchises to qualified persons to offer and sell Goods and Services (as defined hereunder) utilizing Franchise System;

AND WHEREAS the Franchisee understands that the Franchise System is based upon elite sports performance development programs and acknowledges the importance of Franchisor’s high, uniform standards of quality and service and the necessity of operating the Franchised Business in conformity with Franchisor’s standards and specifications.

NOW THEREFORE in consideration of the mutual promises and covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree with each other as follows:

AGREEMENT

ARTICLE 1 DEFINITIONS

1.2 ~~1.1~~ Definitions

Where used herein or in any schedule or amendments hereto the following terms shall have the following meanings respectively:

- (a) “**Advertising Programs**” is defined in Section 5.5.
- (b) “**Affiliate**” has the meaning given to that term by the *Canada Business Corporations Act*;
- (c) “**Effective Date**” is defined in the Preamble hereto.
- (d) “**Franchisee**” is defined in the Preamble of the parties hereto.
- (e) “**Franchised Business**” means the operation of a hockey development business by the Franchisee using the Franchise System pursuant to the provisions of this Agreement and specializing in the development of all aspects of a hockey player’s performance (including

The following shall not be included in calculating Gross Revenue:

- (iv) the amount of any tax imposed by any federal, state, municipal or other governmental authority directly on sales and goods and services tax and collected from customers, provided that the amount of any such tax is shown separately and is in fact paid by or accounted for by the Franchisee to the appropriate governmental authority;
- (v) the value of coupons issued by Franchisor and honoured by the Franchisee.
- (k) **“Initial Term”** is defined in Section 4.1.
- (l) **“Manual”** means, collectively, all books, pamphlets, memoranda, or other publications prepared by Franchisor for use by and distributed to its franchisees generally or for the Franchisee in particular, setting forth information, advice, instructions, or policies relating to the operation of the Franchised Business.
- (m) **“Marks”** shall mean those trademarks attached as Schedule “B” hereto, as well as any trademarks, registered or unregistered, trade names, designs, symbols and logos Franchisor may from time to time own, or be licensed to use, and designate for use in Franchise System.
- (n) **“Offer”** is defined in Section 16.8.
- (o) **“Perfect Skating Unit”** means any Perfect Skating location identified to the public under the trademarks licensed to the Franchisor.
- (p) **“Performance Criteria”** means the minimum annual sales target described at Schedule “A” hereto.
- (q) **“permanent incapacity or disability”** is defined in Section 16.6.
- (r) **“Principal”** has the meaning set forth in ~~the recitals of the parties hereto~~ [Article 12](#).
- (s) **“Protected Territory”** means the area described at Schedule “A” hereto.
- (t) **“TM Owner”** is defined at Section 8.8.
- (u) **“transfer”** is defined at Section 16.2.

1.3 ~~1.2~~ **Headings**

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation or construction of this Agreement.

1.4 ~~1.3~~ **Number and Gender**

The use of the singular number shall include the plural and vice versa, the use of any gender shall include the masculine, feminine and neutral genders and the word **“person”** shall include an individual, a partnership, a trust, a body corporate, an association and any other incorporated or unincorporated organization or entity.

1.5 ~~1.4~~ Applicable Law

This Agreement will be interpreted, governed, and enforced solely in accordance with the laws of the state in which the Franchised Business is operated. Nothing in this Section is intended by the parties to subject this Agreement to any franchise or similar statute or regulation to which it would not otherwise be subject. The Franchisee and the Franchisor acknowledge and agree that each party's agreement regarding applicable state law set forth in this Section provides each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. The Franchisee and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit, and that each party's agreement regarding applicable state law has been negotiated in good faith and is part of the benefit of the bargain reflected by this Agreement. Subject to the dispute resolution provisions of this Agreement, any action brought by either party against the other will be commenced and continued before a court of competent jurisdiction in the state in which the Franchised Business is operated.

1.6 ~~1.5~~ Dispute Resolution

- (a) Statement of Dispute. Prior to initiating arbitration or mediation to resolve any dispute between the parties, each party agrees that it will notify the other party in writing of any dispute, claim or controversy arising out of or relating to this Agreement, the parties' relationship, or your Franchised Business, that the notifying party wishes to resolve. Such notice shall include a statement of the dispute, describing to the fullest extent possible the notifying party's version of the facts surrounding the dispute or claim together with an explanation of its position and all elements of any claim (the "**Statement of Dispute**"). The parties shall then use their best efforts to communicate with each other to try to resolve the dispute.
- (b) Mandatory Mediation. Except for claims arising from the Franchisee's nonpayment or underpayment of amounts owed to the Franchisor pursuant to this Agreement, claims arising under Section 16.8 or 20.6, or claims related to the Franchisee's unauthorized use of the Marks (collectively, "**Excluded Disputes**"), any dispute, controversy or claim arising under, out of or relating to this Agreement (or any subsequent amendment thereto) including, without limitation, its formation, validity, binding effect, application, interpretation, implementation, performance, breach or termination, as well as non-contractual claims (collectively, a "**Dispute**"), shall be submitted to non-binding mediation in the event the parties are unable to resolve their Dispute within 30 days after delivery of the Statement of Dispute. Prior to initiating any arbitration or legal action to resolve the Dispute, the parties agree to participate in non-binding mediation before a mutually agreeable mediator. Such mediation shall be held at the Franchisor's offices, or any other site designated by the Franchisor, within a reasonable time after expiration of the 30-day period following delivery of a Statement of Dispute. At least one principal of each party, with authority to settle the dispute, shall attend the mediation meeting. The parties to the dispute shall share equally the cost of the mediator. Except as otherwise required by this Agreement, the mediation shall be conducted consistent with the requirements of the *Commercial Mediation Act, 2010* (Ontario). Any party to the Dispute may serve notice on the others of its initiation of the mediation process. The Parties agree to attempt to resolve their dispute at mediation. The parties agree to participate in mediation for a minimum of 3 hours. If the dispute has not been resolved through the mediation proceedings, any party may terminate the mediation and proceed to arbitration as set out below.

- (c) Mandatory Arbitration. Subject to the mediation provisions set out above, all Disputes, claims and controversies between us arising under or in connection with this Agreement (with the exception of those relating to the Marks) or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation will be settled by binding arbitration with a single arbitrator in Ottawa, Ontario, unless the laws of the state in which the Franchised Business will be operated requires that the venue for dispute resolution be within that state, in which case arbitration shall be conducted in accordance with that state's arbitration legislation. The arbitrator will have a minimum of five (5) years' experience in franchising or distribution law, and arbitration, and will have the right to award specific performance of this Agreement. The arbitrator shall be appointed by agreement between the parties or, if the parties are unable to agree on an arbitrator, the arbitrator shall be appointed by a Judge of the Ontario Superior Court of Justice sitting in Ottawa, Ontario upon the application of either party and a Judge of the Ontario Superior Court of Justice sitting in Ottawa shall be entitled to act as such arbitrator, if he or she is willing to do so. The procedure to be followed shall be as agreed by the parties or, if such agreement cannot be reached promptly, as determined by the arbitrator, the arbitration shall proceed in accordance with the provisions of the *Arbitration Act, 1991* (Ontario) as amended and any successor legislation thereto, unless the laws of the state in which the Franchised Business will be operated requires that the venue for dispute resolution be within that state, in which case arbitration shall be conducted in accordance with that state's arbitration legislation. The arbitrator shall have the power to proceed with the arbitration and to deliver his or her award notwithstanding the default by any party in respect of any procedural order made by the arbitrator. The decision of the arbitrator will be final and binding on all parties and no appeal shall lie therefrom. This Section will survive expiration or termination of this Agreement under any circumstances. Judgment upon the award of the arbitrator may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, the parties shall fully perform their respective obligations under this Agreement. Any costs arising out of arbitration proceedings hereunder shall be borne by those parties in the amounts determined by the arbitrator. Neither party nor the arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties. **THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY, EXCEPT WHERE WAIVER IS PROHIBITED BY LAW.**
- (d) Collective Action Waiver. You agree to arbitrate or litigate each dispute with us on an individual basis. You agree not to consolidate your dispute in any arbitration or litigation with a claim by any other franchisee, or other individual, or entity. You knowingly and voluntarily agree to waive its right to participate in any class action or mass action proceedings.

1.7 ~~1.6~~ Entire Agreement

This Agreement constitutes the entire agreement among the parties and supersedes all previous agreements and understandings between the parties in any way relating to the subject matter hereof. It is expressly understood and agreed that Franchisor has made no representations, inducements, warranties or promises whether direct, indirect, collateral, expressed, implied, oral, or otherwise concerning this Agreement, the matters herein, the business franchised hereunder, of the extent or likelihood of profit, if any, or any other matters that are not embodied herein. Nothing in this Section is intended to disclaim any of the information contained in Franchisor's Franchise Disclosure Document or its attachments or exhibits.

1.8 ~~1.7~~ Severability

If any covenant or any other provision of this Agreement is invalid, illegal, or incapable of being enforced by reason of any rule of law or public policy, such covenant or provision shall be severed. All other covenants and provisions shall nevertheless remain in full force and effect and no covenant or provision shall be deemed dependent upon any other covenant or provision unless so expressed herein.

1.9 ~~1.8~~ Successors and Assigns

Subject to the restrictions on assignment herein contained, this Agreement shall ensure to the benefit of and be binding upon the Franchisee and Principal, the Franchisor and their respective successors, and assigns.

ARTICLE 2 SCHEDULES

2.1 Schedules

The following are the schedules annexed to this Agreement. All schedules are to be read as and shall form part of this Agreement.

Schedule "A"	Territory and Performance Criteria
Schedule "B"	Marks
Schedule "C"	Personal Guarantee
Schedule "D"	Principals and Ownership of Franchisee
Schedule "E"	Pre-Authorized Debit (PAD) Agreement

ARTICLE 3 GRANT OF FRANCHISE

3.1 Grant

Subject to the terms and conditions set forth in this Agreement, Franchisor hereby grants to the Franchisee and the Franchisee hereby accepts from Franchisor for the Initial Term and any renewals hereunder the right and sublicense:

- (a) to use Franchise System in the Protected Territory and in connection therewith, indicating to the public that the Franchised Business is operated as part of Franchise System; and
- (b) to use the Franchise System in connection with the provision of Goods and Services in the Protected Territory.

3.2 Conduct of Business

The Franchisee shall use the right and license solely and exclusively in connection with the business to be operated by it in the Protected Territory and Franchisee specifically acknowledges and agrees that it will not pursue in any manner any sales, including, without limitation, any sales by mail order, telephone, fax, e-mail or otherwise, other than in the Protected Territory without the prior written consent of Franchisor.

3.6 Relocation

You may not relocate your Perfect Skating business without our prior written consent. Our consent may be conditioned upon, among other things: (i) the new location for the Perfect Skating business being in your Protected Territory; (ii) other Perfect Skating businesses in the general vicinity of the location to which you want to relocate your Perfect Skating businesses; (iii) whether the proposed location for relocation meets our then current standards for a new Perfect Skating business; and/or (iv) your payment of our reasonable charges actually incurred in connection with consideration of the relocation request; your payment of agreed minimum Royalty Fees during the period when the Perfect Skating business is not in operation; and your relocation of the Perfect Skating business within 6 months after we approve your relocation request.

ARTICLE 4 TERM

4.1 Initial Term

The term of the right and license herein granted shall be ten (10) years (the “**Initial Term**”). The term shall begin on the Effective Date of this Agreement and shall expire ten (10) years thereafter.

4.2 Right to Renew

Provided that the Franchisee and Principal have not been in default of any of the terms and conditions of this Agreement, or any other agreements between the Franchisee, on the one hand, and the Franchisor or its Affiliates, on the other hand, and further provided that the Franchisee strictly complies with the conditions set forth in Section 4.3 hereof, Franchisee shall have the right to renew this Agreement for one further term of five (5) years upon the then standard terms and conditions of franchises being offered by Franchisor, save and except for any further right of renewal.

4.3 Conditions of Renewal

The following provisions shall be conditions precedent to the exercise of the Franchisee’s right of renewal, and such conditions are inserted herein for the benefit of Franchisor and may be waived by it in whole or in part in its discretion:

- (a) the Franchisee shall have given Franchisor written notice of its election to renew not less than six (6) months and not more than nine (9) months prior to the end of the Initial Term or first renewal term (as applicable);
- (b) the Franchisee shall complete, no later than thirty (30) days prior to the expiration of the Initial Term, at its own expense and to Franchisor’s satisfaction all maintenance and updating of the equipment as Franchisor shall reasonably require so that the equipment shall reflect the then current image for new franchisees in the Franchise System;
- (c) as at the date of giving its notice of renewal and as at the expiration of the Initial Term, the Franchisee shall not be in default of any provision of this Agreement, any amendment hereof or any other agreement between the Franchisee and/or Principal and Franchisor or its Affiliates and shall have substantially complied with all of the terms and conditions of such agreements throughout the Initial Term;
- (d) the Franchisee shall have satisfied all monetary obligations owed by it to Franchisor and its Affiliates and the creditors of the Franchised Business as at the expiration of the Initial

Term and shall have throughout such Initial Term timely paid its monetary obligations to Franchisor, its Affiliates, and the creditors of the Franchised Business;

- (e) the Franchisee and Principal shall have executed at the time of the renewal Franchisor's then current form of franchise agreement, the terms of which may differ from the terms of this Agreement and which, when executed, shall supersede in all respects this Agreement but without affecting or releasing the obligations of the Franchisee or the Principal to Franchisor or its Affiliates hereunder. Without limiting the generality of the foregoing, such new agreement may stipulate higher payments than are required hereunder and may contain terms which individually or collectively may be more onerous than those required hereunder;
- (f) the Franchisee shall reimburse Franchisor for all reasonable costs and expenses incurred by it in connection with any renewal of the franchise including without limitation all administrative and legal costs incurred in connection with preparation and review of documentation;
- (g) the Franchisee shall have executed a release running in favour of Franchisor, its affiliates and franchisees, and our respective officers, directors, shareholders, and employees of any and all claims, except in respect of those claims and causes of action which cannot be released at law;
- (h) the Franchisee shall have, at its own cost, satisfied Franchisor's training requirements for new franchisees as of the date of such renewal;
- (i) the Franchisee shall have paid a renewal fee to the Franchisor of the greater of: (i) Ten Thousand Dollars (\$10,000); or (ii) fifty percent (50%) of the Franchisor's then current initial franchise fee for the Protected Territory (or a comparable territory).

For the purposes hereof, the Franchisee shall be deemed to have irrevocably elected not to renew this Agreement (and the option to do so shall terminate) if the Franchisee fails to execute and return to the Franchisor its then-current franchise agreement and other ancillary documents required by the Franchisor for the renewal within thirty (30) days after the Franchisor has delivered them to the Franchisee.

ARTICLE 5 ROYALTY AND ADVERTISING PROGRAMS

5.1 Initial Franchise Fee

The initial franchise fee (the "Initial Franchised Fee") for a Perfect Skating Franchised Business will depend on the size of the geographic area (a "Protected Territory") awarded pursuant to a Franchise Agreement. The minimum Initial Franchise Fee is twenty thousand dollars (\$20,000). The following formula is used to calculate the Initial Franchise Fee ~~will be negotiated between you and us based upon the geographic area, population, number of youth hockey players, and other business related criteria but will never be less than \$20,000.:~~

~~(1) The Initial Franchise Fee is due and payable upon signing the franchise agreement.~~ Number of Hockey Players Registered with USA Hockey in the State in which the Territory is located; (2) divided by the total population of the state in which the Territory is located; (3) multiplied by 100; (4) multiplied by the total population of the Territory.

in connection with the Advertising Programs shall be paid from advertising funds received by Franchisor from its franchisees pursuant to the provisions of this Section or provisions similar hereto. Franchisor may engage the services of an advertising agency to formulate, develop, produce, and conduct the Advertising Programs and the cost of such services shall be payable from the advertising funds. Franchisor may reimburse itself a reasonable amount out of such advertising funds, not exceeding fifteen percent (15%) of any expenditures from the Advertising Programs in any one year, as an administration fee associated with the cost of office supplies, telephone, advertising, agency fees and other items as the Franchisor may deem necessary to administer the Fund and indirect costs for providing the services of any advertising and marketing staff. The Franchisee understands and acknowledges that the Advertising Programs are intended to maximize general public recognition and acceptance of all Perfect Skating Units, including the Franchised Business and any corporate owned locations owned by the Franchisor or the Franchisor's Affiliates, and that Franchisor undertakes no obligation to ensure that any particular Perfect Skating Unit, including the Franchised Business, benefits directly or pro rata from the placement or conduct of the Advertising Programs. All decisions from time to time regarding the mix of advertising, the use of contributions, the selection of media and of advertising and promotional content shall be within the sole discretion of Franchisor. Franchisor shall, if so requested by the Franchisee within one hundred twenty (120) days from the end of the fiscal year, provide the Franchisee with a summary report as to receipts and disbursements in respect of the Advertising Program in such year, the costs of the preparation of which shall be borne by the Fund. Any monies remaining in the Fund at the end of any year shall carry over to the next fiscal year. Although the Fund is intended to be of perpetual duration, the Franchisor may terminate the Fund. The Fund shall not be terminated, however, until all monies in it have been expended for advertising or promotional purposes or returned to then-current contributing franchisees or those Perfect Skating Units operated by the Franchisor, without interest, based on their respective contributions.

For certainty, any internet website, e-mail addresses, or other means of electronic communication (including any form of social media) created and/or operated by or on behalf of the Franchisor related directly or indirectly to advertising or promotion of the Franchise System, Goods and Services and/or Franchised Business is a form of “**advertising**” under the Franchise Agreement and may be paid for by the Fund.

5.6 Local Advertising Expenditures

You are currently required to spend \$100 per month to market and advertise your Perfect Skating Franchised Business ("Local Marketing"). You may only use advertising material for Local Marketing that is approved by us. Any advertising or marketing material that you intend to use must receive prior written approval from us. If you do not receive our written disapproval within fifteen (15) days from the date the materials are delivered to us, then the materials will be deemed approved. The approval of marketing or advertising material is valid for one year. (Franchise Agreement – Section 12.8) You must provide us (in a form we approve or designate) evidence of your required local advertising, marketing and promotional expenditures by the thirtieth (30th) day of each month, for the preceding calendar month, along with a year-to-date report of the total amount spent on local advertising. We are not required to spend any amount on advertising in your Protected Territory.

5.7 Technology Fee

A technology fee in an amount determined by the Franchisor from time to time (and initially set at Three Hundred Fifty Dollars (\$350), plus all applicable taxes) shall be paid by the Franchisee to the Franchisor on a monthly basis for each month of the Initial Term and any renewal term (“**Technology Fee**”). The Technology Fee is payable at the same time and in the same manner as the Royalty Fee set forth above. We may increase the Technology Fee ~~may be increased upon thirty (30) days written notice~~ upon written notice to you if we decide to deliver additional technology services to you or if the costs and expenses associated

with delivering the included technology services to you increase. Any increase in the Technology Fee will be based upon an increase in our costs and expenses in delivering the included technology services to you.

5.8 Currency and Setoff

All amounts payable pursuant to this Agreement shall be made in United States Dollar, shall be paid as directed by Franchisor by EFT, ACH, direct debit, or money order to Franchisor at its office, and shall be paid without any demand and without any setoff, abatement, or deduction whatsoever.

5.9 Overdue Payment

To encourage prompt and timely payment of the Royalty Fees, Advertising Fees, Technology Fees and other fees due under this Agreement, and to cover the costs and expenses involved in handling and processing any payments not received by their due dates, the Franchisee shall also pay, upon demand, interest on any late payment at the lesser of two percent (2%) interest per month, compounded, or the highest rate permitted by law. Such interest shall accrue from the date payment was due until the date payment is actually received by Franchisor. Notwithstanding the foregoing, each failure to pay the Royalty Fees, Advertising Fees, Technology Fees, or other payments payable to us when due will be a material breach of this Agreement. In addition, if any amounts due to Franchisor are not made by the due date, the Franchisee will be required to pay Franchisor one hundred dollars (\$100) per occurrence, per day, in addition to interest on overdue amounts.

5.10 Franchisee Video and Photo Start Up Package

You will pay us to prepare and deliver a video and start up package for your Perfect Skating Franchised Business. This fee is due and payable when we take the video and photos associated with the package. The Franchisee Video and Photo Startup Package currently costs \$750.

5.11 Marketing Kit

You are required to purchase a marketing kit from us before you open your Perfect Skating Franchised Business. The cost of the marketing kit is currently \$3,250.

5.12 Initial Connection Fee for Perfect Skating Application

You are required to utilize our proprietary mobile application in connection with the operation of your Perfect Skating Business. We charge you an initial connection fee of \$850 to set up the application for your use. This fee is payable to us upon invoice.

5.13 Website (Microsite) Fee

We charge you a fee to set up a location specific microsite within our website. The Website Fee is currently \$850 and is payable to us upon invoice.

5.14 Fee Increase

All fees are payable in United States Dollars (USD). We may increase any fee upon 30 days prior written

notice to you.

ARTICLE 6 INITIAL SET-UP

6.1 Location.

We require that you have selected, and we have approved your proposed location before we will sign the Franchise Agreement. It usually takes us no more than thirty (30) days to review and approved your proposed location. The location must meet our criteria for demographics; traffic count; parking; ingress and egress; character of neighborhood; competition from, proximity to, and nature of other businesses; size; appearance; and other physical and commercial characteristics. Perfect Skating Franchised Businesses are typically located in privately and publicly owned indoor ice rinks, home office/hockey arenas, or similar locations with dressing rooms, locker rooms, suitable ice, and related services where you are able to secure ice time on an hourly basis. We do not typically own or lease locations to our franchisees. For each proposed Perfect Skating Franchised Business site, you must submit to us, in the form we specify, a description of the location and any other information or materials that we may require. ~~We will not unreasonably withhold approval of a location that meets our standards for~~The criteria that we utilize to evaluate your proposed location ~~and~~are neighborhood demographics, traffic patterns, parking size, layout, and other physical characteristics for a Perfect Skating Franchised Business. If you fail to identify a mutually agreeable location by the established deadline, then we may terminate your Franchise Agreement. If you fail to identify a mutually agreeable location by the established deadline, then we may terminate your Franchise Agreement.

6.2 Start Up Equipment and Marketing Material Purchases.

The Franchisee shall make purchases of the start-up equipment and marketing materials on an as needed basis through the “Hub”, which is the franchisee communication portal that has been established by the Franchisor.

6.3 Time to Open Franchised Business

Unless we agree otherwise, you must open the Perfect Skating Franchised Business within three (3) months after signing your Franchise Agreement. We estimate that the Perfect Skating Franchised Business will typically open for business approximately three (3) months after signing Franchise Agreement.

ARTICLE 7 BUSINESS RECORDS AND FINANCIAL REPORTING

7.1 Bookkeeping, Accounting and Records

The Franchisee shall establish a bookkeeping, accounting and record keeping system in conformity with reasonable requirements prescribed from time to time by Franchisor including without limitation, the use and retention of invoices, purchase orders, payables records, check stubs, bank deposit receipts, sales tax records and returns, cash disbursement journals and general ledgers together with such further and other records and documents as may from time to time reasonably be required to accommodate any changes in such systems, including without limitation any computerized bookkeeping and accounting systems established from time to time, which books and records shall be available for inspection by Franchisor or its representative during normal business hours upon Franchisor’s providing the Franchisee three (3) days’ notice.

7.6 Audit

At its option Franchisor may cause at any time a complete audit to be made of all financial books, records, documents, or other materials in respect of the business carried on by Franchisee. If the auditor shall report that in his opinion Franchisee's books and records were insufficient to permit a proper determination of Gross Revenue for any year or part thereof to be made or that Gross Revenue for the period in question was understated by two percent (2%) or more, Franchisee shall immediately take such steps as may be necessary to remedy such default in accordance with the recommendations of such auditor and Franchisee shall promptly pay to Franchisor the cost of such audit and any Royalty Fee due on any understated Gross Revenue. We estimate that the audit costs will be approximately \$500 per hour per audit representative although such fees are subject to change based upon prevailing rates for such representatives. Franchisor shall have the right without limitation:

- (a) if Franchisee's records and procedures were insufficient to permit a proper determination of Gross Revenue, to estimate the amount of Gross Revenue and Franchisee shall immediately pay to Franchisor any amount shown thereby to be owing on account of continuing Royalty Fees, such estimate being final and binding upon Franchisee;
- (b) if the audit discloses that Gross Revenue was understated by two percent (2%) or more as aforesaid, in addition to collecting the Royalty Fee on such understated Gross Revenue and receiving the cost of the audit, Franchisor shall have the right to forthwith terminate this Agreement; and
- (c) if such audit discloses that Gross Revenue is overstated, Franchisor shall forthwith pay to Franchisee a cash rebate representing the related over-payment of Royalty Fees.

ARTICLE 8 MARKS

8.1 License

Franchisor grants to Franchisee and Franchisee accepts a non-exclusive, non-transferable right and sublicense to use the Marks as a registered user in respect of the Franchised Business. This sublicense shall be contemporaneous and coterminous with this Agreement and is granted solely in the context of this Agreement. If this Agreement is terminated, or expires, or is assigned otherwise than as is provided herein, the rights to use the Marks granted herein shall end and be of no further force or effect. Except as otherwise provided in this Agreement, Franchisee will not use any mark other than the Marks listed in Schedule "B" in operating the Franchised Business. Franchisee shall use the Marks only in association with Goods and Services, in such manner, in accordance with such standards of business as may be approved by Franchisor from time to time and in accordance with the Franchise System.

8.2 Use of Marks

- (a) Franchisee shall not use the Marks, or any part of them, as or in any corporate, business or trade name.
- (b) Franchisee may use the tradename "PERFECT SKATING" only in its business name. Franchisee agrees that all such usage shall inure to the benefit of Franchisor and shall be in strict accordance with any terms and conditions set forth from time to time by Franchisor. The consent to the use of the Marks in Franchisee's business name and corporate name, as set out in this provision, shall be deemed to be immediately revoked upon termination or

Franchisor for the amount of all such payments made to suppliers, together with interest at the rate of prime plus ten percent (10%) per annum.

ARTICLE 10 INITIAL OBLIGATIONS OF FRANCHISOR

10.1 Initial Training and Opening Assistance

The Franchisee understands that the Franchise System and the Perfect Skating Methodology is an elite performance skating program, and requires the Franchisee, its Principal and/or its proposed [General mManager](#) to have the ability to perform and train others on elite-level technical skating skills. You agree that it is necessary to the continued operation of the System and the Franchised Business that your personnel receive such training as we may reasonably require, and accordingly agree as follows:

- (a) Before the opening of a Franchised Business, the Franchisor shall furnish, and the Franchisee (or if the Franchisee is a partnership or corporation, the Principal) and/or the proposed [General mManager](#) of the Franchised Business must attend and complete to the Franchisor's satisfaction a mandatory initial training program (the "**Initial Training Program**"). The Initial Training Program lasts approximately seven (7) days, or for such longer period of time as the Franchisor may require. The Initial Training Program includes instruction relating to the operation and management of the Franchise System and the Franchised Business, sales and marketing, administration and finance, client service delivery, employee recruitment, hiring, training, and scheduling, insurance and bonding, computer software systems and on-the-job training. The Initial Training Program shall be held in Ottawa, Ontario or at such other place as may be specified by the Franchisor and the Franchisee shall be responsible for all costs relating to the Initial Training Program including without limitation all out-of-pocket costs, travel, transportation, lodging, and other expenses incurred during such training with the exception of the labour expenses associated with such instruction conducted by Franchisor.
- (b) If any Franchisee, Principal, or proposed [General mManager](#) fails to complete the Initial Training Program to the Franchisor's satisfaction, the Franchisor shall notify the Franchisee and the Franchisee may select and enroll a substitute [General mManager](#) in such training program. If the Franchisor provides training (subject to reasonable limitations prescribed by the Franchisor as to frequency and time of such training programs) to any new [General mManager](#) after the launch of the Franchised Business, the Franchisee shall pay to the Franchisor the Franchisor's then-current re-training fee, which currently is Five Hundred Dollars (\$500) per day. The Franchisee shall pay all travel, transportation, lodging, and other expenses incurred by the Franchisee and its other attendees while attending all training courses.
- (c) If the Franchisee, its Principal, or its [General mManager](#) fails to complete the initial training program to Franchisor's satisfaction, Franchisor shall have the option to immediately terminate this Agreement. Upon such termination of this Agreement, the parties shall deliver to each other such releases and other documents as may be required to fully terminate all agreements between the parties in respect of the subject matter of this Agreement. Notwithstanding the foregoing sentence, such releases shall not release any of those rights and obligations which cannot be released at law. In the event of such termination, Franchisor shall refund the Initial Franchise Fee within seven (7) days after the effective date of termination less reasonable costs, including without limitation, costs for expenses reasonably incurred by Franchisor in connection with the granting of the

rendered during the course of such events or training. The Franchisee shall ensure that its designated employees attend any mandatory training or educational events and successfully complete such programs as required by the Franchisor from time to time.

11.3 Cost

Except as expressly provided herein or in any other agreement, the cost of the services provided by Franchisor pursuant to the foregoing Section shall be additional to the continuing Royalty Fee and other amounts payable by the Franchisee hereto. The current hourly fee for such additional training if by telephone is One Hundred Dollars (\$100) per hour. The current daily fee is Five Hundred Dollars (\$500) and the current daily fee if such services are conducted by Shawn Allard is One Thousand Dollars (\$1,000).

11.4 Invoice and Payment Services

Franchisor will invoice and collect fees and other amounts owed by your customers through the Franchisor's website. The Franchisee may not directly bill or invoice its customers for any goods or services sold in connection with the Franchised Business except as Franchisor specifically approve or require (at this time Franchisor does not bill or collect any revenues from any event sponsors although it may do so in the future). The Franchisee agrees to instruct its customers regarding the use of Franchisor's website to register for programs and submit payments. If we permit you to collect sponsorship fees in connection with programs or events offered through the Franchised Business, all sponsors must pay sponsorship fees directly to Franchisor. The Franchisee may not directly collect any sponsorship fees from a sponsor. Franchisor has no liability or responsibility for non-payment by your customers or sponsors and the Franchisee agrees to take all reasonably necessary steps we request in order to collect amounts owed from your customers and sponsors. Franchisor may deduct from the revenues it collects on the Franchisee's behalf any and all costs incurred by Franchisor in connection with collecting funds from your customer and sponsors (for example merchant processing fees or interest charges). All of these costs are pass-through costs and we do not retain any portion. If any customer of the Franchisee desires to pay fees on a monthly basis, the Franchisee will incur a Five Percent (5%) additional administrative fee of the amount the Franchisee's customer pays overtime, which amount will be paid to, or retained by, Franchisor as consideration for setting up this payment plan.

ARTICLE 12 OBLIGATIONS OF THE FRANCHISEE AND PRINCIPAL

12.1 Obligations

The Franchisee acknowledges that maintaining quality standards and uniformity of the Goods and Services sold under the Franchise System is essential to maintain and expand goodwill and to ensure the success of the Franchise System, for the benefit of the Franchisor, the Franchisee, and all other Perfect Skating Units. Consequently, ~~the Franchisee~~ and each individual who owns an interest in your corporation or limited liability company (each a "Principal" and collectively the "Principals")) undertakes:

- (a) to operate the Franchised Business dedicated to the development of hockey players in accordance with the Manual and not to engage in any other type of business or activity;
- (b) to operate the Franchised Business under the trade name "Perfect Skating" or any other name designated by Franchisor, and under no other name;
- (c) to bear all costs related to equipping the Franchised Business for operation;

- (d) to ensure that the Franchised Business is at all times under the direct on-premises supervision of a General mManager, the Principal, or a trained and competent employee of the Franchisee approved by the Franchisor;
- (e) to operate the Franchised Business at all times with diligence and efficiency in an up-to-date and reputable manner;
- (f) to operate the Franchised Business during such days, nights and hours as may be designated by Franchisor from time to time;
- (g) to hire and maintain an adequate and competent staff, including accredited instructors, to properly serve all customers and so as to produce maximum sales having regard to the Franchisee's concern at making a profit;
- (h) to purchase, install, and maintain a computer system and payment processing terminal that meets the functional requirements for utilizing the software and cloud-based services we require (the "Computer System"). Our specific requirements for computer systems, payment processing terminals, software and cloud-based services are included in the Manual which may be updated and/or upgraded upon written notice to you.
- (i) to ensure that all full-time and part time employees and all instructors receive training and accreditation from Franchisor, and that Franchisor is paid for its costs in relation thereto;
- (j) to cause all staff to maintain a clean-cut and neat appearance;
- (k) to comply with the requirements of all Employment Insurance, Workers' Compensation, hospitalization or other legislation, rules or regulations respecting employees and employee benefits whether now or hereinafter enacted and to make all contributions that may be required or demanded under or by virtue of any such legislation, rules, or regulations;
- (l) to attend training courses conducted by Franchisor from time to time as Franchisor may from time to time reasonably prescribe;
- (m) to comply with all federal, state, municipal or other governmental laws, statutes and by-laws, regulations, and rules, applicable to the Franchised Business;
- (n) to operate the Franchised Business in strict compliance with the standards, policies, rules, and regulations of Franchisor;
- (o) to conduct the Franchised Business using the Marks as required herein;
- (p) to participate in such annual and special sales promotions of Goods and Services (and any other materials requested by Franchisor) as Franchisor in its sole discretion shall from time to time require;
- (q) to use such promotional signage, lettering, pictures or decorations and other sales or promotional advertising materials or articles as Franchisor shall from time to time require;
- (r) to maintain the equipment in a clean orderly and sanitary condition and to keep the equipment and in good repair;

ARTICLE 13 INSURANCE

13.1 Types of Insurance

The Franchisee shall, at its sole cost and expense, take out and keep in full force and effect throughout the Initial Term and any renewal thereof, such insurance coverage as may be required pursuant to any lease for premises to which the Franchisee is a party, and as the Franchisor may from time to time require and on such terms and in such amounts as the Franchisor may from time to time require (including, without limitation, the insurance coverages listed below) in the amounts, fully protecting the Franchisor and the Franchisee against loss or damage occurring in connection with the Franchised Business. All costs in connection with the placing and maintaining of such insurance shall be borne solely by the Franchisee.

- (a) Commercial General Liability Insurance in the minimum amount of Three Million Dollars (\$3,000,000) per occurrence insuring bodily injury, personal injury, and property damage with respect to product liability, premises liability, non-owned automobile liability, and employers' liability. Such policy shall include a cross liability/severability of interests clause and shall name the Franchisor as an additional insured with respect to the actions and operations of the Franchisee. Defence costs under such policy shall apply in addition to the limits of liability. Such insurance shall apply on a primary basis.
- (b) All Risks Property Insurance including flood, earthquake, windstorm, and sewer back up, insuring the full replacement value of all property owned or leased or the responsibility of the Franchisee to insure including buildings (if applicable), leasehold improvements, equipment, plate glass, signs, and stock. The policy shall add landlords and the Franchisor as additional insureds and loss payees as their respective interests may appear.
- (c) Automobile insurance in the minimum amount of One Million Dollars (\$1,000,000) per occurrence on any vehicles owned or leased by the Franchisee;
- (d) Crime Insurance in the minimum amount of Fifty Thousand Dollars (\$50,000) insuring robbery, burglary, and employee dishonesty; and
- (e) Workers' Compensation Insurance as required by law; ~~and~~.

13.2 Policies of Insurance

All policies of insurance obtained pursuant to this Section shall:

- (a) be placed only with insurers designated or reasonably acceptable to the Franchisor;
- (b) be in such form and amounts as is acceptable to the Franchisor;
- (c) contain a clause that the insurer will not cancel, materially change, or refuse to renew the insurance without first giving to the Franchisor thirty (30) days' prior written notice;
- (d) be renewable at times specified by Franchisor; and
- (e) name Franchisor as an additional named insured.

“D” to this Agreement. Franchisee shall not be released of any claims or from the ongoing covenants and obligations of Franchisee under and pursuant to this Agreement as a result of any such assignment and transfer.

16.4 Shareholders, Directors, Officers

If Franchisee is a corporation, partnership or other entity, the shareholders, directors, members, owners, and officers of the Franchisee shall at all times be the persons identified in SCHEDULE “D” to this Agreement. If the shareholders of the Franchisee include a corporation, partnership or other entity, the shareholders, directors, and officers of such entity shall at all times be the persons identified in SCHEDULE “D” to this Agreement.

16.5 Transfer of Shares of Corporate Franchisee

If Franchisee is a corporation, partnership or other entity, a transfer, reacquisition, cancellation, alteration or issuance of shares, or partnership or other interests, or any other transaction or series of transactions involving the same shall constitute a transfer for the purposes of this Agreement.

16.6 Death or Incapacity of Franchisee

In the event of the death or permanent incapacity or disability of the Principal then the Principal or the Principal’s estate (as applicable) shall have the right to transfer this Agreement within one hundred twenty (120) days subject to provisions of Section 16.2 and the remaining provisions of this Article. If this Agreement is not transferred within such one hundred twenty (120) days, the Franchisor shall appoint a full-time General mManager for the Franchised Business. The Franchisee, the Principal, and/or the Principal’s estate hereby consent to the Franchisor’s right to make such appointment and hereby agree to pay all expenses related to such appointment including without limitation the full-time General mManager’s salary and reasonable expenses. For the purposes of this Agreement, “**permanent incapacity or disability**” shall mean the inability to attend to the day-to-day business operations of the Franchised Business for a material part of the normal working day for a period of three (3) months or more as determined by the Franchisor, acting reasonably. In the event of any such death or permanent incapacity or disability, Franchisor shall provide whatever assistance it reasonably can to the Principal or the Principal’s estate or heirs to find a suitable buyer for the Franchised Business.

16.7 Effect of Seizure or Insolvency

In the event of the termination of this Agreement for any reason, no assignee for the benefit of creditors, receiver, receiver-manager, trustee in bankruptcy, liquidator, sheriff, bailiff, or other officer of the Court or official charged with taking over custody of Franchisee’s assets or business shall have any right to assume and continue to perform under this Agreement.

16.8 Option to Purchase

Without in any way derogating from Franchisor’s right to reject a proposed transfer pursuant to the Section 16.2, if at any time or times during the Initial Term or any renewal term hereunder the Franchisee obtains a bona fide offer (the “**Offer**”) to acquire the whole or any part of his interest in the Franchised Business, which the Franchisee wishes to accept, the Franchisee shall promptly give notice thereof to Franchisor together with a true copy of the Offer. Upon receipt of such Offer and notice, Franchisor shall have the option of purchasing the property forming the subject matter thereof upon the same terms and conditions except:

Principal, agent, shareholder or in any other manner whatsoever carry on, be engaged in or be concerned with or interested in or advise, lend money to, guarantee the debts or obligations of, or permit his name or any part thereof to be used or employed by any person interested in the development, operation, franchising or management of any hockey player development business.

19.4 Interference with Employment Relations of Others

During the Initial Term and any renewal term and for a period of two (2) years thereafter, the Franchisee nor any officer, director or shareholder of the Franchisee including the Principal shall:

- (a) attempt to obtain any unfair advantage over any other franchisee, Franchisor, or any Affiliate thereof by soliciting for employment any person who is, at the time of such solicitation, employed by such other franchisee, Franchisor, or such Affiliate, nor shall they directly or indirectly induce any such person to leave his employment; or
- (b) divert or attempt to divert any business of, or any customers of, the Franchised Business to any other competitive establishment, by direct or indirect inducement or otherwise.

19.5 Waiver of Defences

The Franchisee and Principal agree that the restrictions contained in this Article are reasonable in order to protect the legitimate business interests of Franchisor and all defences to the strict enforcement of such restrictions by Franchisor and Principal are waived.

[enter into an agreement not to compete](#)

ARTICLE 20 GENERAL

20.1 Notices

All notices, consents, approvals, statements, authorizations, documents, or other communications required or permitted to be given hereunder shall be in writing and shall be delivered personally or mailed by registered mail, postage prepaid, or sent by fax or delivered by courier to the said parties at their addresses set forth hereunder, namely:

- (a) to Franchisor at:

2451 Riverside Drive
Ottawa, ON K1H 7X7
Attention: Shawn Allard

- (b) to the Franchisee or Principal at:

●
Attention: ●

Any party may at any time change its address to which such documentation is to be given by notice in writing given to the other parties as provided herein. All notices given as aforesaid shall, if mailed, be deemed to have been given on the third business day following such mailing or, if personally delivered, shall be deemed to have been given on the date delivered or, if faxed, shall be deemed to be given on the business day of transmittal and, if that is not a business day, on the following business day.

SCHEDULE “B” – MARKS

UNITED STATES MARKS

Trademark	Serial No.	Status	Goods/Services	Current Owner	Current Owner
<p>PERFECT SKATING</p>	<p>97290041</p>	<p>Pending</p>	<p>Clothing, namely, shirts, t-shirts, long sleeve t-shirts, shorts, sweatshirts, sweatpants, jackets, gloves, sports jerseys, scarves, hats, and caps</p> <p>Hockey instruction services; educational and instructional services in the field of hockey and ice skating; educational and instructional services in the field of hockey skill development; hockey coaching services; providing group hockey lessons, hockey clinics, hockey mentoring, hockey consultation services; consulting services in the field of personal fitness; fitness evaluation and consultation services; operation of hockey camps; providing strength training and physical conditioning programs</p>	<p>Perfect Skating, Inc.</p>	
 <p>PERFECT SKATING</p>	<p>97290034</p>	<p>Pending</p>	<p>Clothing, namely, shirts, t-shirts, long sleeve t-shirts, shorts, sweatshirts, sweatpants, jackets, gloves, sports jerseys, scarves, hats, and caps</p> <p>Hockey instruction services; educational and instructional services in the field of hockey and ice skating; educational and instructional services in the field of hockey skill development; hockey coaching services; providing group hockey lessons, hockey clinics, hockey mentoring, hockey consultation services; consulting services in the field of personal fitness; fitness evaluation and consultation services; operation of hockey camps; providing strength training and physical conditioning programs</p>	<p>Perfect Skating, Inc.</p>	

Until all of Franchisee's obligations to Franchisor have been satisfied and discharged in full, Guarantor waives any right of subrogation against Franchisee. Guarantor waives any right it may have to enforce any remedies that Franchisor may now have against Franchisee or may have at a later time. Guarantor further waives all presentments, protests, demands of any type, notices of any type, including notices of protest, notices of dishonour, and notices of acceptance of this Guarantee. Guarantor waives the foregoing as to present and/or future obligations and specifically waives any and all notices of the existence, creation, or incurrence of any new or additional obligations of Franchisee to Franchisor.

If Franchisor is required, in its discretion, to enforce Guarantor's obligations under this Guarantee by legal proceedings, and/or by the employment of a lawyer or legal representative, or is required to take any other or additional collection or other action to enforce its rights hereunder, Guarantor agrees to pay to Franchisor all costs incurred by Franchisor in such proceedings, action and/or employment, including court costs, costs of suit, and legal fees on a substantial indemnity basis.

This Guarantee shall be binding upon Guarantor, and each and all of them, if more than one (1), and upon his, her, its or their successors, representatives, and assigns.

Executed on _____.

Signature

Franchisees who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year; or that have not communicated with the franchisor within 10 weeks of the disclosure document issuance date.

Name of Franchisee	Location of Franchise	Last known Address of Franchisee	Last known Telephone Number of Franchisee
NONE			

Franchises who have signed but have not yet opened

<u>Name of Franchisee</u>	<u>Location of Franchise</u>	<u>Last known Address of Franchisee</u>	<u>Last known Telephone Number of Franchisee</u>
<u>NONE</u>			

**EXHIBIT F
FRANCHISEE DISCLOSURE QUESTIONNAIRE**

This Questionnaire does not apply to franchises 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 the Questionnaire if you intend to operate the franchised business in the State of California.

Maryland franchisees are not to sign the Questionnaire if they are a resident of Maryland or the business is to be operated in Maryland. [The Questionnaire does not apply to Maryland franchisees and Maryland franchisees should not complete, sign or respond to any of the questions contained in the Questionnaire.](#)

Do not sign this questionnaire if you are a resident of the state of Washington or if the business is to be operated in the state of Washington.

Perfect Skating Franchising U.S. Inc. (the “**Franchisor**”) and you are preparing to enter into a Franchise Agreement and ancillary agreements of the operation of a Perfect Skating franchise (the “**Franchised Business**”). The purpose of this Questionnaire is to determine whether you have read and understood all agreements you are about to sign and whether any statements or promises were made to you that Franchisor has not authorized and that may be untrue, inaccurate, or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed each and every page of the Disclosure Document, Franchise Agreement and each schedule attached to them (the “**Documents**”)?

Yes _____ No _____

2. Do you understand all of the information contained in the Documents, and your rights and obligations described in the Documents?

Yes _____ No _____

If no, what parts of the Documents do you not understand? (attach additional pages, if necessary).

3. Which representative(s) have you been dealing with?

4. Have you discussed the benefits and risks of operating the Franchised Business with a lawyer, or other professional advisors?

Yes _____ No _____

If you answered yes to Question Number 5, please provide the following information:

Lawyer’s Name and Address (including postal code):

The Franchise Agreement requires mediation. The mediation will occur at the office of the American Arbitration Association Office closest to our principal executive offices. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

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.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov.

REQUIRED BY THE STATE OF ILLINOIS

The Illinois ~~requires the following additional risk factor:~~

attorney General's Office has imposed the Deferral of Initial Franchise (and Development) Fees until franchisor has satisfied its pre-opening obligations to franchisee and the franchisee has commenced business operations (Section 200.508 of the Rules). This deferral requirement is due to Franchisor's financial condition. ~~"Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement, even if your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails."~~

Item 17 of this disclosure document is supplemented by the addition of the following paragraphs at the end of the chart:

State Law

Your rights upon Termination and Non-Renewal of an agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

The Illinois Franchise Disclosure Act will govern any Franchise Agreement if it applies to a subfranchise located in Illinois.

Any condition in the Franchise Agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action that otherwise is enforceable in Illinois, provided that the Franchise Agreement may provide for mediation in a forum outside of Illinois.

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

Illinois law governs the Franchise Agreement(s).

REQUIRED BY THE STATE OF INDIANA

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

Indiana law makes unilateral termination of your franchise unlawful unless there is a material violation of the Franchise Agreement and the termination is not done in bad faith.

If Indiana law requires the Franchise Agreement and all related documents to be governed by Indiana law, then nothing in the Franchise Agreement or related documents referring to Arizona law will abrogate or reduce any of your rights as provided for under Indiana law.

Indiana law prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.

Although the Franchise Agreement requires mediation to be held at the office of the American Arbitration Association closest to our principal executive offices, mediation held pursuant to the Franchise Agreement must take place in Indiana if you so request. If you choose Indiana, we have the right to select the location in Indiana.

REQUIRED BY THE STATE OF MARYLAND

~~The FDD is amended as follows:~~

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

The following is added to Item 17:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years of the grant of the franchise.

Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

No statement, questionnaire, or acknowledgment 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.

REQUIRED BY THE STATE OF MICHIGAN

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise

transfer its obligations to fulfill contractual obligations to the franchisee unless a provision has been made for providing the required contractual services.

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Attorney General's Department for the State of Michigan, Consumer Protection Division, Franchise Section, 670 Law Building, 525 W. Ottawa Street, Lansing, Michigan 48913, (517) 373-7117.

REQUIRED BY THE STATE OF MINNESOTA

We will protect your right to use the Marks and/or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.

Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release. Any release you sign as a condition of renewal or transfer will not apply to any claims you may have under the Minnesota Franchise Law.

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C. 14, subds, 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice in advance of termination (with 60 days to cure) and 180 days' notice in advance of nonrenewal of the Franchise Agreement.

Minn. Stat. § 80C.17, Subd. 5, states that no civil action pertaining to a violation of a franchise rule or statute can be commenced more than three years after the cause of action accrues

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in this Disclosure Document or the Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Under Minnesota law, we cannot require you to consent to injunction relief; however, we may seek injunctive relief from the Court.

Minn. Rule Part 2860.4400J prohibits us from requiring you to waive your rights to a jury trial or waive your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes.

No statement, questionnaire, or acknowledgment 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.

**ADDENDUM TO FRANCHISE AGREEMENT
REQUIRED FOR CALIFORNIA FRANCHISEES**

No statement, questionnaire, or acknowledgment 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 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.

Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner.

IN WITNESS WHEREOF, the Parties have executed this Addendum to Franchise Agreement as of _____.

PERFECT SKATING FRANCHISING U.S. INC. FRANCHISEE

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

**ADDENDUM TO FRANCHISE AGREEMENT
REQUIRED FOR ILLINOIS FRANCHISEES**

The Illinois attorney General's Office has imposed the Deferral of Initial Franchise (and Development) Fees until franchisor has satisfied its pre-opening obligations to franchisee and the franchisee has commenced business operations (Section 200.508 of the Rules). This deferral requirement is due to Franchisor's financial condition. Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal of an agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with sSection 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the Parties have executed this Addendum to Franchise Agreement as of _____.

PERFECT SKATING FRANCHISING U.S. INC. FRANCHISEE

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

ADDENDUM TO FRANCHISE AGREEMENT REQUIRED FOR MARYLAND FRANCHISEES

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to you was made in the State of Maryland; (B) you are a resident of the State of Maryland; (C) part or all of the Protected Territory is located in the State of Maryland; and/or (D) the franchise will be located or operated in the State of Maryland.

The following sentence is added to the end of Sections 1.6, 16 and 17

Nothing in the agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.

The provision in the franchise agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.)

The following sentences are added to the end of Sections **Error! Reference source not found.** and **Error! Reference source not found.**: 1.6

Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

The following sentence is added to the end of Section **Error! Reference source not found.**1.5:

Notwithstanding the foregoing, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

The following sentence is added to the end of Section **Error! Reference source not found.**1.5:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

Section **Error! Reference source not found.**18 of the Franchise Agreement is deleted in its entirety.

Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Franchise Agreement.

Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its rights to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this form selection requirement is legally enforceable.

No statement, questionnaire, or acknowledgment 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

**ADDENDUM TO FRANCHISE AGREEMENT
REQUIRED FOR MINNESOTA FRANCHISEES**

This Addendum to Franchise Agreement dated _____ (“Franchise Agreement”) between _____ and _____ (“You”) is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to you was made in the State of Minnesota; (B) you are a resident of the State of Minnesota; and/or (C) the franchise will be located or operated in the State of Minnesota.

2. The following sentence is added to the end of Section ~~Error! Reference source not found.~~17:

Notwithstanding the foregoing, you will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

3. The following sentence is added to the end of Section ~~Error! Reference source not found.~~4.2:

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute § 80C.14, Subdivision 3, 4, and 5 which requires, except in certain cases, that a franchisee be given 180 days’ notice for non-renewal of the Franchise Agreement.

4. The following sentence is added to the end of Section ~~Error! Reference source not found.~~13.2:

Notwithstanding the foregoing, we will indemnify you against liability to a third party resulting from claims that your use of a Mark infringes trademark rights of a third party; provided that we will not indemnify against the consequences of your use of the Marks unless the use is in accordance with the requirements of this Agreement and the System.

5. The following sentence is added as Sections 1.7 and Section ~~Error! Reference source not found.~~4:

(D) With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute §80C.14, Subdivision 3, 4, and 5 which requires, except in certain cases, that you be given 90 days’ notice of termination (with 60 days to cure) of the Franchise Agreement.

6. ~~The following sentences are added to the end of Sections ~~Error! Reference source not found.~~-~~Error! Reference source not found.~~:~~

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

7. ~~The second sentence of Section ~~Error! Reference source not found.~~ is deleted and replaced with the following sentence:~~

You and we waive, to the fullest extent permitted by law, the right to bring, or be a class member in, any class action suits.

8. ~~The second sentence of Section Error! Reference source not found.~~ is deleted and replaced with the following sentence:

Therefore, you agree that, in the event of a default or threatened default of any of the terms of this Agreement by you, we are entitled to seek injunctive relief (both preliminary and permanent) restraining that default and/or to specific performance. A court will determine if a bond or security must be posted.

9. Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Franchise Agreement.

10. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

11. No statement, questionnaire, or acknowledgment 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.

IN WITNESS WHEREOF, the Parties have executed this Addendum to Franchise Agreement as of _____.

PERFECT SKATING FRANCHISING U.S. INC. FRANCHISEE

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

EXHIBIT I

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	5/28/2025
Illinois	Pending
Indiana	4/2/2025
Maryland	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	4/8/2025
Virginia	Pending
Washington	Pending
Wisconsin	4/1/2025

Other states may require registration, filing or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.